



A Touchstone Energy® Cooperative 

LIVE LINES

Woodbury County Rural Electric Cooperative

August 2024

Invitation to attend the annual membership dinner and meeting!

It's that time of year again – annual meeting time! On behalf of the Woodbury County REC, you are invited to join us on August 21, 2024 at our Merville headquarters building. We look forward to gathering with you – the members of the community – to enjoy some good food and fellowship. A meal will be served starting at 5:00 p.m. followed by the business meeting at 6:30 p.m.

This event is not only a chance to visit with members of our coop community – it is also a great opportunity to learn about programs offered by the cooperative and get to know your coop board of directors and staff. Our annual meeting is one way we can inform you about important operational and industry issues that face the cooperative. However, our phone is always on, and you can walk in any time during office hours to sit and visit about issues that matter to you, your family, business, and local communities.

Woodbury County REC is not owned by far away investors, and it is not run by an appointed board of directors. We are run by a democratically elected board of directors – a board who is given the privilege to serve because of your vote. Our directors are members of the cooperative and members of your community. They are concerned with the issues you face every day because they face them too. Please complete your ballot and return it in the enclosed return envelope as soon as possible. Be sure to mail your mail-in-ballot prize card with your ballot so you are eligible for our mail-in-ballot prize drawing. Mail your ballot early so it can arrive at the post office in Merville prior to 3pm, on Wednesday, August 21st.

Come join the meeting, enjoy the meal, and receive a handout for attending. We hope to see you on August 21st.

OFFICIAL NOTICE OF THE 86th ANNUAL MEETING

TO THE MEMBERS OF WOODBURY COUNTY RURAL ELECTRIC COOPERATIVE:

You are hereby Notified that the Annual Meeting of the members of Woodbury County Rural Electric Cooperative will be held at the Cooperatives headquarters building, 1495 Humbolt Avenue, Merville, Woodbury County, Iowa on August 21, 2024, at 6:30 PM.

This meeting is the regular Annual Meeting for the year 2024 as provided in the Articles and By-Laws. At said meeting, action will be taken upon the following matters:

1. Reading of the notice of the meeting and of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
2. Presentation and consideration of, and acting upon, reports of officers, directors and committees.
3. Election of Directors of the Cooperative as follows: Two(2) Directors to be elected for a term of three(3) years ending at the 2027 Annual Meeting, or when

their successors have been duly elected, to succeed Ron Bohle, and Kurt Nash whose terms will expire at this meeting.

4. All other business which may properly come before the meeting.

In connection with the election of Directors of the Cooperative, a Committee on Nominations has been appointed and has filed its report. The ballot to be used at this meeting is attached here too. Please include your return address on mail in ballot.

Dated: August 7, 2024 /s/Chris Countryman, Secretary

**Grand Prize
\$300 Bill Credit**

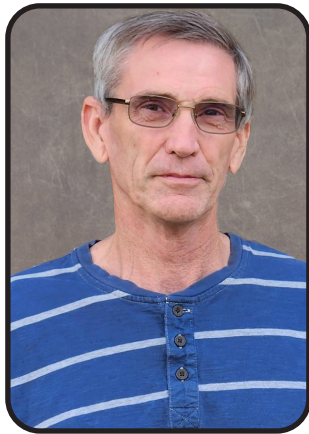
Those members who vote by mail will be eligible for a \$300 credit on their next electric bill. The name will be drawn at the Annual Meeting on August 21st. Winner will be published in September Live Lines.

Director Candidates for 2024

The Board of Directors of your electric cooperative is a very important part of the cooperative way of doing business. Directors are the ones who are elected by the membership to oversee the finances and operation of the cooperative. They meet monthly to review the past month's financial records and to set any needed policies

Woodbury County REC's Board is made up of seven members whose term is for three years. At the 2024 Annual Meeting, to be held on August 21st, the term of two of those directors will have expired. Pictured here are those Woodbury County REC members who have been nominated to run for election for the two vacant seats. Beside the picture of each is a short biography so that you may get to know them better.

Enclosed with this Annual Report is a ballot where you may vote for the persons you would like to represent your interest on the Board of Directors. Please take a few minutes to review each candidate and voice your opinion by voting.



Joe Collins

Joe Collins is married to Christine and they are the parents of one child. Joe is a farmer and has lived in the area his entire life and been a Woodbury REC member for 22 years. He is a member of the 911 board, Woodbury County Fair Board, Anthon Fire, Oto Ambulance, and is co-chair of Woodbury County EMS Association. Joe enjoys attending his child's events, and spending time with family.

John Hoppe is married to Missy, and they are the parents of three children and ten grandchildren. John is a location manager for New Cooperative of Anthon and Correctionville. He is a member of the Salem Lutheran Church, serves as the treasurer and is also on the River Valley FFA advisory council. John has lived in the area his entire life and has been a member of Woodbury REC for 10 years. In his free time he enjoys woodworking and spending time with family.



John Hoppe



Kurt Nash

Kurt Nash and his wife Ann and have two children and four grandchildren. Kurt is a farmer and has a cow calf herd as well. Kurt has lived in the area his entire life and been a REC member for 47 years. Kurt is currently a Director for the Woodbury County REC, serves on the Woodbury County Cattle Board, former Woodbury County Fair Board Member, and Merville Historical Society. He is an avid ISU sports fan, enjoys spending time with family and watching all the grandkids events.



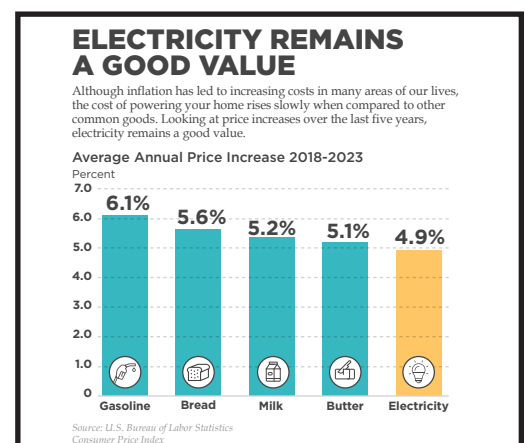
The Annual Meeting will feature:

- Where:** Woodbury County REC office building
- When:** Wednesday, August 21, 2024
- Supper served from 5:00 PM to 6:30 PM**
- Business meeting at 6:30 PM**

The names of 50 lucky members, who register at the meeting, will be drawn for \$20 worth of free electricity and be published in the September Live Lines. Each registered member will receive \$5 worth of free electricity.

Seven Cooperative Principles

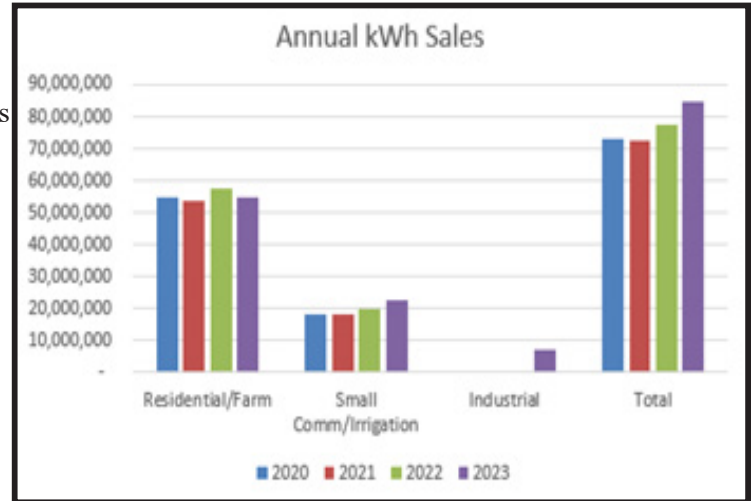
- VOLUNTARY AND OPEN MEMBERSHIP**
Cooperatives are voluntary organizations open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
- DEMOCRATIC MEMBER CONTROL**
Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.
- MEMBERS' ECONOMIC PARTICIPATION**
Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.
- AUTONOMY AND INDEPENDENCE**
Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.
- EDUCATION, TRAINING AND INFORMATION**
Cooperatives provide education and training for their members, elected representatives, managers, and employees so that they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.
- COOPERATION AMONG COOPERATIVES**
Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.
- CONCERN FOR COMMUNITY**
While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.



MANAGERS AND PRESIDENT'S REPORT

August brings the time of year we reflect on the past year with our annual report to the membership.

Last year was a year of accomplishment as the weather was very cooperative to get power lines constructed. The two largest projects were relocating underground cable along highway 20 for the Iowa DOT's construction project and the larger overhead to underground conversion project located east of Sergeant Bluff. The Sergeant Bluff project marked a milestone as it involved eliminating the last section of three-phase overhead power lines. This year's large construction project includes replacing 9 miles of older underground in the Browns Lake, Salix and Sloan areas of the county. Besides the construction project the line crew stays busy with new service requests, annual maintenance programs and occasional outages. NIPCO continues to replace the transmission line that provides power to three substations on the east side of the county. The NIPCO project is expected to be completed by the end of 2024 and we are looking forward to the increased reliability that will result from this transmission line replacement.



The Cooperative's administrative staff continues to work closely with the membership and has worked diligently on cyber security response and restoration plans over the past year. A current project they are working on is a bill revision project. This bill revision is required by our software provider as they are standardizing billing statements across the 800-plus cooperatives that use their software. The new bills are expected to be implemented in early 2025.

Financially, the Cooperative ended the year 2023 in a good financial position with adequate revenues to cover costs. We have informed you during the last two annual meetings and in newsletter articles that we have experienced inflationary pressures for equipment, materials, and services. Most members can relate as you have also experienced substantial inflationary price increases for food, fuel, housing related costs, and services you purchase. We have also seen substantial increases in the costs to operate the cooperative. In fact, a local supply and logistics vendor we use, the Rural Electric Supply Cooperative estimates materials have increased an average of 40% from 2020 to 2023, while we have seen the cost of transformers double and triple in price. Wholesale power prices over the past 10 years have been modest and manageable. Although we have seen local costs stabilize, we have been informed our wholesale power costs will be increasing as early as 2025. Our wholesale provider, Basin Electric Power Cooperative, says inflationary pressures along with necessary capital and regulatory expenditures are putting pressure on wholesale rates to serve the increased electricity demands across the service area. The Western Area Power Administration is also seeing increased capital expenditure and drought related costs that will be pushing up their wholesale power prices. Wholesale power prices for 2025 will be determined over the next four months, at which time we will know how it will affect our cost of service.

We continue to work with our economic development partners responding to commercial prospects to locate or expand in Woodbury County. The Cooperative has taken advantage of the USDA's Rural Economic Development Grant and Loan program that brings federal dollars to rural areas of the country for economic development purposes. These efforts in turn help our local communities and the financial stability of the cooperative. Although economic development does not happen overnight, we are starting to see movement as the number kilowatt hour sales to our commercial/industrial members have increased by 50% from 2022 to 2023.

Over the last year we have provided several articles in our newsletter about our concerns over electricity reliability and we have included another article on page 5 of this newsletter to reinforce our position of using an all-of-the-above approach to power generation.

The Woodbury REC Board and Staff remain dedicated to providing you, our member-consumers, with safe, reliable, and affordable electric service and we will hold these principles close when conducting our daily duties and planning for the future.

Financial Report For Year End 2023

As a member/owner of Woodbury County Rural Electric Cooperative, it is important for you to be informed about the financial operation of your electric cooperative. The following is the financial statement for the year 2023, which is the last year available. In addition to the 2023 numbers, 2022's numbers are also shown for a comparison. This report includes the Balance Sheet which lists the Cooperatives Assets and Liabilities and the Statement of Operations which shows where the dollars were spent.

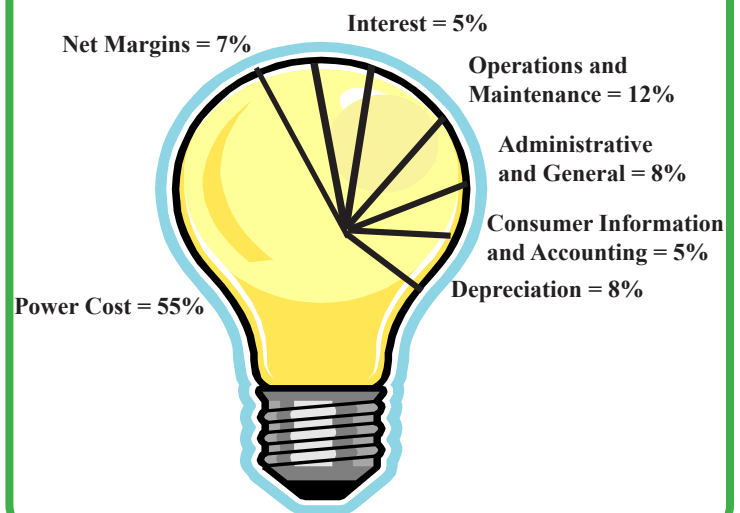
Balance Sheet

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>	<u>LIABILITIES AND EQUITIES</u>	<u>2023</u>	<u>2022</u>
Total Utility Plant in Service	\$37,804,488	\$36,057,722	Patronage Capital	\$ 8,882,323	\$8,294,041
Construction Work in Progress	<u>440,890</u>	<u>408,180</u>	Margins and Other Equities	<u>11,215,692</u>	<u>10,894,776</u>
Total Utility Plant	<u>38,245,378</u>	<u>36,465,902</u>	TOTAL MARGINS AND EQUITIES	<u>20,098,015</u>	<u>19,188,817</u>
Less: Accumulated Depreciation	<u>13,054,221</u>	<u>12,668,082</u>	LONG-TERM DEBT	<u>11,614,522</u>	<u>10,825,642</u>
NET UTILITY PLANT	<u>25,191,157</u>	<u>23,797,820</u>	Notes Payable	1,650,000	950,000
Investments in			Accounts Payable	707,650	566,924
Associated Organizations	4,767,893	4,260,185	Consumer Deposits	95,334	21,439
Other Investments	<u>974,740</u>	<u>910,693</u>	Other Accrued Liabilities	<u>379,883</u>	<u>359,214</u>
TOTAL INVESTMENTS	<u>5,742,633</u>	<u>5,170,878</u>	TOTAL CURRENT AND ACCRUED LIABILITIES	<u>2,832,867</u>	<u>1,897,577</u>
Cash	21,481	23,034	DEFERRED CREDITS	<u>10,586</u>	<u>10,794</u>
Temporary Investments	810,323	52,477			
Accounts Receivable	1,096,851	1,145,433			
Materials and Supplies	1,521,324	1,571,716			
Prepayments	<u>61,217</u>	<u>59,134</u>			
TOTAL CURRENT ASSETS	<u>3,511,196</u>	<u>2,851,794</u>			
DEFERRED DEBITS	<u>111,004</u>	<u>102,338</u>			
TOTAL ASSETS AND OTHER DEBITS	<u>\$34,555,990</u>	<u>\$31,922,830</u>	TOTAL LIABILITIES AND EQUITIES	<u>\$34,555,990</u>	<u>\$31,922,830</u>

Statement of Operations

	<u>2023</u>	<u>2022</u>
OPERATING REVENUE AND PATRONAGE CAPITAL	<u>\$10,993,576</u>	<u>\$10,446,694</u>
Cost of Power	6,096,821	5,495,825
Operations and Maintenance	1,351,181	1,393,754
Consumer Service and Marketing	521,225	513,071
Administrative and General	843,151	753,663
Depreciation	871,331	935,318
Interest on Long Term Debt	503,157	458,793
Other Expenses	<u>82,506</u>	<u>43,354</u>
TOTAL COST OF SERVICE	<u>10,269,372</u>	<u>9,593,778</u>
NET OPERATING MARGINS	<u>724,204</u>	<u>852,916</u>
OTHER INCOME AND MARGINS	<u>758,069</u>	<u>385,925</u>
TOTAL MARGINS AND PATRONAGE CAPITAL	<u>\$ 1,482,273</u>	<u>\$1,238,841</u>

This Light Bulb graph shows where each dollar you pay for electricity is spent. As an example; 55 cents of every dollar is spent to purchase the actual wholesale electric power you use.



EPA Rules Threaten Reliability

On April 25, the Environmental Protection Agency (EPA) unveiled four final rules aimed at tightening regulations on power plants. Specifically, these EPA regulations target natural gas and coal generation, restricting how facilities are operated and superseding existing environmental processes.

Woodbury County REC is a distribution cooperative, meaning we don't operate large-scale generation or transmission facilities. Our role is to deliver power from those facilities to cooperative member-consumers. Our cooperative's power generation and transmission services come from Basin Electric Power Cooperative and Northwest Iowa Power Cooperative. These electric co-ops have a long and successful track record of already meeting and exceeding all environmental requirements under existing state programs.

The EPA's rule would shut down reliable power plants across the country and make it harder to build new ones. These new rules represent the wrong approach at a critical time for our nation's energy future. American families and businesses cannot afford higher electricity bills and the risk of rolling blackouts.

Keeping the lights on must be a priority

This move by the EPA is particularly concerning related to more regulation of greenhouse gas emissions because it jeopardizes co-ops' ability to keep the lights on. It mandates unproven technologies – such as carbon capture and storage (CCS) and unachievable emissions limits on an unworkable timeframe in violation of the law and Supreme Court decisions. The rule would force the premature closure of always-available power plants (baseload power generation, such as coal and natural gas) while also making it harder to build critical new power plants, just as Americans increase their dependence on electricity. Baseload power plants are the backbone of ensuring reliable and affordable electric service.

The new greenhouse gas rules hinge on the widespread adoption of CCS. While this technology holds promise, it is not yet widely or commercially available. Forcing utilities to install unproven, extremely expensive technology on an unrealistic timeline violates the requirements of the Clean Air Act and is irresponsible.

Given the country's increasing independence on electricity for everyday life and economic activities, it's crucial to prioritize practical and sensible policies to ensure a stable and sustainable power supply. We support an all-of-the-above energy strategy that includes always-available baseload sources of power (coal, natural gas, hydro, nuclear) and the integration of intermittent renewable resources (wind and solar) where it seems reasonable.

Power demand is increasing

The Energy Information Administration projects that power demand will reach record highs in 2024 and 2025, increasing by 2.5% and 3.2%, respectively. Grid planners forecast electricity demand to grow by 38 gigawatts through 2028, the equivalent of adding another California to the grid.

Meanwhile, the North American Electric Reliability Corporation has warned that more than 110 gigawatts of always available generation, enough to power about 35 million homes, will retire by 2033. Over the next five years, all or parts of 19 states are at high risk of rolling blackouts during normal peak conditions. They also predict most of the country will face similar risks when demand for electricity spikes during exceedingly hot or cold temperatures.

This is why we're joining electric cooperatives nationwide in urging Congress to tell the White House to drop the EPA power plant rule because of the harmful impacts this would have on you and your family.

Our priority has been – and will continue to be – ensuring a balance between meeting environmental goals while maintaining safe, reliable and affordable energy for our members. We've been proudly serving members in this region since 1938, and we support common-sense energy solutions that will ensure we support the needs of generations to come.

IMPACTS OF THE EPA'S POWER PLANT RULE

The Environmental Protection Agency's (EPA) power plant rule threatens access to reliable electricity for millions of Americans. The EPA's power plant rule will:



- 1 Force the premature closure of many power plants that currently provide electricity 24/7.
- 2 Mandate the deployment of unproven carbon capture and storage technology.
- 3 Jeopardize the reliability of the grid at a time when America is already facing a surge in electricity demand.
- 4 Heighten the risk of rolling power outages to relieve pressure on the electric grid.
- 5 Increase costs for consumers as utilities are forced to pay for new power generation to comply with the EPA rule.

Revolving Loan Fund Continues to Grow

Iowa's rural electric cooperatives utilize strategic partnerships to make a significant contribution to community vitality and sustainable economies throughout the state. Iowa Area Development Group (IADG) annually recognizes their electric utility members for outstanding commitment, contribution, and participation in business development projects and local community initiatives.

Woodbury County Rural Electric Cooperative (REC) has been instrumental in numerous development projects and initiatives in western Iowa for many years.



Woodbury County REC created a Community/Economic Development Revolving Loan Fund (RLF) in 2014 funded by the USDA REDLG Program to improve the quality of life in rural areas by contributing to long-term improvement in the local economy. Woodbury County REC in the past 10 years has provided access to \$2.77 million in low interest loans. These loans will assist local communities in provided much needed community, training, educational, and medical facilities and programs. These loan funds are also available for new business startups and business expansions within the rural community. If you think you or someone you know may qualify for this program, please reach out to us.

The Iowa Area Development Group is the marketing and business development office for Iowa's member-owned rural electric cooperatives, select municipal electric utilities and independent telecommunication companies. IADG has assisted with over 2,000 successful business expansions and start-up projects. This growth represents capital investment of more than \$10 billion and 50,000 jobs for Iowa. The Iowa Area Development Group was established in 1985 to promote and strengthen rural Iowa development opportunities.

Reduce Energy Use During Peak Hours

Peak hours are the busiest times for your local electric cooperative since many people are using electricity at the same time. In addition, it costs your co-op more to generate electricity when demand soars during peak periods – and the cost of your electricity also may rise. Obviously, using less electricity during peak periods can save your co-op – and you – money.

Here's how you can help during peak hours, which generally are on the coldest winter days between 5 a.m. and 9 a.m. or between 4 p.m. and 9 p.m. in the spring, summer, and fall

- * Shift household chores and activities away from peak periods. Wait to run your dishwasher until you go to bed, for instance.
- * Use the most energy efficient appliances. Your microwave oven, for example, uses considerable less energy than your stove or cook top.
- * If you're buying a new appliance, make sure you get the highly efficient one. Look for "Energy Star" labels when you're evaluating different models.
- * Be aware of your energy consumption, and try to get in the habit of using energy efficiently year-round.

Use the energy you need, but use it wisely! You'll help your co-op avoid building expensive new power plants and that, in turn, will help keep your electric rates stable.

