



A Touchstone Energy® Cooperative

LIVE LINES

Woodbury County Rural Electric Cooperative

August 2026

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 19, 2026 at our Moline 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 cooperative 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 the cooperative faces. However, our phone is always on, and you can walk in any time during office hours to 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 Moline prior to 3pm, on Wednesday, August 19th.

Come join the meeting, enjoy the meal, and receive a handout for attending. We hope to see you on August 19th.

OFFICIAL NOTICE OF THE 88th 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, Moline, Woodbury County, Iowa on August 19, 2026, at 6:30 PM.

This meeting is the regular Annual Meeting for the year 2026 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:
Three(3) Directors to be elected for a term of three(3) years ending at the 2026 Annual Meeting, or when

their successors have been duly elected, to succeed Kimberly Brouwer, Chris Countryman, and Bruce Sadler 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 6, 2026 /s/ Kimberly Brouwer, Secretary

Grand Prize \$300 Bill Credit

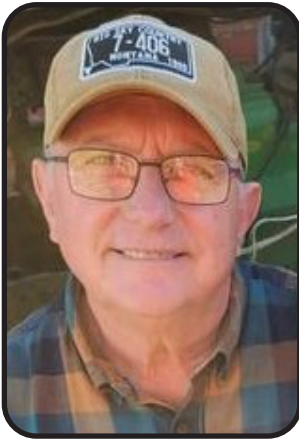
Those members who vote by mail will be eligible for a \$300 credit on their next electric bill. The name will be drawn at the Annual Meeting on August 19th. Winner will be published in September Live Lines.

Director Candidates for 2026

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 with three year term. At the August 19, 2026 Annual Meeting, the term of three of those directors will have expired. Pictured here are those Woodbury County REC members who have been nominated to run for election for the three vacant seats. Beside each picture is a short biography 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.



Mike Baird

Mike Baird is married to Linda and have six children, sixteen grandchildren and one great grandchild. Mike is a farmer and has lived in the area his entire life and been a Woodbury REC member for 47 years. He has been serving West Fork Township Board since 1991 and is currently the Clerk, also a past Woodbury County Farm Bureau President and voting Delegate. Mike enjoys spending time with family.

Kim Brouwer is married to her husband Kelly and they are the parents of three children. Kim is a substitute teacher, former business teacher, and school business official serving as board secretary for 11 years at Lawton-Bronson CSD. Kim has lived in rural Bronson her entire life, is the current Board Secretary for the Woodbury County REC and has been a member of Woodbury REC for 22 years. In her spare time Kim enjoys attending children's events, knitting, quilting, and spending time with family.



Kim Brouwer



Chris Countryman

Chris Countryman is married to Jodi, and they are the parents of four children and two grandchildren. Chris is a Financial Advisor and the owner of Countryman Financial Group LLC. He is a member of the Merville Chamber of Commerce, the National Association of Insurance and Financial Advisors, the Merville Community Development Association Inc., and is the current Vice President for the Woodbury County REC. Besides work, Chris enjoys spending time with his family, fishing, hunting, golfing, and farming.

Bruce Sadler is married to Shelly and they are the parents to two daughters and five grandchildren. Bruce is a farmer by profession. Mr. Sadler is currently the Treasurer for the Woodbury County REC, serves on the Fairfield Cemetery and has been on various boards over the years. When his busy schedule allows, he enjoys golfing, fishing and traveling with family.



Bruce Sadler

The Annual Meeting will feature:

Where: Woodbury County REC office building

When: Wednesday, August 19, 2026

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.

MANAGERS AND PRESIDENT'S REPORT

We are grateful for the dedication of our teammates and the support of our members in our efforts to provide safe, reliable and affordable electricity. As another year passes, we find it time to reflect on a few of our accomplishments and challenges.

This past fall crews were busy performing our annual maintenance programs that identifies areas for system improvements. Several areas were identified to upgrade underground switches with newer and safer technologies and accelerating pole replacements. We continue to replace older underground power lines while avoiding fiber crews in the area and working with the county and state to relocate

our facilities for road projects like the new I-29 interchange. We continue to praise NIPCO for completing the rebuilding of their transmission line on the east side of the county. We have seen increased reliability since the rebuild, first after the March 2025 ice storm but again this spring during the tornado and windstorm that stretched from the Browns Lake area through the Pierson area. Our FEMA Disaster application for the 2025 ice storm was accepted, and we anticipate reimbursement funds to arrive this fall. While this year tornado and wind damage in May did not qualify for a FEMA Claim, it was one of the more significant storms we experienced in recent years. Earlier this spring we had significant damage caused by the Bronson Fire, damaged equipment included mostly poles, and underground junction boxes, and a few transformers and meters. Hats off to the many emergency responders, fire and rescue personnel for action taken during the event. It is humbling to be part of a great community that comes together during such an event.

The Cooperative's administrative staff continues to perform their customer service, financial reporting, billing, and cyber security responsibilities.

Financially, the Cooperative has demonstrated strong financial performance, despite the economic pressures we face. Maintaining financial stability and ensuring the affordability of electricity is of utmost importance to us. Despite external pressures and industry fluctuations, we are pleased to report that our cooperative met its loan covenants and other obligations in 2025. The annual audit of the books by Eide Bailly, LLP, resulted in a clean audit opinion. We continue to experience inflationary pressures for equipment, materials, and services. Most members can relate as you have substantial inflationary price increases for food, fuel, housing related costs, and services you purchase. We have also seen a substantial increase in our wholesale power costs. To continue delivering high-quality service, effective May 1st, the Cooperative implemented its second increase rate increase since 2018. Although we have seen some local costs stabilize, we have been informed by our wholesale power providers that we may see another increase in wholesale power costs in 2027. This is not out of the norm as the U.S. Energy Information Administration estimates that electric prices are expected to outpace inflation in the coming years. Wholesale power prices for 2027 will be determined over the next four months, at which time we will know how it will affect our cost of service.

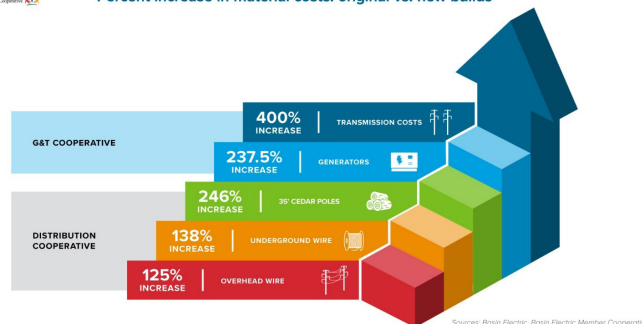
While we manage our local costs, Basin Electric carries the privilege and responsibility to provide power to 3 million member-consumers spread across nine states. Wholesale power cost increases have been caused by a number of factors including higher generation fuel costs, federal energy policies, rising electricity demand, regulatory and environmental compliance requirements, transmission congestion and infrastructure expansion, aging generation assets, labor and supply chain pressures. No single issue is responsible. Instead, the industry is experiencing a convergence of market forces, infrastructure reinvestment needs, and rapid energy transition. The growth in capacity requirements to serve the Basin Electric membership has increased by almost 200% since the year 2000 and it is expected to grow even more by the year 2030. Meeting the needs of that growth requires long-range planning, a diversified electric generation portfolio, and requires making the investments necessary to provide reliable, affordable, and responsible electricity to the Basin membership.

The Woodbury REC Board, Staff, and our Cooperative partners 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.



Rising Infrastructure Costs

Percent increase in material costs: original vs. new builds



Big Energy Demands, Smart Protections For Our Members

Across the country, electric cooperatives are seeing increased interest from large, nontraditional energy users including data centers, artificial intelligence operations and cryptocurrency facilities. These projects can bring economic opportunity, but they also require enormous amounts of electricity and substantial investment in infrastructure.

At Woodbury County REC, our responsibility remains clear. We have an obligation to serve, an obligation we take seriously. We want to support responsible growth and new opportunities in the communities we serve, but never at the expense of the families, farms and businesses that rely on us every day.

That is why Woodbury County REC, in partnership with our power suppliers, Basin Electric Power Cooperative and Northwest Iowa Power Cooperative, has developed a Large Load Program designed to protect our existing members from the costs and risks associated with serving these new, energy intensive operations.

Large loads are fundamentally different from traditional growth. A single data center or cryptocurrency operation can require as much electricity as thousands of homes. Meeting that level of demand often requires additional generation resources, transmission upgrades and long-term infrastructure investment. Without proper safeguards in place, those costs could ultimately be spread across all cooperative members through higher electric rates.

Our Large Load Program is designed to prevent that from happening. Under the program, those requesting service for large, nontraditional loads are responsible for the financial investment required to serve them. Simply put, the costs associated with these projects are assigned to the large load member, not shifted onto all Woodbury Co REC members.

Why is this important? These types of projects can sometimes be unpredictable. Markets change, technologies evolve and facilities can reduce operations or shut down much faster than traditional businesses. Without careful planning, utilities can be left with stranded infrastructure investments that must still be paid for, even if the original member is no longer operating. This program helps ensure our members are protected from that risk.

At the same time, the program does not close the door on growth. In fact, it creates a responsible framework that allows Woodbury Co REC to evaluate and serve large load opportunities while maintaining system reliability, financial strength and fairness for all members.

The program also provides transparency and consistency by ensuring every large load request is reviewed through the same disciplined process, one that prioritizes reliability, affordability and the long-term interests of the cooperative membership.

Woodbury Co REC's mission has not changed. We are here to provide safe, reliable and cost effective power to our member-consumers, not just today, but for generations to come. As new industries and technologies emerge, we will continue to adapt and plan for the future while keeping our commitment to our members at the center of every decision we make.

Growth is coming, and Woodbury Co REC is prepared for it. Most importantly, we are making sure our member-consumers remain protected every step of the way.

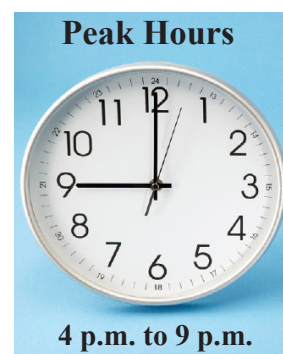
Reduce Energy Use During Peak Hours

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.



Planning Power For Tomorrow: Basin Electric's IRP Team

Much of the electric infrastructure built decades ago is nearing the end of its useful life. At the same time, demand for electricity continues to grow due to electrification, technology expansion, and advanced manufacturing. Reinvestment today ensures reliability tomorrow. Today's challenges are complex, which makes planning for tomorrow.

When Basin Electric talks about planning for the future, it's not just about keeping the lights on – it's about making sure every member, from the smallest rural home to the largest industrial load, has reliable, affordable power for decades to come. That's where the Integrated Resource Plan, or IRP, comes in.



Becky Kern, Basin Electric vice president of Resource Planning and Rates unveils the cooperative's new Integrated Resource Plan.

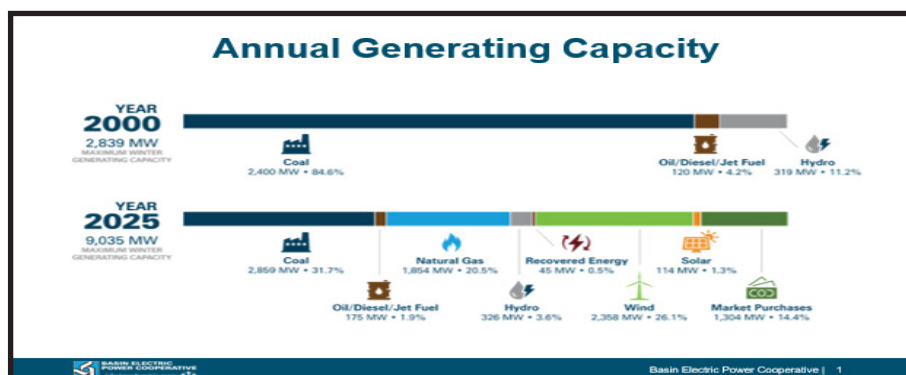
An IRP is essentially the cooperative's long-range roadmap: a detailed look at how Basin Electric will meet future electricity needs while balancing cost, reliability, and regulatory requirements. It's the tool that helps protect members from unnecessary financial risk while ensuring the system can handle everything from rapid growth to extreme weather.

"Basin Electric has historically completed an IRP every five years," Ben Hertz, Basin Electric manager of power supply planning, says. "Our last IRP was developed in 2023, but with the pressures we're seeing and the dynamic growth environment, we see value in doing them more frequently – maybe every three to four years." Between major IRP cycles, Basin Electric performs annual updates to track progress, adjust action plans, and document what has changed since the last baseline. But the upcoming 2027 IRP marks a shift in both timing and approach. Becky Kern, Basin Electric vice president of Resource Planning and Rates, unveils the cooperative's new Integrated Resource Plan during the Winter Member Managers Conference, held February 18–19.

Hertz leads a multidisciplinary team of analysts, modelers, and planners who study load forecasts, market trends, and regulatory shifts. Their work is equal parts data science and strategy, and every decision they make is rooted in protecting members from risk while preparing the cooperative for the future. Hertz describes the team as collaborative and analytical, a combination he says is essential as Basin Electric navigates rapid growth and an evolving energy landscape.

"The energy landscape is changing quickly, and our members deserve clarity about how we're preparing for that," Hertz says. "This IRP is our opportunity to show the work behind the decisions and demonstrate how we're positioning the cooperative for the future."

The IRP is more than a regulatory requirement. It is a living strategy that shapes the cooperative's future. As Basin Electric navigates unprecedented load growth, evolving energy markets, and shifting federal policies, the IRP will help ensure that every decision made today supports a reliable tomorrow.



Financial Report For Year End 2025

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 2025, which is the last year available. In addition to the 2025 numbers, 2024'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>2025</u>	<u>2024</u>	<u>LIABILITIES AND EQUITIES</u>	<u>2025</u>	<u>2024</u>
Total Utility Plant in Service	\$41,327,978	\$40,344,971	Patronage Capital	\$ 9,452,627	\$9,385,466
Construction Work in Progress	<u>407,372</u>	<u>107,511</u>	Margins and Other Equities	<u>12,125,199</u>	<u>11,453,724</u>
Total Utility Plant	41,735,350	40,452,482	TOTAL MARGINS AND EQUITIES	<u>21,577,826</u>	<u>20,839,190</u>
Less: Accumulated Depreciation	<u>14,312,562</u>	<u>13,637,012</u>			
NET UTILITY PLANT	<u>27,422,788</u>	<u>26,815,470</u>	LONG-TERM DEBT	<u>14,783,656</u>	<u>13,068,657</u>
Investments in					
Associated Organizations	5,463,929	5,160,410	Notes Payable	1,150,000	1950,000
Other Investments	<u>2,565,017</u>	<u>2,706,767</u>	Accounts Payable	842,282	916,377
TOTAL INVESTMENTS	<u>8,028,946</u>	<u>7,867,177</u>	Consumer Deposits	320,464	323,074
Cash	27,592	50,969	Other Accrued Liabilities	<u>581,843</u>	<u>1,007,986</u>
Temporary Investments	413,359	335,590	TOTAL CURRENT AND		
Accounts Receivable	1,471,304	1,262,977	ACCRUED LIABILITIES	<u>2,894,589</u>	<u>4,197,437</u>
Materials and Supplies	1,741,596	1,610,646			
Prepayments	<u>68,403</u>	<u>63,093</u>	DEFERRED CREDITS	<u>4,048</u>	<u>7,084</u>
TOTAL CURRENT ASSETS	<u>3,722,254</u>	<u>3,323,275</u>			
DEFERRED DEBITS	<u>86,131</u>	<u>106,446</u>			
TOTAL ASSETS AND			TOTAL LIABILITIES AND		
OTHER DEBITS	<u>\$39,260,119</u>	<u>\$38,112,368</u>	EQUITIES	<u>\$39,260,119</u>	<u>\$38,112,368</u>

Statement of Operations

	<u>2025</u>	<u>2024</u>
OPERATING REVENUE AND PATRONAGE CAPITAL	<u>\$13,217,381</u>	<u>\$12,098,167</u>
Cost of Power	7,922,534	7,168,063
Operations and Maintenance	1,539,623	1,420,475
Consumer Service and Marketing	587,306	595,645
Administrative and General	952,025	893,339
Depreciation	939,967	894,408
Interest on Long Term Debt	595,043	554,309
Other Expenses	<u>128,457</u>	<u>138,154</u>
TOTAL COST OF SERVICE	<u>12,664,955</u>	<u>11,664,393</u>
NET OPERATING MARGINS	<u>552,426</u>	<u>433,774</u>
OTHER INCOME AND MARGINS	<u>601,046</u>	<u>695,492</u>
TOTAL MARGINS AND PATRONAGE CAPITAL	<u>\$ 1,153,472</u>	<u>\$1,129,266</u>

This graph shows where each dollar you pay for electricity is spent. As an example; 60 cents of every dollar is spent to purchase the actual wholesale electric power you use.

