




A Touchstone Energy® Cooperative 

LIVE LINES

Woodbury County Rural Electric Cooperative

August 2025

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 20, 2025 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 the cooperative faces. 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 20th.

Come join the meeting, enjoy the meal, and receive a handout for attending. We hope to see you on August 20th.

OFFICIAL NOTICE OF THE 87th 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 20, 2025, at 6:30 PM.

This meeting is the regular Annual Meeting for the year 2025 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 2028 Annual Meeting, or when

their successors have been duly elected, to succeed Tom Morgan, and Ron Steinhoff 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, 2025 /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 20st. Winner will be published in September Live Lines.

Director Candidates for 2025

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 terms are for three years. At the 2025 Annual Meeting, to be held on August 20th, 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.



Brett Baldwin

Brett Baldwin is married to Jody and have three children. Brett is a farmer and co-owner of BT Ag Drones. Brett has lived in the area his entire life and been a Woodbury REC member for 16 years. He is a member of the Anthon Fire Department, Anthon Community Club, and Anthon events Center board. Brett enjoys coaching youth athletics, hunting, fishing and spending time traveling with family.

Tom Morgan is married to Lynn and they are the parents of four children, 13 grandchildren and one great grandchild. Mr. Morgan is currently a director on the Woodbury REC Board. Tom is a farmer and a retired accountant and has been a Woodbury REC Member for 24 years living in the Merville/Woodbury County his whole life. When time allows, Tom enjoys traveling.



Tom Morgan



Ron Steinhoff

Ron Steinhoff is the parent of two daughters. He has a cow/calf herd, and is a Realtor. Ron is currently President of the Woodbury County REC Board and represents Woodbury County REC on the Board of Northwest Iowa Power Cooperative as Vice President. Mr. Steinhoff also serves on the Board of the Iowa Area Development Group. When time allows he enjoys competitive team roping and hunting.



The Annual Meeting will feature:

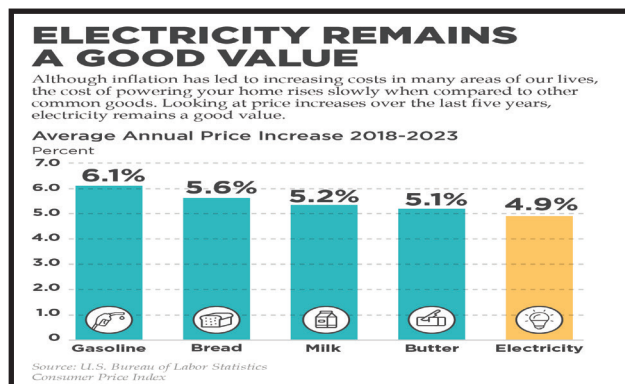
Where: Woodbury County REC office building

When: Wednesday, August 20, 2025

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.

NRECA

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.

Last fall we finished replacing 9 miles of older underground cable in the Browns Lake, Salix, and Sloan areas. The construction project faced a couple challenges as crews had to work around flooded ditches and railroad crossings. Another challenge we faced was the loss of our power-line metering system located at a substation near Correctionville due to the June 2024 flooding. Although it took time and resources to replace the equipment, we were able to receive FEMA funding that covered 85% of the cost. This was the first FEMA Claim Woodbury REC has done since the early 1990's. The line crew have also been busy with new service requests, outages, and our annual maintenance programs. NIPCO completed rebuilding the transmission line this spring that provides power to three substations on the east side of the county. We have already enjoyed the increased reliability that has resulted from this transmission line being rebuilt.

The March 19th snow/ice storm brought challenges we had not seen for some time. This storm interrupted service to most of the membership, some members were out of power for minutes while others were out for over a day. Having our main circuits constructed with underground cable and having them tied to other substations saved our membership from having much longer outages as the storm damage affected mostly single-phase overhead power lines. NIPCO's rebuilt transmission lines also contributed to keeping the lights on during the storm. We fared much better than some of our neighboring cooperatives and we are grateful to Lyon County REC, Osceola County REC, and North West REC for assisting us in our restoration efforts. We are currently working on a FEMA application related to this storm.

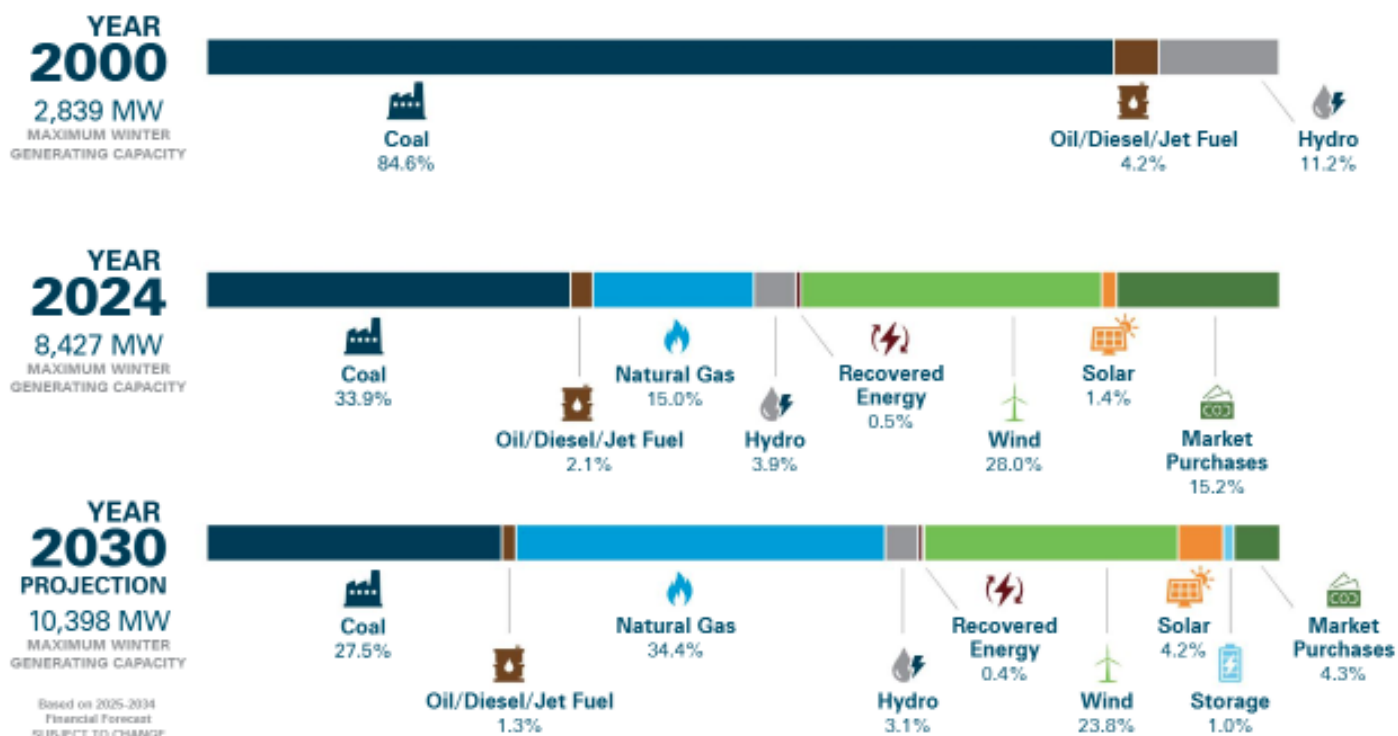
The Cooperative's administrative staff continues to work closely with the membership and worked hard rolling out the new bill design. We have received good feedback from the membership on its design. The bills will see a few more modifications going forward. The accounting staff has also been busy with the FEMA applications and reporting as we will be applying for assistance relating to the March 19th ice storm.

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 2024. The annual audit of the books by Eide Bailly, LLP, resulted in a clean audit opinion. We have mentioned during the annual meeting and in articles in the newsletter over the last few years that we have experienced 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 first 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 2026. 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 2026 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. 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.

BASIN ELECTRIC'S ALL-OF-THE-ABOVE ENERGY STRATEGY IS DEPICTED BELOW.



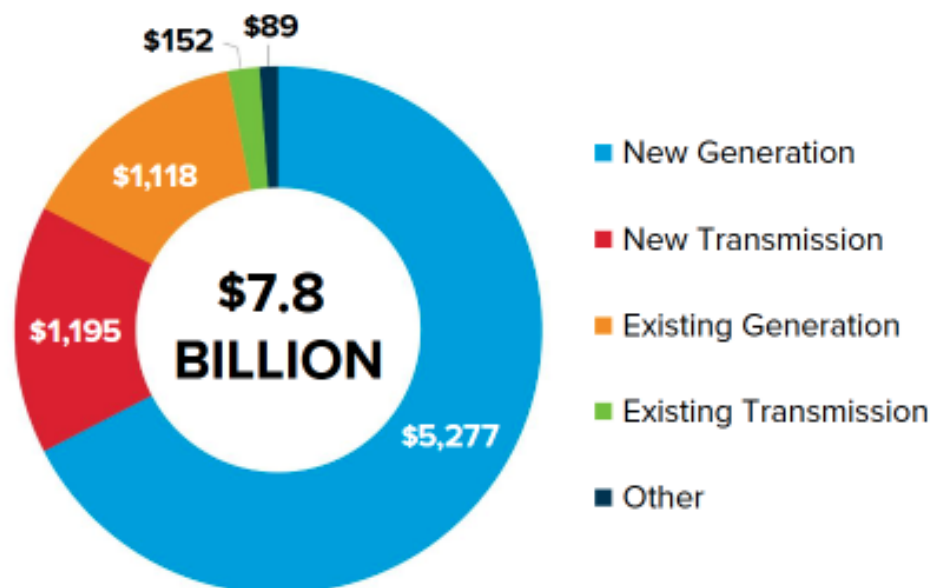
Note: Megawatts based on winter season net generating capacity as of Dec. 31, 2024, across the entire service territory.

INVESTING IN RELIABILITY

Basin Electric is investing nearly \$8 billion in existing and new generation and transmission assets to meet anticipated growth in the coming decade. In the 2025-2034 financial forecast, planned investments include \$5.3 billion in new generation, \$1.2 billion in new transmission, and over \$1.3 billion in existing generation and transmission upgrades.

2025-2034 CAPITAL EXPENDITURES

In Millions



Sweeping Changes to U.S. Energy Policy

According to a recent article from the Institute for Energy Research, the “One Big Beautiful Bill Act” represents a sweeping overhaul of U.S. energy policy, aimed at reshaping the federal government’s role in energy markets and reversing key provisions of the Inflation Reduction Act. With a clear emphasis on fossil fuel production and energy independence, the legislation mandates new oil and gas lease sales across federal lands and offshore areas, revives tax advantages for producers, and loosens regulatory burdens that had previously constrained the industry. These changes signal a strategic pivot away from the Biden-era approach. The bill reflects a renewed focus on maximizing domestic energy output and scaling back federal support for clean energy technologies all under the banner of strengthening U.S. economic and energy security. We examine how the legislation reshapes oil and gas production policy and the broader implications for energy markets and environmental goals.



Oil, Gas, and Other Fuel Production

- Promotes oil and gas production
- Allows for lease sales, permitting, and reducing costs
- Increases carbon capture credits of utilizing carbon dioxide for enhanced oil recovery
- Eliminates Clean Hydrogen production credits, after 2027
- Eliminates sustainable aviation fuel credits, after Sept 2025 (provided by AICPA)
- Extends clean fuel production credits through 2029 (provided by AICPA)

Coal Industry

- Promotes coal production
- Allows for leasing, permitting, and reducing costs
- Allows for an advanced manufacturing tax credit for mining coal for steel production.

Renewable Energy Tax Credits

- Sunsetting investment tax credits and production tax credits for wind and solar by phasing them out, yet some projects would still qualify through 2030

Vehicle Tax Credits

- Eliminates EV tax Credits, after September 30, 2025
- Eliminates alternate fuel vehicle refueling credits. (provided by AICPA)

Energy-efficiency Credits (provided by AICPA)

- Eliminates EE Home improvement credits, after 2025
- Eliminates New EE Home credits, after June 2026
- Eliminates EE commercial buildings deductions, after June 2026

Taken together, the bill reflects a broader priority shift: one that prioritizes energy reliability, domestic production, and government restraint over federally subsidized green energy expansion and net-zero targets.

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.

Financial Report For Year End 2024

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 2024, which is the last year available. In addition to the 2024 numbers, 2023'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>2024</u>	<u>2023</u>	<u>LIABILITIES AND EQUITIES</u>	<u>2024</u>	<u>2023</u>
Total Utility Plant in Service	\$40,344,971	\$37,804,488	Patronage Capital	\$ 9,385,466	\$8,882,323
Construction Work in Progress	<u>107,511</u>	<u>440,890</u>	Margins and Other Equities	<u>11,453,724</u>	<u>11,215,692</u>
Total Utility Plant	40,452,482	38,245,378	TOTAL MARGINS AND EQUITIES	<u>20,839,190</u>	<u>20,098,015</u>
Less: Accumulated Depreciation	<u>13,637,012</u>	<u>13,054,221</u>			
NET UTILITY PLANT	<u>26,815,470</u>	<u>25,191,157</u>	LONG-TERM DEBT	<u>13,068,657</u>	<u>11,614,522</u>
Investments in					
Associated Organizations	5,160,410	4,767,893	Notes Payable	1,950,000	1650,000
Other Investments	<u>2,706,767</u>	<u>974,740</u>	Accounts Payable	916,377	707,650
TOTAL INVESTMENTS	<u>7,867,177</u>	<u>5,742,633</u>	Consumer Deposits	323,074	95,334
Cash	50,969	21,481	Other Accrued Liabilities	<u>1,007,986</u>	<u>379,883</u>
Temporary Investments	335,590	810,323	TOTAL CURRENT AND		
Accounts Receivable	1,262,977	1,096,851	ACCRUED LIABILITIES	<u>4,197,437</u>	<u>2,832,867</u>
Materials and Supplies	1,610,646	1,521,324			
Prepayments	<u>63,093</u>	<u>61,217</u>	DEFERRED CREDITS	<u>7,084</u>	<u>10,586</u>
TOTAL CURRENT ASSETS	<u>3,323,275</u>	<u>3,511,196</u>			
DEFERRED DEBITS	<u>106,446</u>	<u>111,004</u>			
TOTAL ASSETS AND			TOTAL LIABILITIES AND		
OTHER DEBITS	<u>\$38,112,368</u>	<u>\$34,555,990</u>	EQUITIES	<u>\$38,112,368</u>	<u>\$34,555,990</u>

Statement of Operations

	<u>2024</u>	<u>2023</u>
OPERATING REVENUE AND		
PATRONAGE CAPITAL	<u>\$12,098,167</u>	<u>\$10,993,576</u>
Cost of Power	7,168,063	6,096,821
Operations and Maintenance	1,420,475	1,351,181
Consumer Service and Marketing	595,645	521,225
Administrative and General	893,339	843,151
Depreciation	894,408	871,331
Interest on Long Term Debt	555,502	503,157
Other Expenses	<u>136,962</u>	<u>82,506</u>
TOTAL COST OF SERVICE	<u>11,664,394</u>	<u>10,269,372</u>
NET OPERATING MARGINS	<u>433,773</u>	<u>724,204</u>
OTHER INCOME AND MARGINS	<u>695,492</u>	<u>758,069</u>
TOTAL MARGINS AND		
PATRONAGE CAPITAL	<u>\$ 1,129,265</u>	<u>\$1,482,273</u>

This graph shows where each dollar you pay for electricity is spent. As an example; 59 cents of every dollar is spent to purchase the actual wholesale electric power you use.

