

Southwest Lines

A monthly publication for members of Southwest Iowa Rural Electric Cooperative

April 2024

Help us Find these Former Members

We are looking for the following former members of the cooperative. This month, we will do K-Z, the full list is available on our website. 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

KATZ	JACK	MCDOWELL	CON	PLATT	MICHAEL R	SMITH	RUSTY
KEMERY	MARK	MCENDREE	NELLIE	PLATT	DANIEL J	SMITH	GREGORY W
KINSER	GARY	MEYER	JOYCE A	POUSH	C.R.	SMITH	NORM
KIRCHERT	ALAN D	MIKKELSEN	STEPHANIE	POWERS	SCOTT L	SNYDER	KIMBERLY D
KNEEDLER	JIM	MILLER	ANN	PRUITT	JEREMY J	STANISLAV	PHIL
KNOEBEL	PAUL	MORALES	RUDY	RAUCH	DON	STEELE	DONALD
KNOTT	LEONARD	MORETZ	KATHLEEN	REASONER	DARLENE	STEFFEN	RICHARD
KNUDSON	RUTH	MORRIS	ROBERT L	REINEKE	DON	STEPHENS	WILLIAM
KRAUTH	JENNIFER	MORRISON	DUSTIN R	RETLAND	LARS	STEPHENS	TIM
LA FON	JAMES	MORRISON	MEREDITH	REYNOLDS	LUELLA	STEPHENSON	CRAIG
LAMAAK	SHANE	MULLARKEY	BEN	RIDGEWAY	CURTIS	STEWART	WILMA
LANGENFELD	DALE	MULLEN	MATT	RILEY	RUSSELL	STUART	JOHN
LARSON	ROGER	MURDOCK	DAVID R	RINDERKNECHT	ROGER	STUHR	CANDY
LEE	ERNEST	MURPHY	JOHN	RINGBERG	MARVIN	TAYLOR	JOHN E
LEWIN	PETE	NELSON	KEVIN	RISSE	GAYLAND	TAYLOR	JAMES
LEWIS	ROBERT	NICHOLS	HUGH	ROCKHOLD	KENDRA	TRAVIS	MARION
LICHTHARDT	JOHN	NIELSEN	NIEL S	ROGERS	WILMA C	TRENKLE	MIKE
LILLIE	BEVERLY A	NIMS	RON	ROMER	NETA	VALDIVIA	ALLEYNE
LOCKHART	TIM	NOVAK	TONY	ROSE	JIM	WAKENIGHT	JAMES
LODGE	SPORTSMAN	OGLESBEE	JOSH	ROYSTER	PAMELA	WALTERMEYER	JOHN
LOWRY	MICHELE	O'RILEY	JAMES	RUCH	LEROY	WALTMAN	KENNETH
MAASS	MICHAEL A	ORMISTON	TAM	RUDOLF	RANDY	WARIN	ANN
MADISON	ROBERT	PARKER	FRANK	RUEFER	DON	WEATHERMAN	DAVID
MANNING	JACK	PARKER	JOHN	RUSH	R C	WEBB	THELMA
MARCKMANN	JAMES L	PATCH	DAVID	SCHERER	MARK A	WEEHLER	ROBERT D
MARN	LARRY	PEARCE	BRANDON W	SCHMIDT	JOEL L	WHITE	ED
MARSDEN	MICHAEL J	PEIFFER	LINDA	SCHMITZ	CAMERON	WILLIAMS	TODD C
MATHANY	JERRY	PENFOLD	MARVIN	SCHRADER	LARRY	WISE	EARNEST D
MC KERN	JACK	PERRIN	LARRY	SCOTT	WM	WOODSIDE	RICH
MCCAY	ROGER	PETERSON	GREG	SHATAVA	JAYSI	WYNN	JEFF
MCCLAIN	DAVID	PETERSON	ALAN	SHEHAN	DERRIK	YODER	NOAH S
MCCOY	RALPH	PHILLIPS	JOE	SHEIL	MICHAEL	YOUMANS	DAVE
MCDANIEL	MELBA	PIERSON	ERIN	SHORT	RUSTY R	ZIMMERMAN	CHERYL
MCDOWELL	PEGGY	PIRTLE	COREY A	SHRUM	CHARLES		
MCDOWELL	KAREN	PITT	MARION L	SIEFER	MARTHA		



Employee Updates

Congratulations to Steven Grace, Mount Ayr Apprentice Lineman, and Suzy Olson, Customer Service Representative/Administrative Assistant, on earning their 5-year service awards. Thank you for your years of dedicated service.

Bravo!



Cooperative Audit Completed for 2023 – Price Increase Implemented in January – A Look at the Year Ahead

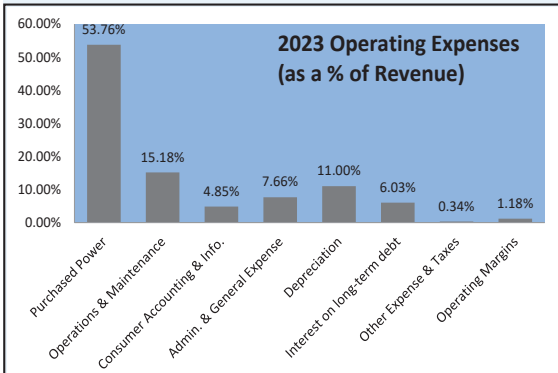


Phil Kinser CEO

The annual, independent financial audit of your cooperative's 2023 records was recently completed by the firm CliftonLarsonAllen LLP resulting in a clean, favorable audit opinion. The financial performance of your Cooperative in 2023 was good and we were able to exceed all the requirements placed upon us by our lenders. Kilowatt-hour sales were 8.31% below budget and 6.66% less than 2022. These lower sales were mainly due to moderate temperatures in 2023 reducing both heating and cooling load. To see the effect that weather extremes have on our sales, look no further than January and February 2024. Kilo-watt hour sales for January were 9.29% above budget and 11.06% higher than January 2023. Then comes a very mild February with sales 19.96% below budget and 13.40% less than February 2023. Weather, hot or cold, is the most significant variable affecting energy use for most of our member-owners.

Our line crews have been concentrating on finishing construction projects started in 2023, line inspection and maintenance, new and upgraded services and vegetation management.

The 2024 Operating Budget includes \$3.895 million in electric system upgrades and improvements to be completed by our line crews and contractors. These upgrades and improvements are part of our 2021-2024 Construction Work Plan which we plan to be finished up with later this year. A new Construction Work Plan for 2025-2028 will be developed this spring/summer for the next cycle of system improvements and upgrades. We have also budgeted \$2.2 million for ongoing operations and maintenance programs including vegetation management, pole inspection, transformer and breaker maintenance, and general line maintenance. The new LED security light program continues to progress with 388 energy efficient lights installed on the system in 2023. All our programs are designed to continue to provide you with safe and reliable electrical service.



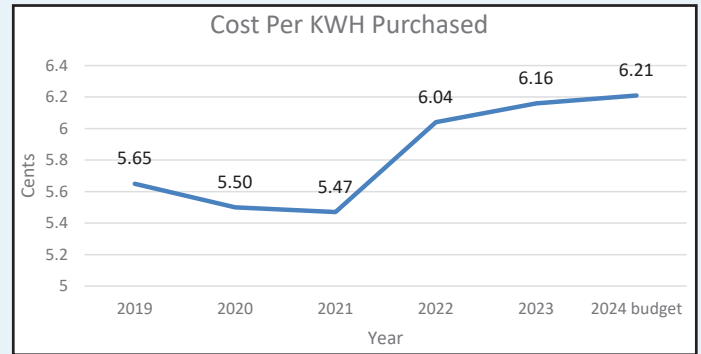
Operating costs in 2023 were \$369,061 below budget (excluding purchased power) and operating margins exceeded budget by \$319,556. The main reason that costs were lower and margins

higher than expected was due to our crews being able to concentrate on construction activities throughout the mild winter months, so less labor was expensed.

Member equity decreased slightly from 43.69% in 2022 to 42.99% at the end of 2023 and \$378,645 of member patronage capital was refunded during the year. The chart above shows where the money we collected from you was spent in 2023:

In acknowledging the reality of inflationary pressures on our operations, we found it necessary to perform a Cost-of-Service Study in 2023 which indicated that an increase in revenue was needed to address rising costs. The rise in costs required us to carefully balance the need for financial sustainability with our commitment to fair and affordable rates. An overall price increase of 8.25% or \$1,061,752 in projected new revenue was implemented on January 1 of this year. Rest assured, every decision has been made with transparency and your best interests in mind. Despite the challenges we have faced, your cooperative has remained fiscally responsible, ensuring that our operations continue without compromising the quality of service you expect and deserve.

The cost of wholesale power we purchase from Central Iowa Power Cooperative (CIPCO) is projected to be slightly higher in 2024. In 2023, the average PCA (power cost adjustment) applied (excluding electric heat sales) was +\$.00053 per kilo-watt hour resulting in additional member electric bill charges of \$44,531. The PCA collects or refunds the cost of purchased power not captured in your base electric rate which helps to lessen the need for frequent base rate adjustments. The chart on the right side of this page shows the recent trend in the cost of purchased power from 2019-2023 and the budgeted cost for 2024.



We have contracted with IES Commercial, Inc. out of Holdrege, Nebraska to replace 31 miles of 3-phase lines this year as a part of the FEMA Mitigation project originally applied for in 2019. Another large project for us is the complete rebuild of our Corning Substation. The substation will be completed by a combination of contractors and our own crews. Our goal is to have the substation constructed by this time next year awaiting the transformer delivery in the fall of 2025 so the project can be finalized and energized.

THE VALUE OF ELECTRICITY

\$5.36
average cost of a Big Mac®

\$4.57
average daily cost of power

Electricity is expressed on a daily basis using EIA 2022 Average U.S. Monthly Residential Bill of \$137. Big Mac® is a registered trademark of McDonald's Corporation. McDonald's Corporation does not endorse or sponsor this material.

Sources: Economist.com and EIA, Dec. 2022

Electricity remains a good value when you consider all the ways it helps to make our lives easier and enhance our standard of living. I am proud of the entire

team at Southwest Iowa REC for providing exceptional service to our members while working to keep costs in check. Our unwavering commitment to providing reliable electricity continues to be a top priority and although inflation and supply chain issues persist and are largely out of our control, we will continue to do our best to support our members now and in the future.

Iowa's rural electric cooperatives advocate for power reliability during 2024 "REC Day on the Hill"

The sun was shining on more than 200 employees and elected directors from Iowa's locally owned rural electric cooperatives (RECs) as they convened at the Iowa Capitol on March 12 to advocate for important issues during the annual "REC Day on the Hill" event.

"Our annual advocacy day at the capitol is a powerful opportunity to meet face-to-face with our state legislators and share a local perspective on issues that impact rural Iowans and rural economic development," remarked Chuck Soderberg, executive vice president and general manager for the Iowa Association of Electric Cooperatives (IAEC).

Representatives from Southwest Iowa REC joined the statewide advocacy effort. "It's an excellent event to stay in touch with our elected officials. They are always very receptive to our input as cooperative advocates. We appreciate the availability of our State Senators and Representatives to discuss important issues of the cooperative and our members." said Tim Pfeiffer, Southwest Iowa REC Member Service.

Advocates asked elected officials to ensure reliable electric service for Iowans by supporting an "all-of-the-above" electric generation strategy. Specifically, Iowa's electric cooperatives believe it's time to update the state's 2001 advanced ratemaking principles (ARPs) to stipulate an all-of-the-above approach and include nuclear and energy storage technologies.

Also related to reliability, advocates talked with their legislators about Integrated Resource Plans (IRPs) and the potential pitfalls of requiring Iowa utilities to file IRPs as part of contested case

proceedings before the Iowa Utilities Board. IRPs will increase administrative and legal fees which must ultimately be paid by ratepayers. In other states, IRPs have served as a pathway to the premature closure of carbon-based power generation facilities which negatively impacts electric reliability.

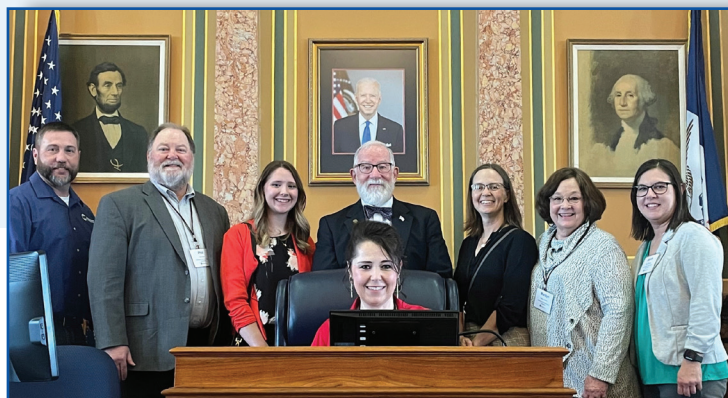
Additionally, co-op representatives discussed the issue of "right of first refusal" which allows incumbent, established utilities to have the first option to construct, maintain, and operate electric transmission projects. Iowa's electric co-ops are best prepared to respond locally to weather-related outages because we have a proven track record of restoring power quickly and safely.

During the advocacy event, representatives educated legislators on the benefits of the not-for-profit cooperative business model, which includes local ownership, democratic governance, and cost-based rates. Several electric cooperatives displayed booths in the rotunda which provided information on topics including economic development, digital metering advancements, investments in technology, safety innovations, energy efficiency efforts, and vegetation management work.

Learn more about the legislative priorities of Iowa's electric cooperatives and Iowa Rural Power grassroots advocacy at www.iaruralpower.org.



Sarah Newton, SWIAREC Dir. of Finance, (left) Bonnie Larson, SWIAREC Director (right) pictured with LED Lucy



Pictured: seated front- Deena Moore, SWIAREC Board Member. Back row- Justin Murphy, SWIAREC Dir of Operations; Phil Kinser, SWIAREC GM/CEO; Joslyn Moore; Representative Tom Moore; Bonnie Larson, SWIAREC Board Member; Marilyn Werner, SWIAREC Board President; Sarah Newton, SWIAREC Dir. of Finance



ATTENTION MEMBERS: Use Caution When Burning Ditches this Spring

Burning helps clean things up, but it can also cause extensive damage to Cooperative property, resulting in electric service problems. Members involved in such fires may be invoiced for damage they cause to Cooperative property.

TWO TIPS FOR SAFE BURNING

- 1 Green, or newer, poles are more susceptible to burning—use extra caution.
- 2 Always be aware of the locations of poles, anchor guy assemblies, underground cabinets, and other important Cooperative equipment when burning.

Easy Tator-Tot Casserole

- 1 pound lean ground beef
- 1/2 medium onion chopped
- 3 cloves garlic minced
- 1 tablespoon Worcestershire sauce
- 1/2 teaspoon Italian seasoning
- 1/2 cup sour cream
- 1 (10.5 ounce) can condensed cream of mushroom soup
- 1 (12 ounce) can corn drained
- 2 cups shredded cheddar divided
- 32 ounces frozen tater tots see note
- Salt & pepper to taste
- Chopped scallions for serving (optional, to taste)



Instructions

1. Preheat your oven to 375F and move the rack to the top third of the oven.
2. Add the beef and onions to a skillet and cook over medium-high heat, stirring occasionally and breaking the beef up with your spoon, until it's browned and the onions have softened (about 7-8 minutes). If there's a lot of excess fat, spoon most of it out.
3. Add the garlic, Worcestershire sauce, and Italian seasoning to the skillet and cook for about a minute.
4. Reduce the heat to medium and stir in the sour cream, condensed soup, corn, and about a 1/2 cup of the cheddar. Stir well and let it heat through for a minute or two.
5. Transfer the skillet mixture to a 9x13 casserole dish and smooth in an even layer. Optional: if you have a large oven-safe skillet, feel free to make the casserole entirely in the skillet.
6. Sprinkle the casserole with the rest of the cheese, and then top it with the tater tots.
7. Bake, uncovered, for 45 minutes or until the tater tots are nicely browned and the cheese is hot and bubbly. Serve with chopped scallions and salt & pepper if needed

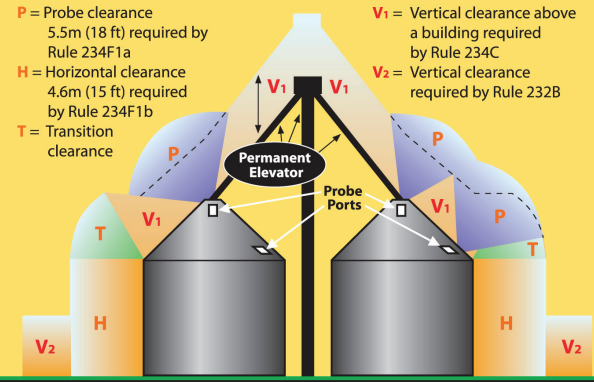
Administrative Professional's Day is April 24th

Thanks to Southwest Iowa REC's Customer Service Representatives, Accountants, and Director of Finance. Your hard work doesn't go unnoticed. Thank you for all that you do!



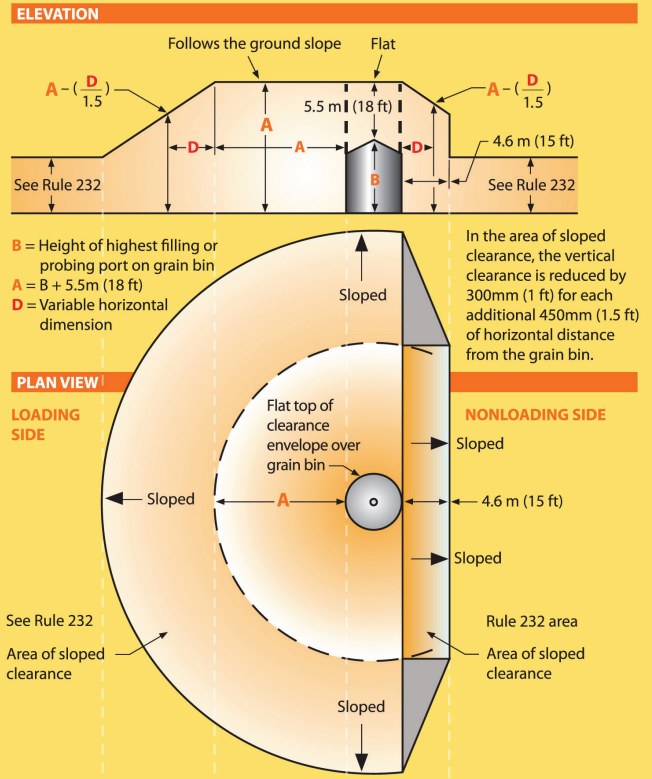
Pictured: Denise Hallquist, Kylee Fleharty, Cacey Quick, Suzy Olson, Sarah Newton, and Marilyn Rubel.

Clearance envelope for grain bins filled by permanently installed augers, conveyors or elevators



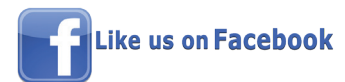
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Clearance envelope for grain bins filled by portable augers, conveyors or elevators



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Disclaimer: These drawings are provided as part of Iowa electric cooperatives' annual public information campaign and are based on the 2017 Edition of the National Electrical Safety Code. To view the actual drawings, refer to that publication. Every care has been taken for the correctness of the contents for these drawings. However, the Iowa Association of Electric Cooperatives and its member cooperatives accept no liability whatsoever for omissions or errors, technical inaccuracies, typographical mistakes or damages of any kind arising from the use of the contents of these drawings, whether textual or graphical



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

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