



Corning | Mount Ayr | Stanton

# Southwest lines

A monthly publication for members of Southwest Iowa Rural Electric Cooperative

April 2022

## Werner Achieves Credential in Today's Electric Utility Competencies

**M**arilyn Werner, Board President of Southwest Iowa REC, recently received the Board Leadership certificate from the National Rural Electric Cooperative Association (NRECA).

An ever-changing business environment has imposed new demands on electric cooperative directors, requiring increased knowledge of changes in the electric utility business, new governance skills and a solid knowledge of the cooperative principles and business model. Southwest Iowa REC is committed to increasing this body of knowledge for the benefit of its consumer-owners.

The NRECA Board Leadership Certificate (BLC) recognizes individuals who continue their professional development after becoming a Credentialed Cooperative Director (CCD). Directors who have attained the BLC have completed 10 credits in advanced, issues-oriented courses.



*Pictured is Southwest Iowa REC CEO Phil Kinser presenting Board President Marilyn Werner with her Board Leadership Certificate.*

## Administrative Professionals Day is April 27<sup>th</sup> THANKS TO OUR ADMINISTRATIVE PROFESSIONALS!



Cacey Quick



Sarah Newton



Suzy Olson



Kylee Fleharty



Marilyn Rubel



Denise Hallquist

## SUMMER



**S**outhwest Iowa REC is looking for summer help to assist our line crews in Corning, Mount Ayr, and Stanton. If interested, please stop in or call to request an application. The applicant must be at least 18 years old. The job is only for the summer months of 2022. For more information – please call (888)220-4869 and press option #1 for Corning, option #2 for Mount Ayr, or option #3 for Stanton.

CEO's COMMENTS:

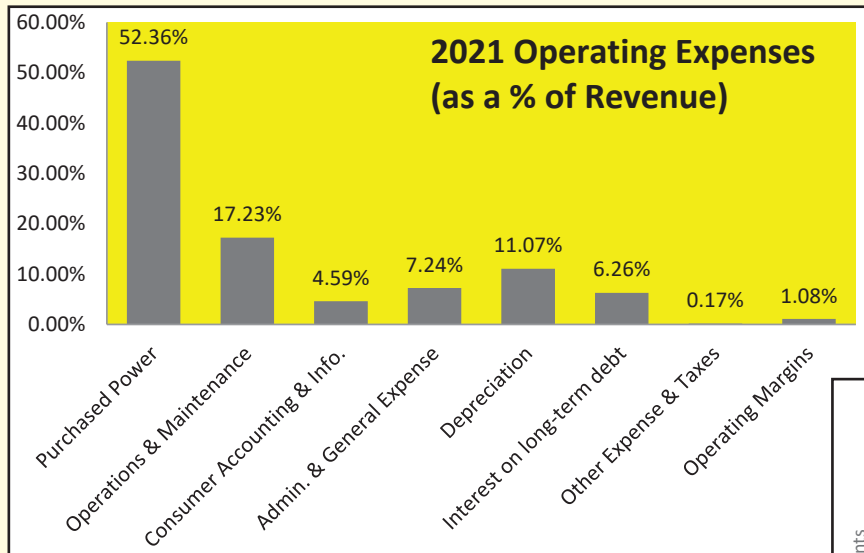
# Cooperative Audit Completed for 2021

Power Costs Steady - No Electric Price Increase Projected in 2022 Operating Budget – Supply Chain Issues - Inflation

The annual, independent financial audit of your cooperative's 2021 financial records was recently completed by the firm Eide Bailly LLP resulting in a clean, favorable audit opinion. The financial performance of your Cooperative in 2021 was very good and we were able to exceed all of the requirements placed upon us by our lenders even though kilowatt-hour sales were 4.77% below budget and 2.33% less than 2020. Operating costs were \$75,688 below budget (excluding purchased power) and operating margins exceeded budget by \$13,151. Member equity improved from 44.33% in 2020 to 45.38% at the end of 2021 and \$385,203 of member patronage capital was refunded during the year. The following chart shows where the money we collected from you was spent in 2021:

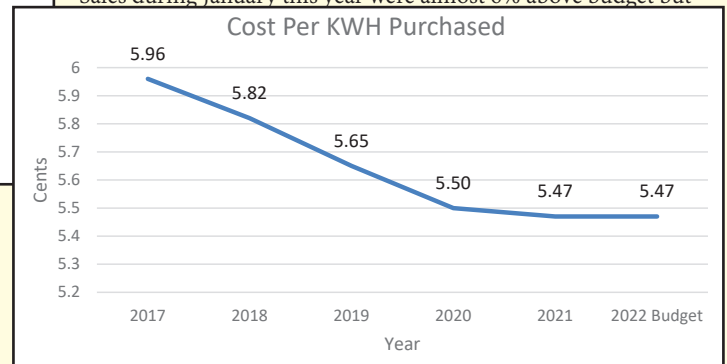


Phil Kinser



The Operating Budget for 2022 does not include any increase in the base price you pay for your electricity. The cost of wholesale power we purchase from Central Iowa Power Cooperative (CIPCO) is also projected to be similar to 2021 so the Power Cost Adjustment (PCA) portion of your monthly electric bill should reflect that as well. In 2021, the average PCA applied (excluding electric heat sales) was (\$.00957) per kilo-watt hour resulting in member electric bill credits of \$826,233 which helped to lower your overall cost of electricity. The following chart shows the downward and recent leveling off in the cost of purchased power from 2017-2021 and the budgeted cost for 2022.

Sales during January this year were almost 6% above budget but



February was slightly below budget. Weather, hot or cold, is the most significant variable affecting energy use for the majority of our member-owners. Our line crews have been concentrating on vegetation management (tree trimming and removal), finishing construction projects started in 2021, line inspection and maintenance, mapping updates, and preparing material orders for new construction projects.

The 2022 Operating Budget includes \$3.1 million in electric system upgrades and improvements to be completed by our line crews. These upgrades and improvements are part of our 2021-2024 Construction Work Plan. We have also budgeted \$2.1 million for ongoing operations and maintenance programs including vegetation management, pole inspection, transformer and breaker maintenance, general line maintenance and security light maintenance. All of our programs are designed to continue to provide you with safe and reliable electric service.

Like most other businesses, we are experiencing supply chain issues and the cost of materials we purchase has risen significantly. Fleet purchases for digger derricks and basket trucks are now taking over two years once an order is placed and fuel costs are considerably higher. Planning for line construction projects and member line extension/upgrades has become more difficult with extended time frames. If you anticipate needing a line extension or service upgrade, please involve us early in the process so we can discuss a realistic timetable to meet your needs.

The Cooperative's ten-year financial forecast model was updated in December 2021. With all of the information available to us at that time, we project a price increase being needed in the 2024-2025 timeframe or possibly sooner if inflationary pressures persist. We are scheduled to complete a cost-of-service study in early 2023. Once the results of that study are known, we will communicate any plans we have for restructured rates and/or increased prices that you pay for your electricity. Our forecast is updated annually so we can refine our projections due to current conditions.

Electricity remains a good value and I am proud of the entire team at Southwest Iowa REC for doing their part to provide exceptional service to our members while working to keep costs in check. Although current conditions are challenging, we will continue to do our best to support our members now and in the future.



## Help us Find these Former Members

We are looking for the following former members of the cooperative. These members have patronage checks at our offices. If the member is deceased, we would like to have a family member contact us with estate information so we can refund their patronage. Last month, we showed names listed A-J (by last name) and this month we will show K-Z (by last name). These members have patronage checks at our offices. If the member is deceased, we would like to have a family member contact us with estate information so we can refund their patronage. **Thank you for your help.**

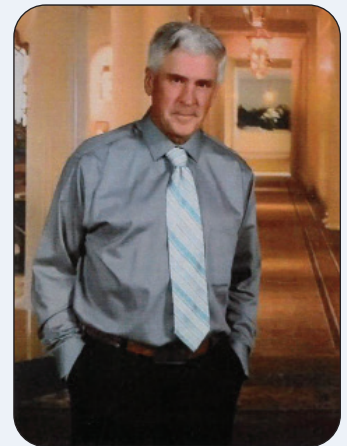
Karas, Arnold	Marckmann, Minnie	Northup, Joe	Reasoner, Darlene	Short, Rusty R	Ulmer, Charles L
Karwal, Kittie & Bill	Marn, Larry	Northway, Ivan L	Redwine, Steven	Siefer, Martha	Valdivia, Alleyne
Kasal, Gerald	Marshall, Waldine J	Novak, Tony	Reed, Tyler	Smith, Charles	Vanbuskirk, Chester
Katz, Jack	Martens Family Trust	Novy, John	Reed, Verna	Smith, Courtland	Vanderjagt, Diana
Keith, Francis	Mast, Eli	Oathoudt, Shelbi	Reents, Jason L	Smith, George	Vanik, Joe & Verna
Keller, David	Mc Kern, Jack	Oppenheimer, Katharine G	Reichardt, Betsy	Smith, Jeremy	Vertrees, George
Keller, Gerald	Mccampbell, Elaine	O'Riley, James	Reineke, Don	Smith, Norm	Wade, John R
Kirkpatrick, Aubrey	Mcclain, David	Ormiston, Tam	Reisman, Ken	Smith, Pat	Wakenight, James
Klimek, Debra	McCoy, Ralph	Osborn, Robert G	Renninger, Tyrone	Snider, Scott	Walker, Eva C
Kluck, Callie	Mcdaniel, Melba	Oshel, Linda	Resh, Hazel	Snyder, Kimberly D	Walker, Stuart
Knoebel, Paul	McDowell, Karen	Otte, Nola	Retland, Lars	Soden, Kirk D	Wallace, Nancy S
Knott, Leonard	Mcdowell, Peggy	Pace, Connie	Reynolds, Luella	Sorensen, Max	Waltermeyer, John
Knudson, Ruth	McEndree, Nellie & Vern	Parker, Frank	Rice, Clinton	South, Howard	Walters Homes LTD
Koenig, Karla	Mcfarland, Jay	Parker, John	Richards, Greg	Spangler, Steven L	Waltman, Kenneth
Krause, Adam	Mclead, Carrie	Parsons, TJ	Richey, Gary J	Springer, Jeff	Watts, Steve
La Fon, James	Mcquerrey, James M	Patch, David	Richman, Jessica	Stacy, Dacee	Weatherman, David
Lamaak, Shane	Mercer, Dave	Pauley, Lloyd	Ringberg, Marvin	Steffen, Richard	Weaver, Kim
Lamoni Livestock Sales	Miller, Chas. A	Peel, Tara & Jeffrey	Risser, Gayland	Stender, Amber	Weaver, Megan & Brady
Landsness, Laurie	Miller, John	Peiffer, Linda	Robinson, Priya	Stewart, Wilma	Weehler, Randy
Lappe, Gerald	Miller, Lou Ann	Pellman, Susan R	Rogers, Wilma C	Stogdill, Dawn M	Weigel, Paul
Larson, Roger	Miller, Margaret	Penfold, Marvin	Rose, Betty	Stuart, John	Westberg, Dwight L
Larson, Sylvester W	Miller, Scott	Perrin, Larry	Rose, Jim	Sullivan, Ed	Wheeler, John
Lee, Ernest	Mitchell, Duane	Peterson, Alan	Royal Bucks Ranch LLC	Sun Best Foods Inc	White, Ed
Leppek, Rebecca L	Morales, Rudy	Peterson, Alan & Dorine	Ruch, Leroy & Wava	Sunderman, Dwight	Wiese, Jerry
Lewis, Robert	Morris, Vilas & Patty	Pino, Lorin	Ruefer, Don	Swanger, Maxine	Wildbird Ridge Inc.
Lichthardt, John	Morrison, Meredith	Pirtle, Corey A	Sales, Earl	Swine USA	Wise, Brent & Kristen
Lillie, Beverly A	Mullen, Gene L	Pitkin, Bernadine	Scanlan, Bill	Taylor, James	Wise, Earnest D
Linn, Martha	Mullen, Steve	Pitt, Marion & Norma	Scarpello, Sam & Carole	Taylor, John E	Wise, Ernest & Sharon
Livestock USA	Murphy, Flavel	Pitts, Lori D	Scheilzwood, Janet	Thompson, Jon	Wolfe, David
Lodge, Sportsman	Murphy, Jeni	Potts, Patrick G	Schlapia, Jason	Thompson, Ray	Woodhull, Ginger
Loudon, Barbara	Naylor, Gary	Poush, C.R.	Schmidt, Rodney	Thompson, Richard	Woods, Chad
Lowry, Michele	Nelson, Curtis B	Powers Jr, Fred	Schuster, Billy D	Tilley, Dennis	Woollums, Travis
Lunyou, Frances	Nelson, Kevin	Powers, Scott L	Schwerdt, Shawn D	Toney, Roy	Worldcom, Mci
Maass, Melanie	Nelson, Scott	Price II, Richard	Scott, Wm	Trenkle, Mike	Yearington, Jeff
Madison, Robert	Nielsen, Niel S	Puckett, John	Sego, Linda	Truckenmiller, Dan	Youmans, Dave
Manning, Jack	Nims, Ron	Rainey, Audie	Sheil, Michael	Trullinger, Cynthia	Zeran, Viola
Marcellus, Bud	Nims, Ron & Virginia	Rauch, Don	Sherman, E B	Tutor, Darrin	Zimmerman, Cheryl
Marckmann, John	Nippert, Duane	Ray, Lanna & Adam	Shields, Billy	Tutor, Elaine	

## In Remembrance – Fred Hossle

Fred Hossle, age 64, of Red Oak, Iowa, passed away Sunday, March 13, 2022 at the University of Nebraska Medical Center in Omaha, Nebraska.

Fred was elected to serve on the REC Board of Directors in September 2019. Fred helped guide and direct us through the many changes we have encountered in our industry the last two and one-half years. Farming and spending time with family were Fred's passions but he was also passionate about serving others as shown by his active involvement on the REC Board, Montgomery County Fair Board, 4-H, Soil and Water Conservation Board and the Farmers Coop Board.

Fred will be missed by all who knew him and our prayers go out to his entire family at this difficult time.



*Fred A. Hossle*  
September 30, 1957 – March 13, 2022

## Energy Efficiency Tip of the Month

When streaming content, use the smallest device that makes sense for the number of people watching. Avoid streaming on game consoles, which use 10 times more power than streaming through a tablet or laptop.

Streaming content with electronic equipment that has earned the ENERGY STAR® rating will use 25% to 30% less energy than standard equipment.

Source: Dept. of Energy



## Easy Ham Balls

- 2 pounds ground ham loaf
- 2 cups fine breadcrumbs
- 2 eggs
- 1/2 cup milk (scant)
- 1/2 cup vinegar
- 1 1/2 cups brown sugar, packed
- 1/2 teaspoon dry mustard

Mix the meat, breadcrumbs, eggs and milk and form into balls. Place in a 9 x 13-inch baking dish. Bake at 350 degrees for 30 minutes. While ham balls are baking, mix together remaining ingredients and pour over the ham balls. Bake 30 minutes more.



## Burning ditches – watch REC property

It's that time of year when many of you may be burning off the weeds, grass, etc in your ditches.



### UNDERGROUND

#### PROS

- Not vulnerable to damage from tree branches
- Does not interfere with views
- No right of way (tree trimming) required
- Less susceptible to damage from vehicle collisions
- Not impacted by wind, ice and snow
- Less vulnerable to blinks when animals and branches contact lines

#### CONS

- More expensive to build
- Susceptible to flooding
- Difficult to locate faults
- Expensive to repair
- Fed by overhead lines at some point, making the lines vulnerable to outages and interruptions
- Limitations on voltages that can be buried underground
- Can be vulnerable to dig-ins

This burning helps clean things up – but it can also cause problems if a fire is allowed to burn around Southwest Iowa REC poles, anchors, guy assemblies, underground cabinets, etc.

Burning close to Southwest Iowa REC property can not only cause a lot of damage, but it can also be dangerous and cause future electric service problems. Any member involved may be invoiced for damage they cause to REC property.

To avoid damage to REC property, future service problems and danger to yourself and others –

**PLEASE be careful where you burn!**

### OVERHEAD & UNDERGROUND POWER LINES

THE PROS AND CONS

## OVERHEAD

#### PROS

- Lower cost
- Quicker construction
- Easier to spot damage and faults
- Less expensive to repair and upgrade
- Can be built in any terrain
- Any voltage can be placed overhead

#### CONS

- Susceptible to wind, ice and snow
- More vulnerable to damage from trees and vegetation, which requires right of way trimming
- Vulnerable to blinks when animals and branches contact lines
- Susceptible to damage from vehicle collisions
- Less attractive

2022 Energy Efficiency & Beneficial Electrification Program Delivery Costs = \$.0028/kwh



**Corning**  
1801 Grove Ave., Corning, IA 50841

**Mount Ayr**  
1502 W. South St., Mount Ayr, IA 50854

**Stanton**  
415 Broad Ave., Stanton, IA 51573

**Phone Number: (888) 220-4869**

#### Board of Directors

Marilyn Werner, President

Mark Herzberg, Vice President

Ken Peppmeier, Secretary

Kay Fast, Treasurer

Deena Moore

Dana Morgan

Jason Smith

Terry Barnes

Dale Walkup

Phil Kinser, CEO