

Commitment to Community

Hawkeye REC values its commitment to community and the 2003 Holiday promotion for the elderly was one of the many efforts made throughout the year to show it. It was the first year Hawkeye members, employees and directors worked cooperatively along with community agencies putting together care packages for the elderly. Hawkeye and Howard County Public Health employees distributed the care packages during the week of Christmas in Howard, Chickasaw and Winneshiek Counties. Many thank you cards have been received at the REC office with heart felt thanks from those who received a package. Giving during the holiday season not only put smiles on the faces of those receiving a package, it put a special feeling in the hearts of those who gave willingly and unselfishly to the cause. Giving truly is the reason for the season.

Hawkeye REC thanks everyone who donated to the packages with a variety of items including, canned fruits & vegetables, soups and other canned items, crackers, pudding cups, cheese spread, peanut butter, cereal, macaroni & cheese, noodles, soap, shampoo, Kleenex, toilet paper, hand lotion, greeting



cards, postage stamps, envelopes and stationery. In conjunction with Community Action, Chickasaw Senior Centre and Northland Agency on Aging in Decorah, there were a total of 30 care packages given to area residents. Hawkeye REC would also like to extend a special thanks to Chickasaw County 4-H and Burr Oak Methodist Church for their generous donations.

Inside this issue...

PAGE 2

Vital Statistics

PAGE 3

Construction Projects

PAGE 4

Director Nominations

PAGE 5

Employees Honored

PAGE 6

Reading Meters

PAGE 7

Recipes

PAGE 8

Attention Students

“Giving during the holiday season not only put smiles on the faces of those receiving a package, it put a special feeling in the hearts of those who gave willingly and unselfishly to the cause.”

"Our vision is to provide access to safe, dependable and affordable electric services."

Vital Statistics

Hawkeye REC's board approves 2003 Operating & Capital Budgets



Tom Miller
General Manager

2003 Budget:

After two meetings of presentations, discussion, and questions, Hawkeye REC's board of directors approved the 2003 Operating and Capital Budgets in late December. The Operating Budget is approximately \$10.6 million, continuing the line maintenance programs. Some of these programs include: safety and compliance, pole and ground testing and treatment, meter testing, vegetation

management, reclosures and sectionalizing repair, overhead and underground line inspection, water heater installation and repair, and load management. The Capital Budget includes almost \$2 million in new services, service upgrades, line replacement, line moves for road improvements, new lines for reliability, and construction equipment. Dean Fisher, Chairman, commented, "We must have a reliable power supply and dependable access to electricity. We have to keep doing the basics, it is sound business."

Major influences:

The largest item in the operating budget by far is the wholesale power bill. Since Hawkeye's last rate increase in January 2001, the wholesale cost of

power (what Hawkeye REC pays Dairyland Power for electricity) has escalated by more

than 23%. In addition, Hawkeye has seen significant cost increases in insurance premiums (all types), postage, property taxes, vegetation management, and other items.

Until now, Hawkeye has been able to absorb these increases due to:

- ◆ Higher than projected energy sales in 2002 because of the warmer than normal summer and corn drying from a bumper crop, and
- ◆ Reduced labor costs made possible with the closure of the appliance and Radio Shack stores.

Rate Increase:

However, in order to make ends meet, it is necessary to implement a rate increase beginning March 1st. We estimate the rate increase in the range of 12-14%. We will not be changing the rate structures or the access charges. The increase will come on the kW and kWh charges. Along with the increase we will change the billing cycle from the 21st to the 1st. This means consumption from March 1st to March 31st will be billed April 10th and delinquent after April 30th. This billing cycle change better matches Hawkeye REC's revenues to the wholesale power bill expense.

Questions:

Hawkeye REC and Dairyland Power Cooperative work to provide members with access to safe, affordable, and dependable power distribution and supply. We work hard to mitigate the impacts of the sometimes volatile energy industry to the best of our ability. Please watch for more information regarding the rate increase and billing changes coming soon. As always, we welcome your comments and questions.

DAIRYLAND POWER COOPERATIVE Wholesale Power Rates

Fuel to operate its generating facilities is Dairyland's single largest expense, greatly impacting rates. Due to significant increases in coal prices in 2001 and 2002, Dairyland implemented a wholesale power increase to its distribution cooperatives in May 2002. While fuel costs are stabilizing, Dairyland has found it necessary to maintain its rates at the higher level to attain greater operating capital as our power supplier addresses a number of challenges in 2003. Among these challenges are the need for greater scheduled maintenance at Dairyland's largest generating facilities (Genoa #3 and JPM), expenses associated with removal of spent fuel at its shutdown nuclear facility (LACBWR), maintaining adequate and reliable transmission access, and planning for new sources of energy. Dairyland takes a long-term view of its generation and transmission resources, and the financial requirements necessary to maintain a reliable power supply for its members' future needs. Dairyland continues to work to contain other costs, and our average wholesale rate remains lower than 1986 levels.

Director Candidates to be Nominated

Candidates for three positions on the Board of Directors of Hawkeye REC will be nominated this month. The nominating committee will be selecting candidates for three director positions, one in each county/district. At least two candidates must be nominated for each of the three positions. The term is for three years.

The nominating committee will have their final meeting on January 20, 2003. If you are interested in being a candidate for one of the director positions or would like to make a recommendation, please contact one of the committee members before January 20.

The following directors are up for re-election this year:

Howard County - Roger Nibaur
Chickasaw County - Dean Fisher

Winneshiek County - Gerald Bakken (who will be retiring)

2003 Nominating Committee

HOWARD COUNTY

Steve Christensen, Riceville
(641) 985-4169
Gary Gassett, Lime Springs
(563) 547-2673

CHICKASAW COUNTY

Daniel Lukes, Waucoma
(563) 569-8572
Clarence Kriener, Lawler
(563) 569-8647

WINNESHIEK COUNTY

Robert Sersland, Decorah
(563) 382-3087
Earl Winter, Decorah
(563) 735-5636

REMINDER

Attend Your Cooperative's Annual Meeting!

Monday, March 24, 2003

Crestwood High School, Cresco

7:00 p.m.

ANNUAL MEETING AGENDA

Items need to be submitted by members to Hawkeye REC by Jan. 31, 2003 for Board consideration.

Board Member Retires after 30 Years of Service!

After serving the members of Hawkeye REC for 30 years, Director Gerald Bakken of Decorah will retire in March. Gerald and his wife, Darla, farm in Madison Township, Winneshiek County. Gerald was elected in 1973 and served many years as Treasurer. Gerald's contribution on the board and presence in the boardroom will be greatly missed.



*Gerald Bakken
Director
30 years*

Everyone at Hawkeye wishes Gerald and Darla the best of luck and good health in the future!

2003 Construction Projects



*Staking Engineer
Marlyn Ohloff*

Operations Department News

Hawkeye REC right-of-way and staking department along with PowerPlus Engineering (our consultant engineer in Lacrosse, WI) have been working on several construction projects this fall and winter to be built in 2003. Hawkeye continues to improve our backbone system by building three-phase (poles with crossarms and four wires) tie lines. Tie lines increase voltage support and provide an alternate route for reliability.

Projects under Construction

To provide an important tie line in the south-east part of Hawkeye's electrical distribution system, six miles of three-phase overhead line in Military Township, Winneshiek County, will be completed in January by our contractor, Moll's Utility Services.

In the northeast part of the system, in another effort to provide an important tie line,

a five mile three-phase overhead line in Jamestown and Oak Dale Townships, Howard County, along County Road V10 will be completed in February by the contractor.

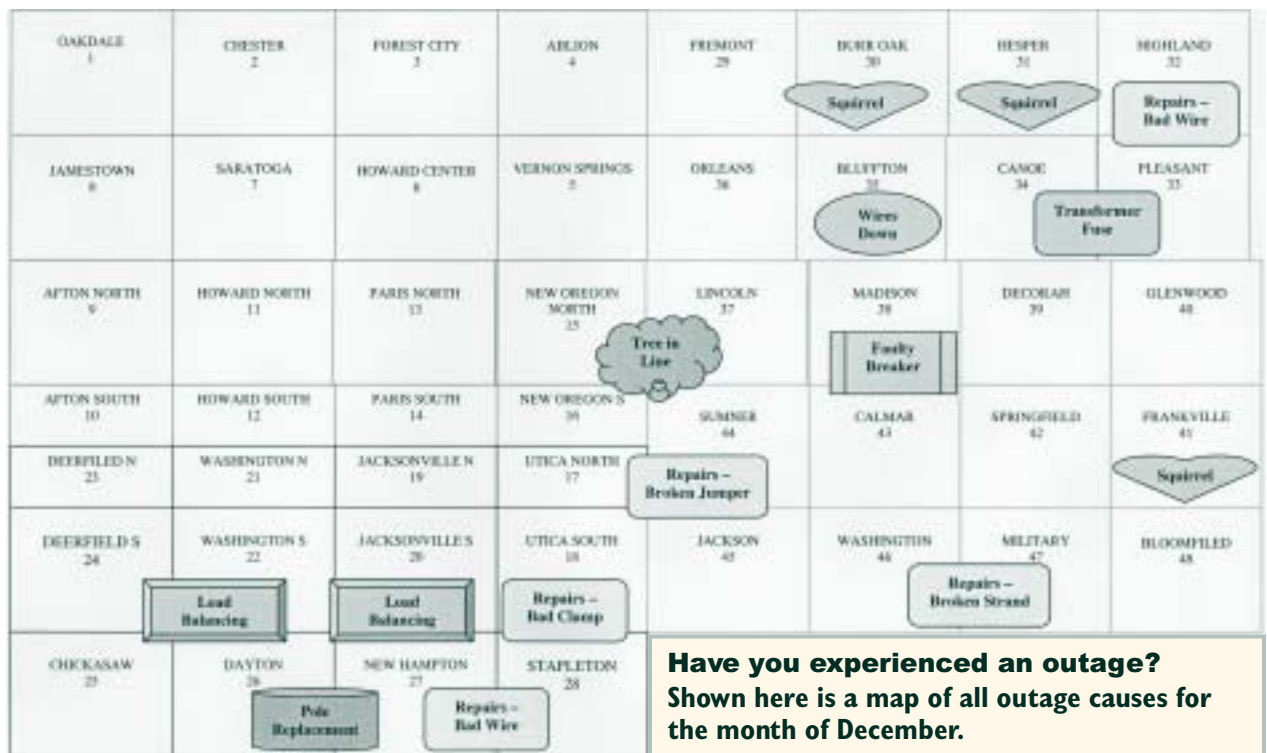
A small single-phase tap near the Northeast Iowa Dairy Facility will be built to replace some steel wire. This project will be done by Hawkeye crews.

A single-phase project in Section 12 of Bluffton Township, Winneshiek County, will be built to tie two existing lines together to better serve this area. This project will also be built by Hawkeye crews.

Projects in the Beginning Stages of Staking

PowerPlus Engineering has almost completed staking a new single-phase line along

(more...)



**Have you experienced an outage?
Shown here is a map of all outage causes for
the month of December.**

Locust Road due to Winneshiek County changing this road from Decorah to Locust. The contractor should have this line completed by May.

Hawkeye is working on obtaining right-of-way easements and PowerPlus is staking a three-phase overhead line along Oil Well Road from Oak Hill Road to 225th Street in Winneshiek County to tie together a three-phase circuit. Part of this project Hawkeye will be working on together with Dairyland Power to underbuild two miles of their transmission lines in Sections 19 and 30 of Glenwood Township in Winneshiek County.

Dairyland Power also has plans to rebuild

the entire transmission line from Harmony, MN to our Nordness Substation near Decorah. Hawkeye crews will have minor involvement with Dairyland Power on this project.

Hawkeye is beginning to talk to landowners in the Twin Springs area along Madison Road to the Rosendahl Addition near Decorah. We will be rebuilding this line to improve reliability and replace an aging line.

Hawkeye greatly appreciates all the cooperation of its members on these projects. They are major investments in Hawkeye's electrical system in hopes that we can better serve our members with safe reliable power.

Employees Honored for Years of Service

Three employees and one director were honored at the annual employee/director recognition banquet in December. Hawkeye Mechanic Roger Carmen and Board Member Janelle Mahr received their first year service award pins as new employees to Hawkeye in the year 2002.

Billing Supervisor Dolores Donlan received her 20-year service pin and award gift, while Lineman Eldred Rethamel received a pin and award gift for his 30 years of service to the cooperative.

*Thank you for your years
of service!*



*Dolores Donlan
Billing Supervisor
20 years*



*Eldred Rethamel
Lineman
30 years*

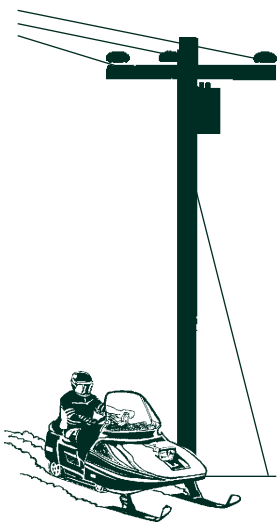
Annual Audit of Meter Readings

There has been a change implemented in accordance with Hawkeye's summer meter readings. 2003 will be different from other years when member's meters were read in the summer. Starting in January, Gayland Peter and Jerry Kach will be reading member's meters throughout the course of the year beginning in Howard County. Members are still required to read and submit their meter readings once per month.



Watch Out for that Guy!

Riding snowmobiles has become a popular recreational sport. There are a number of trails that accommodate a variety of skill levels but it's still important to follow safety rules. For your own safety, make winter trails well away from poles and guy wires. Do not post snowmobile trail signs on electric poles. This is very dangerous, not only for snowmobiles but also for Hawkeye line crews. Guy wires are installed at the end of a line at angles to keep poles vertical. Keep in mind that they can be very dangerous to snowmobilers because they are hard to see, especially at night and when snow or ice covered.



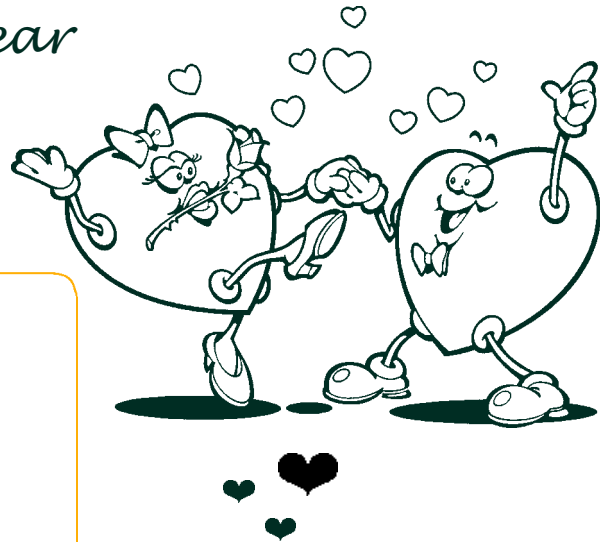
“...make winter trails well away from poles and guy wires.”

Here are a few other safety tips. Be careful and enjoy the fun.

- ◆ Let someone know where you are going and when you expect to be back.
- ◆ Never go out alone.
- ◆ Watch your snowmobile fuel supply. Ride only to a point where the fuel gauge reads one-half, and then follow your tracks back to the trailhead.
- ◆ Dress for changing weather conditions. Layered clothing allows the body to adjust as temperatures change.
- ◆ Be familiar with your snowmobile. Know its fuel capacity and basic maintenance procedures.
- ◆ Check the weather and avoid potentially dangerous situations.

Recipes...

Spend Valentine's Day this year in spirit with some red foods.



Ruby Red Cake

Cream:

½ cup Crisco
1½ cups white sugar
2 eggs
2 oz. red food coloring
1 tsp. vanilla

Sift together:

2 tsp. cocoa
2 cups cake flour
1 tsp. salt

Add dry ingredients alternately with 1-cup buttermilk. Beat with mixer. Add 1 tsp. soda in 1 T. vinegar (do not beat in with mixer, just stir in with spoon) Bake for 30 minutes at 350 degrees in two 9 inch pans.

*Pat Sir
Elma, Iowa*

Raspberry Salad

1 cup applesauce
1 pkg. raspberry Jello
1 cup boiling water
1-8oz. tub Cool Whip
2 cups miniature marshmallows
1-10oz. box raspberries

Dissolve Jello in boiling water. Add raspberries in juice and applesauce. Chill to firm. Mix Cool Whip and marshmallows and let stand for 2 hours, stirring a few times. Spread over firm Jello. Let top layer set until firm.

*Mrs. Virgil Denner
New Hampton, Iowa*

Send us your favorite recipe. If we print your recipe in our newsletter you'll receive \$5 off your next electric bill.

February- Favorite Pies
March- no newsletter
April- Easter Treats



ATTENTION High School Sophomores & Juniors

Hawkeye REC is sponsoring a FREE trip to our nation's capitol, June 14-20, 2003. An action packed week awaits this year's Youth Tour participant. He/she will tour historic sites and monuments, meet congressional leaders, explore the Smithsonian Museums, take a cruise on the Potomac and meet new friends from Iowa and across the nation! It's a perfect opportunity to travel, work with REC leaders, and enhance your leadership skills! Fill out the form and send to Cindy at Hawkeye REC by March 1, 2003. You will receive Youth Tour study materials and an open book test which must be completed and returned to Hawkeye by March 21, 2003. The five students with the top scores will qualify for the final examination and judging. Judges will select the winner of the Washington D.C. trip and an alternate. If you have any questions, please feel free to contact Cindy at 1-800-658-2243 or 547-3801.

Hawkeye REC

Box 90 - Cresco, Iowa 52136
1-800-658-2243 or 547-3801
www.hawkeyerec.com

OFFICE HOURS

Monday thru Friday

7:30 a.m. - 4:30 p.m.

(Closed Sat., Sun., & Holidays)

OUTAGES

1-800-927-5265

IOWA STATE ONE CALL

1-800-292-8989

BOARD OF DIRECTORS

Dean Fisher, President - Lawler
Dean Nierling, Vice President - Burr Oak
Dennis Ptacek, Secretary - Elma
Gerald Bakken, Treasurer - Decorah
Francis Massman - Decorah
Norman Dickman - Decorah
John Hockspeier - Alta Vista
Janelle Mahr - Lime Springs
Roger Nibaur - Elma

PERSONNEL

Tom Miller, CEO & General Manager
Charles Neubauer, Operations Manager
Cindy Christensen, Communications Manager
Pat Boyle, Business Dev./Mbr. Serv. Manager
Dolores Donlan, Electric Billing Supervisor
Peggy Berg, Chief Financial Officer
Jim Murphy, Information Tech. Manager

EDITOR

Cindy Christensen



The Power Is Yours

Invest in your future! Sign up now to compete with area students for your chance to win an unforgettable trip to our nation's capitol. Complete application form and return to: Hawkeye REC, Attention: Cindy, PO Box 90, Cresco, Iowa 52136.

Iowa REC Youth Tour • June 14-20, 2003

Name: _____ Age: _____ Grade: _____

School: _____

Signature: _____

We certify that we are the parents or legal guardians of the youth who has signed above and that we give our permission for him/her to participate in the Youth Tour 2003 Contest and to participate in the trip to Washington DC, should he/she be selected.

Date: _____ REC Service Location No: _____

Signature(s): _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____



Hawkeye REC
Box 90
Cresco, Iowa 52136

PRSRT STD
U.S. Postage
PAID
La Crosse, Wis.
Permit No. 372