

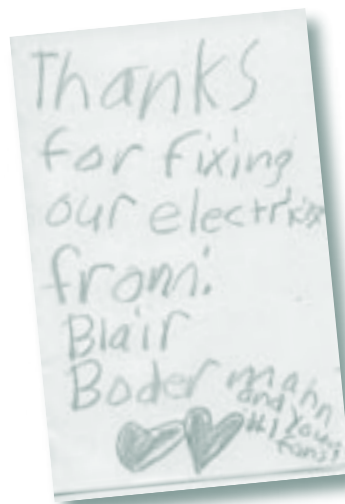
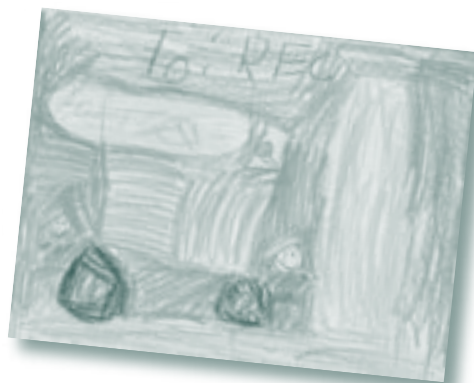
## 'Riding the Storm Out'

The recent severe winter storms impacted your cooperative in a number of ways. As employees of an electric cooperative, we are supposed to be prepared for the 'big storm'. Only a few Hawkeye employees have ever seen a storm close to this magnitude in the 71 years Hawkeye has been an electric cooperative. For the rest of the employees, this storm hit home and hit hard. Working long hours, away from their families, in unfavorable weather conditions, the dedicated and capable staff worked hard to restore power to you, our members. We cannot say **THANK YOU** enough for your patience, kindness, understanding, encouragement, resourcefulness and generosity!

This storm exemplified an important fact about Hawkeye REC. Our members are great! We received so many notes of praise, prayers for safety, and drawings from kids saying thank you in their own words. We also have an awesome staff that is willing to give up a part of their own lives in order to make life better for others. Everyday, people rely on electricity for the necessities and conveniences of our modern world but most of us take it for granted at the same time.



*"The girls started praying for the linemen every night to be safe and make it here. One day they made cards, the next day they made a poster and the next day they decided to wear their REC shirts when they came to fix the lines. I told them when they come, we will make candy and they can go outside and give them a 'heroes welcome'. They were so excited waiting for them, it made the 11 days go by faster!"* –Duane, Kelly, Brooke, Blair & Brynn Bodermann of Elma



*Please turn to pages 6-7 for more photos of this historical storm.*

### Inside this issue...

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



Tom Miller  
General Manager

# Annual Meeting

**D**espite the nasty weather, we had over 200 members attend our annual meeting. We appreciate those members making the effort to participate in the meeting. Thank you very much for your support. For those of you who sent your regards, we apologize for the inconvenience and can appreciate your decision not to attend. So why did we decide to have the meeting?

Our annual meeting is a formal event. We have to formally notice the meeting, publish the agenda in advance of the meeting, stage an election in a controlled fashion, and make accommodations for all the details tied to such an event. Over 50% of the expense of this event is to meet the requirements of your Articles of Incorporation and Bylaws. Rescheduling the meeting was seriously considered but in light of our recent (financial) hardships, we pinched the penny and went on with the show.

## Captive Rail Issue

We still need your help! Below is a comparison between 2006 and 2005 of our wholesale power cost. The intent of this comparison is to demonstrate the profound impact the rail issue has on your monthly electric bill.



We urge you to contact Senators Grassley and Harkin and Congressman Latham. There has been legislation drafted addressing our concerns. Please ask them to support:



- (Senate Bill) S. 919
- (House Bill) HR. 2047

## Line Insurance

Since the storm, there have been questions about our insurance coverage. We are covered by Federated Rural Electric Insurance Exchange in Lenexa, Kansas. This is an insurance cooperative dedicated to serving rural electric cooperatives. Hawkeye REC is a member-owner of Federated. Our people, financial records, automobiles, buildings, substations, and major equipment are insured. Our 2,300 miles of poles, electric wires, and small line equipment are not covered. There is too much exposure to economically insure every pole, foot of wire, and related appurtenances. In the case of the February 24th severe winter storm, we have very little that we can claim.

## FEMA

Early in the severe winter storm, we made application to the Federal Emergency Management Agency for restoration, rehabilitation and mitigation assistance. Our initial estimates were used in getting Chickasaw, Howard, and Winneshiek counties declared disasters. Storm damages throughout the state began mounting and Governor Culver declared a state disaster. Damage estimates were revised making the disaster totals over \$34 million in the state of Iowa. On March 14th, President Bush declared Iowa a federal disaster. The presidential declaration enables FEMA to provide assistance to eligible applicants. Hawkeye REC is an eligible applicant because we are member-owned and not-for-profit.

### WHOLESALE POWER COSTS

2006	2005	Variance
\$7,021,146.52	\$6,088,456.82	\$932,689.70
134,172,871.46 kWh	133,594,486.64 kWh	578,384.82 kWh
\$52.33 MWh	\$45.57 MWh	\$6.76 MWh (6.7¢ kWh)

Increase due to volume \$26,357  
Increase due to price \$906,332.70

Price increase directly attributed to captive rail issue \$627,124.  
Price increase directly attributed to higher coal costs \$137,661.

This is \$117.30 per meter annually or \$9.78 per month.

On March 30th, we had our kick-off meeting with Hawkeye's assigned FEMA Coordinator. We have 60 days to meet and complete a list of criteria. During this time frame we will be "negotiating" the project work. Our engineering estimates include:

- ▶ \$1 million initial restoration efforts
- ▶ \$13.6 million in rehabilitation projects
- ▶ \$3.9 million in potential mitigation projects (these projects may decrease rehabilitation projects)



It is important to know that FEMA only provides 75% reimbursement. For example, if our magic number is \$15 million, we can hope

to be reimbursed \$11.3 million. The other \$3.7 million will need to be borrowed by Hawkeye REC. This will impact our future rates.

We are glad to be eligible for the help!

## Power Delivery Associates (PDA)



Due to the ice storm and FEMA time constraints Hawkeye has contracted PDA to stake line and acquire or revise easements. If you have any questions, please contact the REC office.

### NOTICE

**"All phone calls at Hawkeye REC are recorded for quality assurance purposes."**

## Line Clearance Notice

Please check electric line clearance in all field entrances. If it does not seem high enough for your equipment to pass under please call Hawkeye REC at 800-658-2243 as soon as possible.

## Ice Storm Cleanup

If you still have wire or poles in ditches or fields please notify Hawkeye REC at 800-658-2243.



## Interesting Winter Data

- ▲ Between 2/3/07 (Sat) and 2/8/07 (Thur) Dairyland Power recorded its top 6 kWh energy consumption days for any winter season.
- ▲ Previous highest day was 12/23/04, but was beaten out by all six days in February.
- ▲ Monday 2/5/07 was the highest of these days.
- ▲ 2/5/07 and 2/6/07 were DPC's second and third highest kWh consumption days of any season.
  - Only 7/31/06 was higher
  - Other 4 days ranked 5th through 8th of all time

# 70th Annual Meeting Highlights

## Incumbents Re-elected



*John Hockspeier*  
(Chickasaw District)



*Janelle Mahr*  
(Howard District)



*Norman Dickman*  
(Winneshiek District)



*Dennis Young*  
(Winneshiek District)

## Director Election Results

**T**he 70th annual meeting of members was held Wednesday, April 11 at the Crestwood High School.

Director incumbents, John Hockspeier (Chickasaw District), Janelle Mahr (Howard District), Norman Dickman and Dennis Young (Winneshiek District) were all re-elected to serve 3-year terms on the board. Hawkeye would like to give a special thanks to Nathan Schwickerath and Lynda Springer for running on the ballot and offering to lend their time and talents to Hawkeye REC.

## ‘Riding the Storm Out’

President Dean Fisher’s presentation for the members focused on “Riding the Storm Out”, a video showcasing the historical ice and wind storm that affected Hawkeye REC members. The severe winter storm was the worst this cooperative has experienced since its inception, 71 years ago.

**“It’s important our member-owners know how the storm affects their electric cooperative.” said Miller. Visit Hawkeye’s website [www.hawkeyerec.coop](http://www.hawkeyerec.coop) for more information and to watch the “Riding the Storm Out” video.**

Manager Tom Miller also addressed the membership by focusing on the power restoration efforts and how your local electric cooperative was affected. He started by explaining Hawkeye’s strong financial position before the storm, the process Hawkeye must follow to receive FEMA assistance, the construction rebuild schedule and the ‘art of dispatching’ during major outages. One of the main messages repeated throughout the business meeting was thanking the membership for their cooperation, patience, encouragement and generosity during the storm restoration efforts. Manager Miller also praised employees for their hard work and dedication, keeping safety a priority while restoring power to the members. “It’s important our member-owners know how the storm affects their electric cooperative.” said Miller. Visit Hawkeye’s website [www.hawkeyerec.coop](http://www.hawkeyerec.coop) for more information and to watch the “Riding the Storm Out” video.



*Manager Tom Miller addresses the membership during the Annual Meeting.*

## Thanks to the Ballot Committee



*(L to R) Chuck and Tammy Stevenson, Joyce Jirak, Peggy and Keith Sersland, Trudy and Doug Nath served on the ballot committee for the annual meeting. This committee counted and tallied over 2,000 ballots for the director elections. Their dedication to their electric cooperative is appreciated.*



*Hawkeye employee Peggy Berg distributes the Grand Prize, a \$100 electric bill credit to Elmer Schmitt of Fort Atkinson.*



*All members were asked to sign letters addressed to Senator Grassley and Congressman Latham requesting support for legislation on current captive rail issues.*



*Electric bill credits were given to 31 REC members and all attendees received a free REC canvas tote bag.*

### Electric Bill Credit Prize Winners

\$100.00	Elmer Schmitt	Fort Atkinson
\$50.00	Joe Gansen	Elma
\$50.00	Marvin Lensing	Cresco
\$50.00	Linus Kruse	Cresco
\$50.00	Wayne Mlady	Cresco
\$50.00	Wm. Martinek	Cresco
\$50.00	Joe Kelly	Chester
\$50.00	Wesley Frana	Decorah
\$50.00	Raphael Vsetecka	Cresco
\$50.00	Irene Seele	Cresco
\$50.00	Ordell Stinson	Cresco
\$25.00	Robert Hackman	Lawler
\$25.00	Raymond Balik	Protivin
\$25.00	Leonard Myers	Waucoma
\$25.00	Edward Christopher	Decorah
\$25.00	Raymond Herold	Waucoma
\$25.00	Regina Kuboushek	Fort Atkinson
\$25.00	Tom Schatz	Lime Springs
\$25.00	Ronald Kreitzer	Cresco
\$25.00	Paul Gerleman	Decorah
\$25.00	Gordon Anderson	Decorah
\$25.00	Greg Hudecek	Calmar
\$25.00	Billy Einwalter	Fort Atkinson
\$25.00	Gordon Koehler	Cresco
\$25.00	Kevin Lundt	Decorah
\$25.00	Jim Marik	New Hampton
\$25.00	John Dahle	Ridgeway
\$25.00	Rosalin Ondrashek	Lawler
\$25.00	Richard Bill	New Hampton
\$25.00	Gene Riha	Ridgeway
\$25.00	Adolph Sir Jr.	Elma

# Thanks

*A special "Thanks" to all members who participated in the Annual Meeting!*

# 'Riding the Storm Out'

(continued from cover...)



Josh Lenz, lineman,  
Hawkeye REC



Kevin Reicks,  
Hawkeye REC.



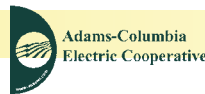
Brad Dull and Wayne Hageman, Hawkeye REC  
linemen.



Cooperation Among Cooperatives  
...one of Touchstone's seven principles!



Touchstone Energy<sup>®</sup>  
Cooperatives



A total of 54 linemen from 11 electric cooperatives in Wisconsin, Minnesota and Iowa came to help Hawkeye crews.



Crews from many cooperatives worked together to restore power as quickly and safely as possible.

## 'Riding the Storm Out'

### Reconstruction Efforts

330 miles of line to rebuild (281 miles of single-phase and 49 miles of three-phase)

### DAILY OUTAGE COUNT

The daily count of members was posted in the crew room. It would be the first thing the linemen looked at every morning when they arrived and every night when they came in.

Date .....	Outages
Feb. 24/25 .....	4,443
Feb. 26 .....	1,878
Feb. 27 .....	611
Feb. 28 .....	530
March 1 .....	398
March 2 .....	409
March 3 .....	245
March 4 .....	125
March 5 .....	31
March 6 .....	All On!

*"We would like to thank you all for your work and concern for those of us who were without power. Please know that we appreciate all the long hours and dangerous work you do on our behalf. We are praying for your safety."*

*-Dan and Mary Steen*

*"This is a great big Thank You from the Georges! One does not realize how our daily lives depend upon electricity until it is gone. What you did to restore electricity under terrible conditions was a miracle. Thank you for being our hero!"*

*-Jerry and Sue George*

*Dear REC linemen and the rest of the crew:*

*"As dairy farmers, a major expense is electricity. I always dread seeing that yellow envelope arrive! However, after milking six days with a generator and the stress that it brought, I was very happy to see the crews working on our road. I was amazed at the conditions they worked through and say thanks for their commitment to their job. I appreciate the dependability of electricity when I'm in the barn now! Thank you."*

*-Alice and Chris Back*

# Welcome

## Hawkeye REC welcomes New Members

### February 2007

Bryndy L. Bunch..... Decorah  
 Lester Seelye..... Cresco  
 Samantha Berg ..... Lime Springs  
 K-Pigs ..... McIntire  
 Daniel M Koehn..... Riceville  
 Rachelle Henry..... Decorah  
 SS & L LLC. (Brewskies Bar & Grill)..... Utica, MN  
 Robert Pavlovec ..... Cresco  
 Cindy Hook..... Lime Springs  
 Mary Powers ..... Decorah  
 Paul & Michelle Reicks ..... Lawler  
 Jackie & Steve Harless..... Decorah  
 Jason L Bockman ..... Decorah  
 Mitch D Hanson ..... Decorah  
 Joshua M Lewis ..... Chester  
 Daryl D Wilkins ..... Ridgeway

### March 2007

Laura Watson & Terrance Hahn..New Hampton  
 Michelle & Robert Kuhn ..... Calmar  
 Brian & Joan Busta ..... Fort Atkinson  
 Truck Country ..... Decorah  
 Troy & Leah Anderson ..... Ridgeway  
 Nick Boyle ..... Elma  
 Chris Erickson..... Decorah  
 Morris Timm ..... Calmar  
 Adam Vsetecka .....New Hampton  
 Cindy Remick ..... Decorah  
 Matt Zweibohmer..... Decorah  
 Roxanne Null .....New Hampton  
 Jamie Jones, Jackie Davis .....Lawler  
 Travis Lentz ..... Alta Vista  
 Chris Brock .....New Hampton

# Iowa's New Leadership – The Impact on Electric Cooperatives

By Tim Coonan



Tim Coonan  
Director of Government  
Relations for the IAEC

**F**or the first time in more than 40 years, both houses of Iowa's General Assembly and the Governor's office are under Democratic control. In an amazing sweep, which also tracked the national trend, the Democrats control the Iowa House with a 54-46 majority and the Senate with a commanding 30-20 majority. In addition, Governor Chet Culver beat his Republican opponent by 10 points (a very wide margin for an Iowa gubernatorial race). One party is now clearly in charge and it is the Democratic party. As new leadership brings new approaches, ideas and ideologies, electric cooperatives might ask what impact these changes could have on our business.

A notable impact on electric cooperatives is that the leadership party is primarily elected from Iowa's more urban areas. The House and Senate leadership are almost exclusively from urban districts. The Speaker of the House and the House Majority are from Dubuque and Des Moines respectively, and the Senate Majority Leader is from Sioux City. Because their respective constituencies are not

rural and do not include REC territory, our concerns may not be as significant when making policy decisions.

## What can electric cooperatives do about this?

We have a unique opportunity to educate urban legislators about who we are and the services we provide within our service territories and the positive impact we have on Iowa. As cooperative members and employees, we can look beyond our service areas and reach out to legislators outside of our respective regions. As we do this, it will become clear to the new leadership, what

is already clear to our rural legislators – electric cooperatives are an extremely valuable commodity in this state. They will also recognize our commitment to providing safe, reliable, environmentally responsible and affordable power to our members and serving as the economic development catalysts in the communities we serve.

–Tim Coonan is the Director of Government Relations for the Iowa Association of Electric Cooperatives in Des Moines.

*“We have a unique opportunity to educate urban legislators about who we are and the services we provide within our service territories and the positive impact we have on Iowa.”*



Governor Chet Culver

## Ditch Burning

**BE CAREFUL!**

**Pole replacements could cost YOU up to \$1,000!**

**To prevent a pole from burning, remove dead vegetation around the pole or soak the area around the pole with water.**

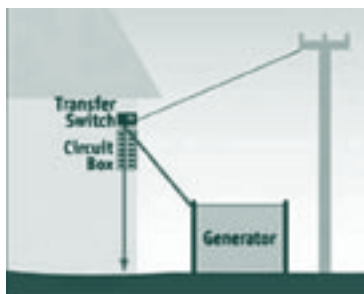
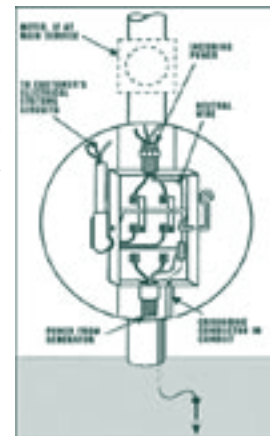
# Is your generator wired correctly?

**T**he recent ice storm brought many generators out of the storage shed. It was noticed many times throughout the storm restoration efforts that some of our members had their generators wired incorrectly. This is a huge safety issue for our linemen! Having a generator wired incorrectly can feed voltage back onto the power lines and electrocute the lineman working to restore your power!

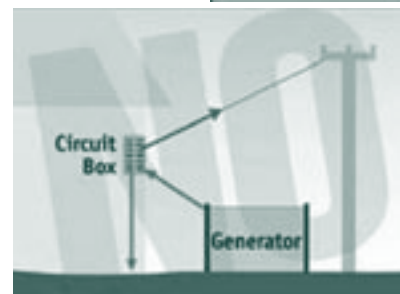
If you had to remove your meter to hook up your generator, that should have sent up a red flag. You should hard-wire your generator. To 'hard-wire' a generator to your home, you need a licensed electrician to install an approved cut-off switch that will automatically disconnect the home from the electric utility system when the generator is in use.

We understand that members were desperate, but now is the time to make what could have been a potentially life-threatening situation safe before Mother Nature strikes again.

*Having a generator wired incorrectly can feed voltage back onto the power lines and electrocute the lineman working to restore your power!*



*Correct generator wiring.*



*Incorrectly wired generator.*

## Hawkeye donates generator to Red Cross

**H**awkeye REC recently donated a standby generator to the American Red Cross, Tri-County Unit. The 8,000 watt generator will be available to use in disaster shelters set-up by the Red Cross in Howard, Winneshiek and Allamakee counties. The generator will provide electricity to heat/cool shelters and to cook meals for the shelter occupants.

“This was a great opportunity for Hawkeye and our local Red Cross chapter” said Tom Miller, CEO of Hawkeye. “With the recent severe winter storms, a standby generator is a wise decision.”

Hawkeye REC is committed to our local communities and is proud to provide a valuable asset to our local Red Cross organization.



*(L to R) Paula Womeldorf, Red Cross Unit Manager; Nic Doughan, Red Cross Service Delivery Coordinator; Tom Miller, CEO of Hawkeye and Gene Koschmeder, Red Cross Volunteer.*

# Air conditioners are more efficient than ever

By: Chris Dorsi

**A**ir conditioners consume a lot of electricity, and are the largest summer utility expense for many families. Fortunately, recent design improvements have reduced the consumption of this hungry appliance. Two of the most important improvements are the two-stage compressor and multi-speed condenser fan.

During the hottest weather, you may need the full capacity of your air conditioner to keep your home comfortable. During this full-time operation, standard air conditioners run at their maximum efficiency. But during moderate weather, old-fashioned air conditioners will cycle on and off to keep from over-cooling your home. This stop-and-go operation is inherently inefficient, since a lot of energy is wasted during the start-up and shut-down part of each cycle.

Air-conditioning units with a two-stage compressor and a multi-speed outdoor condenser fan operate at lower capacity during moderate weather. This results in longer cycles and improved efficiency. It also allows your system to remove more humidity from the air. When the weather is

truly hot, they step up to full-speed operation to assure your comfort.

Variable-capacity air conditioners are all more efficient than older units, but they work in different ways:

- ◆ Some two-stage systems have two small compressors side-by-side. The first compressor operates alone during moderate weather. The second compressor kicks in only when needed during hot weather.
- ◆ The two-piston compressors run in one-piston mode during moderate weather and two-piston mode during hot weather.
- ◆ The multi-speed compressors actually turn at two different speeds to match the cooling load.

You can't avoid the heat of summer, but with a variable-capacity air conditioner, you can reduce the cost of cooling your home. You can learn more about air conditioners at the Energy Star® web site: <http://www.energystar.gov>

*—Chris Dorsi is a nationally recognized expert on energy-efficiency. For more free energy-saving tips, visit the Saturn Resource Management Web site at [www.srmi.biz](http://www.srmi.biz)*



## Services

- ◆ Beam Central Vacuum Systems
- ◆ Electric Grills
- ◆ First Call Emergency Response System
- ◆ Generators
- ◆ Home Heating Systems
- ◆ Incentives & Rebates
- ◆ Long Distance Services
- ◆ Security Lights
- ◆ Security Systems
- ◆ Water Heater Program
- ◆ Water Conditioners/ Softeners
- ◆ Electric Usage Audits
- ◆ New Home Consultations



**Please contact us for more information.**

**1-800-658-2243 or 547-3801**  
**[www.hawkeyerec.coop](http://www.hawkeyerec.coop)**

*“...learn more about air conditioners at the Energy Star® web site: <http://www.energystar.gov>”*



## DATES TO REMEMBER

### BILLING CYCLE DATES

- April 25** Member reads meter and records on payment voucher. Please mail your bill today to make sure it arrives to Hawkeye by the 1st of May.
- April 30** Automated payments from checking accounts and credit cards are processed.
- May 1** Bills become delinquent.
- May 10** Hawkeye REC prints bills based on April meter reading.
- May 11** Bills are mailed to members from Dairyland in LaCrosse.

### OTHER EVENTS

- April 27** Hawkeye REC Board Meeting

## What's the better value?

*The price you pay to go 'out for lunch' would provide electricity for the average home for 1 day.*

*Lunch:*  
**\$5.00**



*Electricity for 1 Day:*  
**\$5.00**



*The Power Is Yours*

Box 90 - Cresco, Iowa 52136  
1-800-658-2243 or 547-3801  
[www.hawkeyerec.coop](http://www.hawkeyerec.coop)

### 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 Placek, Secretary/Treasurer - Elma  
Norman Dickman - Decorah  
John Hockspeier - Alta Vista  
Janelle Mahr - Lime Springs  
Roger Nibaur - Elma  
Charles Frana - Calmar  
Dennis Young - Decorah

### PERSONNEL

Tom Miller, CEO & General Manager  
Roger Halverson, Operations Manager  
Jim Murphy, Information Tech. Manager  
Cindy Christensen, Communications Manager  
Peggy Berg, Chief Financial Officer  
Pat Boyle, Business Dev./Mbr. Serv. Manager

### EDITOR

Meagan Moellers



The value is  
**Electric**

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