



Corning | Mount Ayr | Stanton

# Southwest lines

A monthly publication for members of Southwest Iowa Rural Electric Cooperative

August 2021

## OFFICIAL NOTICE OF THE ANNUAL MEETING

### Southwest Iowa Rural Electric Cooperative

The Annual Meeting of the Members of Southwest Iowa Rural Electric Cooperative will be held at the Lenox Community Center located at 210 E Dallas Street at Lenox, Iowa, at 6:30 p.m. on Thursday, September 9, 2021 to take action upon the following matters:

1. The reports of officers, directors and committees;
2. The election of four (4) Directors; and
3. All other business which may legally come before the meeting or any adjournment or adjournments thereof.

In connection with the election of Directors scheduled for this meeting, the following members have been nominated for Director by the Committee on Nominations appointed by the Board of Directors of the Cooperative pursuant to the By-Laws.

#### THREE-YEAR TERM

(Four to be elected)

##### REGION #1:

##### DISTRICT #1:

Alan Gates ~ Jason Smith

##### \*REGION #1:

##### DISTRICT #3:

\*Marty Schnoor ~ Dale Walkup ~

\*Bryan M. Comer

##### REGION #2:

##### DISTRICT #5:

Roger Breach ~ Karen Carlson ~

Deena Moore

##### REGION #2:

##### DISTRICT #7:

Dana Morgan ~ David Mullen

\*Please note that Bryan M. Comer and Marty Schnoor withdrew their nominations for the Region #1, District #3 seat and their names will not appear on the official ballot being mailed to you.

You are urged to attend the meeting, hear the reports of the officers, election of directors and transact such other business as may come before the meeting.

*Ken Peppmeier*

Ken Peppmeier - Secretary

**Please Note:**

Because COVID-19 is extremely contagious and is spread mainly from person-to-person contact, Southwest Iowa Rural Electric Cooperative has put in place preventative measures to reduce the spread of COVID-19. However, we cannot guarantee that its participants, volunteers, partners, or others in attendance will not become infected with COVID-19.

Dated this 10th day of August, 2021.

# Annual President's and General Manager's Report

Please make plans to attend the Annual Meeting of the Members on September 9th. Each membership registering at the annual meeting will receive a \$10 energy credit on their electric bill plus a chance to win **\*FREE ELECTRICITY** for a whole year as the grand prize or **\*FREE ELECTRICITY** for six months as the consolation prize. If you've never been to an Annual Meeting or haven't attended recently, please join us and your fellow members this year and participate in one of the most valuable benefits of being a member – the election of your local board of directors. The ballot for this year is being mailed separately so look for it in your mailbox and follow the instructions provided. Your mail-in ballot must reach our office BEFORE the meeting to be counted. You may also cast your ballot in person at the Annual Meeting. We are excited to, once again, hold an in-person annual meeting which the COVID-19 pandemic prevented us from doing last year.

At Southwest Iowa REC, we are committed to providing safe, reliable, affordable and sustainable power to you. We want to thank the staff and directors for their commitment to serving our members with excellence during the pandemic. And thank you to our members for your patience and grace as we adapted to these circumstances. We know that this pandemic has negatively affected the economy and many local businesses and households are in financial distress right now. Concern for community is a core cooperative principle, and Southwest Iowa REC is always willing to work with members who may have trouble paying their bills. If you are having difficulty paying your electric bills on time or in full, please contact us to discuss payment options and to learn more about assistance programs. We can also help you find ways to reduce your energy use which will lower your utility bills. We're here for you.

COVID aside, 2020 was another solid year for your electric cooperative. Sales of electricity (108,097,450 kilo-watt hours) were 3.24% less than 2019 but beat budget by .92%. After all expenses, we recorded total margins of \$1,130,662 which was 3.11% more than 2019 and 71.07% more than budget. This increase in margins was due to lower expenses and a higher-than-anticipated margin allocation from our power supplier. During the year deferred patronage dividends of \$345,679 were retired (paid out) to current and former members. Since inception, a total of \$9,223,492 has been returned to the members. We were able to successfully execute our business plan, meet the financial targets set by our lenders, and an

independent audit of the books resulted in a clean audit opinion.

As a member-owned electric cooperative, we are always interested in engaging with our members and receiving your input on how we are performing and if we are meeting your expectations. One way we do that is by periodically conducting member surveys like the one we made available to you in April and May of this year. We had a terrific response rate, receiving over 420 survey responses which represents 10% of our membership. The survey results were very positive and here are a few of the key take-aways:

- 93.44% are satisfied or very satisfied with the REC.
- 99.27% agree or strongly agree we provide reliable service.
- 94.14% agree or strongly agree that we handle complaints and problems promptly.
- 96.49% agree or strongly agree that we restore power quickly following an outage.
- 93.45% agree or strongly agree that Southwest Iowa REC is a name you can always trust.
- 97.20% utilize the monthly newsletter mailed to them for information on the REC.
- 83.60% said it was somewhat unlikely to very unlikely that their next car could be an electric vehicle.

In mid-June, the Board of Directors and Management staff met to participate in a one-day strategic planning session. The purpose of this session was to think strategically about the cooperative's future and to achieve consensus on the strategic goals that Southwest Iowa REC will focus on during the next three years. The recently completed member survey was very beneficial to us during the session. We had honest and open dialogue throughout the day guided by our facilitators from the National Rural Utilities Cooperative Finance Corporation (NRUCFC). Following completion of the planning session, our group achieved consensus on the following strategic goals and objectives:

- Maintain financial stability.
- Build brand loyalty among membership.
- Ensure adequate and reliable power supply.
- Implement human resource management strategies that ensure quality member service.
- Evaluate new and execute existing system reliability strategies.

As you can see, these are fairly broad statements. Over the next few months, the management staff will be developing strategies and tactics to provide additional specificity, measurability, and timelines

to the goals and objectives identified above. The board of directors will then consider the strategies and tactics for approval and the management staff will periodically update the board on the status of the strategic plan implementation.

A cooperative functions most effectively with committed and informed leadership. Your board of directors is democratically elected from the membership to represent your interests and to provide long-term vision and direction. We hold true to our mission to **Provide safe, reliable electric service and promote community and economic development utilizing cooperative principles and values.** Strong leadership is essential to Southwest Iowa REC, and we are also blessed to employ many hard-working people who manage the day-to-day operations of the co-op and keep your lights on. If you regularly read the monthly newsletter, **Southwest Lines**, that we mail to you with your electric bill you have noticed several personnel changes at the cooperative over the past year and especially during the first half of this year. We have had several retirements announced as well as a few employees departing for other opportunities. This is all part of the normal employment life-cycle but it can create a challenge as those employees depart and take with them many years of system and member knowledge. We are grateful for their contributions to the cooperative and enthusiastically welcome the new employees that will serve your needs well and help build the future of Southwest Iowa REC. We are proud to be locally owned and managed and because of that, we can provide the best possible service to you.

It's a pleasure to serve you and we hope to see you at the annual meeting on September 9th. If you are not feeling well on the date of the annual meeting, please do not attend. Also, if you are not fully vaccinated for COVID, please wear a mask to minimize the risk to other attendees. Thank you!



**Phil Kinser**  
CEO / General Manager



**Marilyn Werner**  
President

# ANNUAL MEETING PROGRAM

**Thursday \* September 9, 2021 \* Lenox Community Center at 210 E Dallas Street**

5:30p.m. to 6:30 p.m. Registration of Members & Guests  
Meal cooked by Taylor County Cattlemen  
Vendor Prize Drawings

6:30 p.m. Welcome and Invocation  
Meeting Notice – Ken Peppmeier, Secretary  
Minutes of 2019 and 2020 Annual Meetings  
Nominating Committee Report  
Treasurer’s Report  
President’s Remarks – Marilyn Werner  
Guest Speaker – Bill Cherrier, CEO of CIPCO  
Manager’s Report – Phil Kinser  
Report of Election Results  
Adjournment  
Drawing for **FREE ELECTRICITY PRIZES**

**ATTENDANCE GIFT:**  
**\$10 CREDIT ON MEMBERS’ ELECTRIC BILL**  
**GRAND PRIZE:**  
**1 YEAR FREE ELECTRICITY\***  
**2ND PRIZE:**  
**6 MONTHS FREE ELECTRICITY\***

## 2019 ANNUAL MEETING OF THE MEMBERS

The Annual Meeting of the Members of Southwest Iowa Rural Electric Cooperative was held at the Lenox Community Center in Lenox, Iowa at 6:30 p.m., on the 5th day of September, 2019.

The meeting was called to order by Marilyn Werner, President of the Cooperative, who presided as Chairman, and Mark Herzberg, Treasurer of the Cooperative, acted as Secretary of the meeting and kept the minutes thereof.

Chair Werner introduced the guests in attendance at the meeting. Special recognition was awarded to Directors and employees for their years of service. Also present were Attorneys J. T. Ward and Amanda James of Sullivan & Ward, P.C.

An invocation was offered by Director Kay Fast and followed by the recitation of the Pledge of Allegiance.

The Chair stated that the members who had registered at the door had been checked, and that a quorum was present for the transaction of business. She stated that it would be in order for the registration to be accepted in lieu of roll call, whereupon a motion was duly made, seconded and carried, to accept the members’ registration at the door in lieu of roll call. A list of the members who registered in attendance at the meeting is attached to these minutes and made a part hereof by reference.

The Secretary then presented a copy of the Notice of the meeting, together with proof of the due mailing thereof to all members of the Cooperative, and such Notice and proof were ordered to be annexed to the minutes of this meeting.

The Chair stated that the next order of business was the election of three Directors for a term of three years each. She reported that, in accordance with the By-Laws, the Board of Directors had appointed from the members of the Cooperative a Nominating Committee consisting of John A. Overholtzer, Glenn Payton, Danny Peterson and Joe Kernen who had nominated the following members as candidates for Director:

### **THREE YEAR TERM (Three to be elected)**

#### **Region 1 - District No. 4**

Richard “Dick” Ballantyne  
Terry Barnes

#### **Region 2 - At-Large**

Mark Herzberg  
Jed Palmer

#### **Region 2 - District No. 8**

Fred Hossle  
Greg Wallin

The Report of the Nominating Committee was ordered to be identified by the Secretary and annexed to the minutes of the meeting.

The Chairman then appointed John

A. Overholtzer, C.B. Moore, Mary K. Overholtzer, Lisa Kernen, Joseph P. Kernen, Julie Wallace, Dan Peterson and Douglas Wallace as Inspectors of Balloting. The ballots were delivered to the Inspectors, who proceeded to count the same.

Upon motion duly made, seconded and carried, the reading of the minutes of the Annual Meeting of the Members of Southwest Iowa Rural Electric Cooperative held on September 13, 2018 was waived. The minutes were thereupon declared approved and were ordered to be filed in the records of the Cooperative.

The annual report of the President was presented. Copies of the President’s report had been distributed to the members and appeared in the Annual Meeting program. President Werner introduced the directors and their spouses. Following discussion, the annual report of the President was directed to be filed in the records of the Cooperative.

The annual report of the Treasurer was presented. The members had received copies of the Treasurer’s report, in the form of the balance sheet and statement of revenue and expense for the year ending 2018, both of which were published in the Annual Meeting program distributed to the members. Following discussion, the annual report of the Treasurer was approved and directed to be filed in the records of the Cooperative.

*continued on page 4*

## 2019 Annual Meeting of the Members (continued)

Chair Werner introduced Youth Tour winner Anika Wenstrand who presented a report on the Youth Tour to Washington, D.C. and thanked the Cooperative for sending her.

The annual report of Manager Phil Kinser was presented. After presentation, the report was directed to be filed in the records of the Cooperative. Mr. Kinser introduced the employees of the Cooperative and commented on the length of service of the employees.

The Certificate of Inspectors of Election was then presented and read, certifying that the following members, having received the

highest number of votes cast, had been duly elected as Directors of the Cooperative to hold office for the term specified, and until their successors shall have been duly elected and qualified:

### THREE YEAR TERM

#### Region 1 - District No. 4

Terry Barnes

#### Region 2 - At-Large

Mark Herzberg

#### Region 2 - District No. 8

Fred Hossle

The Chairman directed the Secretary to annex the Certificate of the Inspectors of Election to the minutes of the meeting, and thereupon declared the above members duly elected directors of the Cooperative to hold office for the term specified, and until their successors shall have been elected and qualified.

Meal was provided by Taylor County Cattlemen prior to the meeting.

Each registered member received a door prize of \$10.00 credit on member's electric bill and participated in a drawing for Grand Prize of one-year free electricity and second prize of six months free electricity.

## 2020 ANNUAL MEETING OF THE MEMBERS

The Annual Meeting of the Members of Southwest Iowa Rural Electric Cooperative was held at the Lenox Community Center in Lenox, Iowa, at 6:30 P.M. on the 10th day of September, 2020.

The meeting was called to order by Marilyn Werner, President of the Cooperative, who presided. Attorney Amanda James acted as Secretary of the meeting and kept the minutes thereof.

It was noted that the COVID-19 pandemic had caused the Board to make the difficult decision to conduct this year's annual meeting differently by restricting attendance and completing the essential business of the Director election by mail.

Attorney James noted that the Bylaws of the Cooperative allowed the members voting by mail to be deemed present for determining a quorum for purposes of the Director election, but not for other purposes. She stated that there were a sufficient number of members represented by mail ballot so a quorum of the members was deemed present for the conducting of Director election.

It was noted that the record of those voting by mail would be accepted in lieu of a roll call.

It was noted that the Notice of the Annual Meeting of the Members had been mailed to all members of the Cooperative. In the absence of any members being present in person, the reading of the Notice was declared unnecessary.

The minutes of the Annual Meeting of the Members held September 5, 2019 will need to be approved by the members at the next meeting.

The next order of business was the election of three (3) Directors for a term of three (3) years each. In accordance with the By-Laws, the Board of Directors had appointed from the members of the Cooperative a Nominating Committee consisting of Cathi Fulton, Chad Ide, Joe Kernen, and John A. Overholtzer, Chairman. Attorney James described the work of the Committee, who had nominated the following members as candidates for Director:

### THREE YEAR TERM (Three to be elected)

#### Region 1 - District No. 2

Curtis Greene  
Marilyn Werner

#### Region 1 - At-Large

Ken Peppmeier  
Rusty Zimmerman

#### Region 2 - District No. 6

Kay Fast  
Colene Roberts

The report of the Nominating Committee was ordered to be identified by the Secretary and annexed to the minutes of the meeting. Attorney James explained that in addition to the nominations by the Nominating Committee, the Bylaws provide a process for nominations by Petition. She indicated that there were no nominations by petition.

The Board of Directors had previously appointed Joseph P. Kernen, Lisa M. Kernen,

Catharine E. Fulton, Frederick A. Berggren, Mary K. Overholtzer, Francine Ide, Chad M. Ide and John A. Overholtzer as Tellers/Inspectors of Election. A vote was then had by mail ballot and the ballots were previously delivered to the Inspectors, who proceeded to count them.

The Certificate of Inspectors of Election was then presented and read, certifying that the following members, having received the highest number of votes cast, had been duly elected directors of the Cooperative to hold office for the term specified, and until their successors shall have been elected and qualified.

### THREE YEAR TERM

#### Region 1 - District No. 2

Marilyn Werner

#### Region 1 - At-Large

Ken Peppmeier

#### Region 2 - District No. 6

Kay Fast

The Chairman directed the Secretary to annex the Certificate of Inspectors of Election to the minutes of this meeting, and thereupon declared such members duly elected directors of the Cooperative to hold office for the term specified, and until their successors shall have been elected and qualified.

It was noted that the President's, Manager's, and Treasurer's reports were printed and included in the August newsletter mailed to each member.

Since there was not a quorum for the transaction of any other business, the Chairman declared the meeting adjourned.

# Financial Report - December 31, 2020

## Balance Sheet

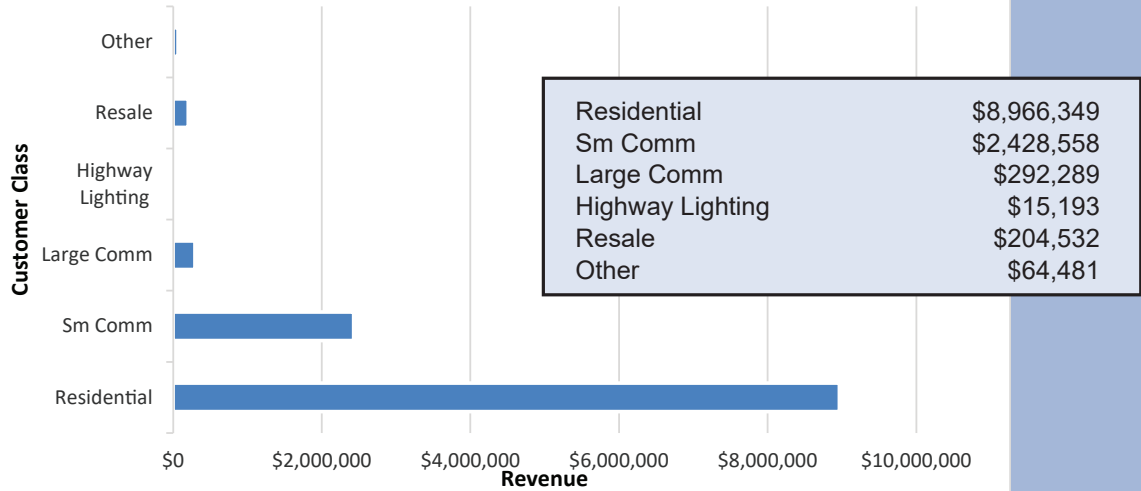
ASSETS	12-31-20	12-31-19
<b>ELECTRIC PLANT</b>		
Electric plant in service .....	\$47,772,315	\$45,762,636
Construction work in progress .....	\$675,758	\$1,283,525
LESS: Accumulated Depreciation .....	(16,288,561)	(15,589,961)
Electric Plant (net) .....	32,159,512	31,456,200
<b>OTHER ASSETS AND INVESTMENTS</b> .....	4,357,549	3,625,925
<b>CURRENT ASSETS</b>		
Cash and cash equivalents .....	877,104	118,142
Restricted cash .....	377,957	925,712
Accounts receivable (net) .....	1,281,598	1,317,285
Materials and supplies .....	416,008	464,725
Other current and accrued assets .....	68,983	63,822
	3,021,650	2,889,686
<b>DEFERRED CHARGES</b> .....	41,288	22,236
	\$39,579,999	\$37,994,047
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>EQUITIES AND MARGINS</b>		
Patronage Capital .....	\$7,706,384	\$7,396,141
Other Equities .....	9,841,220	9,353,955
	17,547,604	16,750,096
<b>LONG-TERM DEBT, less current maturities</b> .....	18,935,270	17,733,453
<b>CURRENT LIABILITIES</b>		
Accounts payable .....	776,702	771,074
Current Maturities of long-term debt .....	789,000	780,000
Notes Payable .....	524,793	940,000
Other current and accrued liabilities .....	878,139	882,298
	2,968,634	3,373,372
<b>DEFERRED CREDITS</b> .....	128,491	137,126
	\$39,579,999	\$37,994,047

## Statements of Revenue and Expense

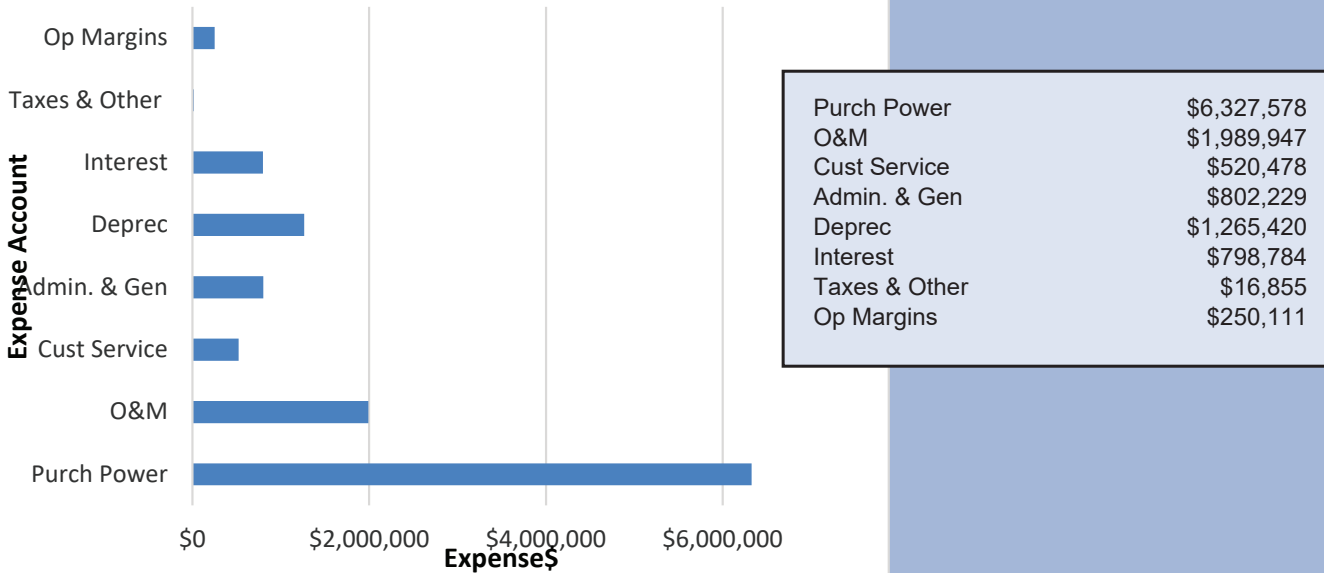
<b>OPERATING REVENUE</b> .....	\$11,971,402	\$12,401,689
<b>OPERATING EXPENSES</b>		
Cost of power .....	6,327,578	6,712,490
Distribution expenses - operations & maintenance .....	1,989,947	1,859,206
Consumer accounting / information / assistance .....	520,478	526,634
Administrative and general expense .....	802,229	885,131
Interest on long-term debt .....	798,784	828,641
Taxes and other deductions .....	16,855	22,613
Depreciation and amortization .....	1,336,329	1,659,730
	11,721,291	12,173,044
Operating margins before patronage allocations .....	250,111	228,645
<b>DEFERRED PATRONAGE ALLOCATIONS (non-cash)</b> .....	680,209	627,061
Net Operating Margins .....	930,320	855,706
<b>NONOPERATING MARGINS</b> .....	200,342	240,879
<b>NET MARGINS</b> .....	\$1,130,662	\$1,096,585

# Financial Report - December 31, 2020

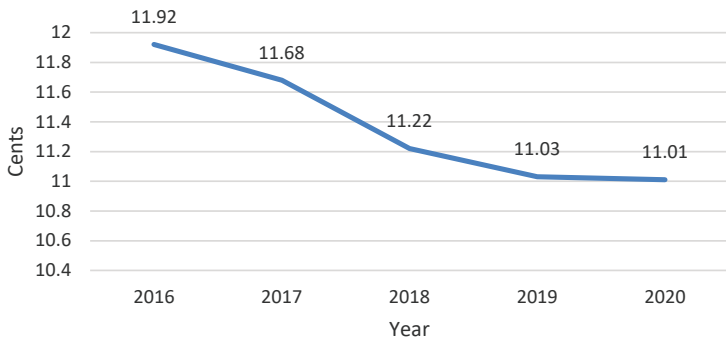
## WHERE THE MONEY COMES FROM



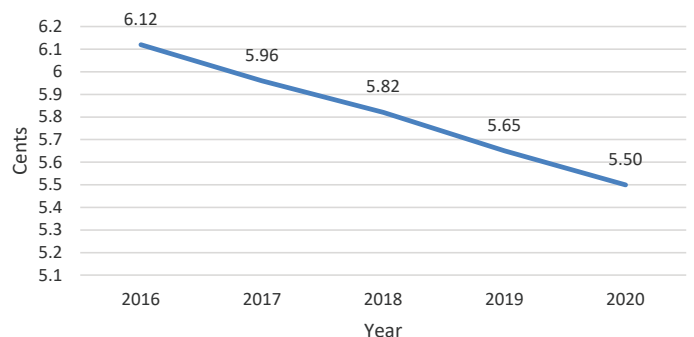
## WHERE THE MONEY GOES



## Revenue Per KWH Sold



## Cost Per KWH Purchased



# Nominee Bio's

## Alan Gates: Region 1 – District 1



Alan and his wife, Nancy, live on a farm south of Creston. They have 8 children and 17 grandchildren. Alan has worked as an electrical contractor since 1984. His family has owned,

operated and sold sweet corn in the Creston and Mount Ayr areas since 1978 and began farming a year prior. They are members of the First Baptist church.

## Jason Smith: Region 1 – District 1



Jason lives one and a half miles south of Diagonal, works for Southern Iowa Rural Water Association and farms as well. Jason is on the Ringgold County FSA Board, Eagle Lake Board and is also a

member of the Diagonal Lions Club. In his spare time Jason enjoys spending time with family and friends. His hobbies include hunting and fishing.

## Dale Walkup: Region 1 – District 3



Dale and his wife, Sharon, live on a farm east of Redding. Their family includes daughters Amy and Ann, and son James. Dale and Sharon have six grandchildren. The Walkups have a corn/bean

row crop farming operation and a cow/calf herd. Dale is currently a Ringgold County Conservation Board member, Clinton Township Trustee, Treasurer of Redding Frontier Days, and a member of Redding United Methodist Church. He has served on the REC Board of Directors since 1980. He is also Southwest Iowa REC's representative on the Central Iowa Power Cooperative (CIPCO) board, our power supplier.

## Roger Breach: Region 2 - District 5



Roger Breach and his wife, Jill, live 10 miles east of Corning near Stringtown. Roger is retired but still farms the 100 acres near Stringtown. Jill is a Family Nurse Practitioner in Creston. They have

3 grown children and 9 grandchildren. Roger is a member and Elder of Sharpsburg Presbyterian Church. He enjoys helping his grandsons restore old cars and pickups in his spare time.

## Deena Moore: Region 2 - District 5



Deena and her husband Corey live on a farm near Corning, Iowa. They have 3 daughters, Mikayla, Kennedy and Joslynn. Deena has a Bachelor's of Science degree from the

University of Iowa and is currently employed as the legal assistant for Engel & Maharry, PLC in Corning. She has served on the REC Board of Directors since 2014, becoming a credentialed director by completing the National Rural Electric Cooperative Association's Director program. She enjoys working with management and the board to ensure our cooperative continues to thrive as we face each new challenge. She is also an active member of the Corning United Methodist Church. Her special interests are camping, kayaking, horseback riding and spending time with family.

## Karen Carlson: Region 2 - District 5

No photo or bio available

## David Mullen: Region 2 - District 7

No photo or bio available

## Dana Morgan: Region 2 - District 7



Dana and wife Dena live near Corning. They have 3 children, Addison, Jack and Harper. Dana works at Balance 4ward in Nodaway. He is also the owner of Morgan Land & Cattle Company and is the past

President of the Adams County Cattlemen. Dana has served on the REC Board since 2014. He enjoys working with the board, management & members to guide the co-op.

**CRIME**  
**STOPPERS**  
**800-452-1111**  
**STOP COPPER THEFT!**

## Energy Efficiency Tip of the Month



Installing a smart power strip is a quick and easy way to start saving money while making your home more energy efficient.

Smart power strip can actually cut power off to save energy since they are able to detect when a device is in standby mode.

Source: [energy.gov](http://energy.gov)

## Board of Directors



**Marilyn Werner**  
28 Years  
President



**Mark Herzberg**  
11 Years  
Vice President



**Kay Fast**  
4 Years  
Treasurer



**Ken Peppmeier**  
11 Years  
Secretary



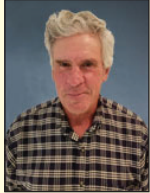
**Terry Barnes**  
2 Years



**Deena Moore**  
6 Years



**Dana Morgan**  
7 Years



**Fred Hossle**  
2 Years



**Jason Smith**  
6 Years



**Dale Walkup**  
41 Years

## Corning Employees



**Phil Kinser**  
33 Years  
CEO / General  
Manager



**Suzy Olson**  
2 Years  
Administrative  
Assistant



**JD Hitt**  
1st Year  
Apprentice Lineman



**Les Helvie**  
19 Years  
Lineman



**Lucas Dalton**  
4 Years  
Lineman



**Brycen Wallace**  
1st Year  
Apprentice Lineman



**Dustin Smith**  
2 Years  
Apprentice Lineman



**Danny Stamps**  
40 Years  
Line Foreman

## Mount Ayr Employees



**Duane Schafer**  
38 Years  
Operations Manager



**Steven Grace**  
2 Years  
Apprentice Lineman



**Cody Stackhouse**  
2 Years  
Apprentice Lineman



**David Head**  
9 Years  
Lineman



**Cacey Quick**  
2 Years  
Accountant



**Kylee Fleharty**  
1st Year  
Customer Service  
Representative



**Zach Schafer**  
17 Years  
Lineman



**Nathan Weeda**  
16 Years  
Lineman



**Tanner Rinehart**  
13 Years  
Line Foreman



**Connor Giles**  
1 Year  
Apprentice Lineman



**Sarah Newton**  
7 Years  
Director of Finance/  
Administrative  
Services

## Stanton Employees



**Denise Hallquist**  
44 Years  
Customer Service  
Representative



**Marilyn Rubel**  
34 Years  
Accountant



**Tim Pfeiffer**  
14 Years  
Director of Member  
Services



**Brady Williams**  
1st Year  
Apprentice Lineman



**Scott Geer**  
34 Years  
Line Foreman



**Luke Brockhus**  
1 Year  
Apprentice Lineman



**Paul Vanderholm**  
24 Years  
Lineman



**Shayne Larson**  
9 Years  
Lineman

**2021 Energy Efficiency & Beneficial Electrification Program Delivery Costs = \$.0030/kwh**



Find us on  
**Facebook**

**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  
Fred Hossle  
Dana Morgan  
Jason Smith  
Deena Moore  
Terry Barnes  
Dale Walkup  
Phil Kinser, CEO

Southwest Iowa REC is an equal opportunity provider and employer.