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Heartland Security has The Power to Protect

Hawkeye REC recently agreed to acquire ownership of Heartland Security. Hawkeye REC will merge its existing "FirstCall" medical alarm monitoring and service business into Heartland Security and be able to offer many new monitored alarm services.

Heartland Security is owned by 13 rural electric cooperatives in western and southern Minnesota and north Iowa. Heartland Security installs GE Security Pro alarm and security systems and currently protects 6,000 customers with many different needs.

"We are very pleased to have Hawkeye REC added to our Heartland Security team. Hawkeye REC has supported their community and has achieved a great reputation for service, which is the pillar of our business. Our market research has proven that there is a customer need for monitoring services and we can effectively fulfill that need together with Hawkeye REC," said Guy Adams, Heartland Security General Manager. "Heartland Security is the alarm company that people can count on for life safety and property protection."



1-888-264-6380
www.heartlandss.com



"Heartland Security is the alarm company that people can count on for life safety and property protection."
-Guy Adams, Heartland Security General Manager.

Heartland Security offers people more than just burglar alarms. It is the cooperative link to security in every sense with a comprehensive set of features available:

- ▶ Temperature and ventilation sensors protect valuable livestock on farms. An alarm signal is sent if conditions fall above or below the pre-set levels.
- ▶ Medical alarms allow people to remain independent in their homes longer with 24 hour emergency assistance available at the press of a button.
- ▶ Door and window sensors arm any window or door in the home and may also be used to safeguard anything in your home that contains valuables such as jewelry cases, gun cabinets, collections and antiques.
- ▶ Glass break sensors are sensitive to specific frequencies caused by breaking glass and are usually placed on the ceiling in the center of a room. They are particularly economical in rooms that have a number of windows.
- ▶ Motion sensors employ passive infrared technology to detect the body heat of an intruder. A burglar entering through an unprotected window, for example, is still detected.



Install a security system for your home, business or farm. Protect what matters most! The bad news is that burglary, fire and violence remain a threat to any homeowner. The good news is that there is an affordable, reliable way to help keep your family and valuables safe.

More on page 6...

Electric Rate Stability

– Despite Rising Costs

The year has come to an end and over the next 30 days your cooperative staff will be very busy closing out year-end financials and the books on 2010, which was a good year financially and operationally.

Your cooperative has continued its focus toward increased electric reliability and invested over \$2 million in its electric distribution system in 2010, despite being challenged throughout the summer with weekly storms.

An extremely warm June, July and August – which provided members with higher than normal electric bills -- resulted in higher than budgeted electric sales that also allowed your cooperative to meet its annual budget projections, while at the same time managing our peak demands. However, annual revenues from crop drying reduced revenue projections, but benefited our farmers with lower drying costs.

“...your electric cooperative has diligently embraced a strategic planning process through the past year to increase reliability... Our planning process keeps us looking toward the future.”

Our challenge of rising wholesale power costs continued in 2010 and will persist in the future. Wholesale power costs account for nearly 60% of the total operating costs of your electric cooperative or put another way, 60 cents of every dollar of your electric bill. These costs will continue to pressure retail electric rates in the future and Dairyland Power Cooperative, our wholesale power supplier, continues to face economic and operational challenges including:

▶ **Midwest ISO costs:** Dairyland became a member of the Midwest

Independent System Operator (Midwest ISO) on June 1, 2010. The Midwest ISO energy market dispatches the generation resources of members in a manner designed to provide the most cost-effective energy available. Nonetheless, in 2011, Dairyland will encounter a full year of associated Midwest ISO membership costs.

▶ **Significant added costs from environmental equipment additions and regulatory compliance requirements:** Dairyland is investing approximately \$400 million for emission control work at its coal-fired plants in Alma and Genoa, Wis., with half of the work already complete.

Operating this new equipment and complying with new requirements also increased the number of staff required.

▶ **Stoneman Station biomass energy purchase:** In fall 2010, Dairyland began purchasing the renewable energy output from DTE Energy’s new biomass Stoneman Station facility in Cassville, Wis. Renewable energy from the Stoneman Station can power 28,000 homes in the Dairyland system; however, the higher costs associated with renewable energy will have an economic impact on the cooperative.

▶ **Rail cost increases:** Dairyland benefited from a favorable rail contract for coal transportation to the Weston 4 power plant that expired at the end of 2010. The new contract, beginning in 2011, will result in higher coal transportation costs for this facility. Although not unexpected, this represents a significant cost increase from 2010.

So you are probably asking, with this grim outlook of rising wholesale costs what is the future of retail rate stability? First, your electric cooperative has diligently embraced a strategic planning process through the past year to increase reliability, reduced operating costs that we can control, and embraced technol-

ogy to increase reliability and efficiency. Our planning process keeps us looking toward the future.

With investments through the development of five and ten-year cooperative work plans and stable investments in our electric plant, our electric distribution system will continue to strengthen and reliability will improve without the need of significant capital improvements.

Technology additions including a fully integrated outage management system with detailed mapping and specific electric service information will increase our outage restoration efficiency. Our new facility, nearly 50% complete, will also allow greater efficiency with the incorporation of additional technology.

Last month your board of directors also approved a deferred revenue plan with an accompanying board resolution and requested approval from the Rural Utilities Service (RUS) to defer a portion of the revenue from 2010 to 2011-2012. In other words, we asked the federal government for special treatment to defer the revenues from an unusually warm summer to the upcoming two years when wholesale power costs are projected to increase nearly one million dollars.

While we have not received final approval of our revenue deferral plan from RUS, all early indications look positive. So as you begin this new year of challenges, we thought you would be pleased to hear that electric rates from your cooperative at this time look to remain the same for 2011.

Happy New Year!

As always, I welcome your comments, e-mails, calls or personal visits.



Brian Krambeer, CEO
 (563) 547-3801 or (800) 658-2243
 bkrambeer@tec.coop

BOARD *Report*

Hawkeye's Board of Directors conducted the monthly board meeting on December 29.

Highlights of the meeting:

- ▶ The board appointed the nominating committee for the 2011 HREC Director elections.
- ▶ Approved the 74th Annual Meeting date of April 14, 2011 at the Crestwood High School Auditorium.
- ▶ Management presented the 2011 Capital Budget. Final Approval will be undertaken at the January 27th board meeting.
- ▶ Received a building update on the construction of the cooperative's new headquarters facility.
- ▶ Approved donation requests and reviewed preliminary policy revisions on rules governing the election of directors and board and management relations.
- ▶ The next meeting of the board will be on January 27th.



December Outage Report

- Planned – 3
- Weather – 9
- Other/Unknown – 12
- Power Supplier – 0
- Small Animals/Birds – 0
- Individuals - 13
- Affected Members – 192
- Total Outages - 24

When the lights go out, so do we

2011 Director Election Season Begins

We want YOU to Be a Part of YOUR Electric Cooperative

Are you interested in serving as a board member for Hawkeye REC? Consider becoming part of your electric cooperative by submitting your name as a director candidate in this year's election. Becoming a director is a great opportunity to learn more about your cooperative, work with local legislators and create new relationships that will last a lifetime. A director must have the time to attend monthly board meetings, other special meetings and educational seminars which are designed to keep directors informed on the various aspects of Hawkeye REC and the electric utility industry. Their decisions are made in the best interest of the cooperative and they represent the entire membership. Director applications are available by calling (800) 658-2243 or emailing cchristensen@hawkeyerec.com. The application deadline is February 7. If you have any questions about serving as a director, contact the cooperative.

must be received by the Secretary not less than 45 days before April 14. The Secretary shall post the nomination(s) at the office alongside the list of nominations made by the nominating committee.

Make Plans to Attend Hawkeye's Annual Meeting

Thursday, April 14

7:00 p.m.

Crestwood High School

**Directors up for re-election
3-Year Term**



*Dean Nierling
Winneshiek County*



*Dennis Ptacek
Howard County*

The nominating committee will be meeting on February 9 to select candidates.

Nominating Committee Members

- Tom Shatek – Howard
- Chuck Stevenson – Howard
- Larry Brincks – Winneshiek
- Kenneth Ehler – Winneshiek

Once the nominating committee posts the candidates, a member would have to be nominated by petition containing the signature of not less than 1% of the cooperative membership. Such petition



Energy Efficiency

Tip of the Month

Feel around doors and windows for air flow. Adding weather stripping or caulk around a leaky door or window can lower energy bills by keeping your heating system from working too hard to compensate for air leaving your home.

Source: U.S. Department of Energy



The Alarm Clock that kept going...

When Esther and Arno Linderbaum purchased an alarm clock shortly after getting electricity hooked up at their rural farm in June 1944, they never expected it to last over six decades! Paying \$4.95 for the clock, Esther claims it was worth the investment as it woke up their six children for many years in time to get ready for school. Sadly, the clock recently took its last tick, but Esther is holding on to that special piece of their history. It reminds her of 'the way it was...back in the good old days' as she reminisces on life before electrically powered alarm clocks and appliances. About life before the modern conveniences we take for granted today. This alarm clock, a model designed by the Telechron Company in Ashland, Massachusetts during the late 1930's, lasted more than 65 years!

The Linderbaum family operated a dairy farm north of Cresco, milking their 20 cows by hand when they first moved to their new farm in the Hawkeye service territory. Five years later, the new era of rural electrification made its way into their lives. Esther and Arno were not only raising livestock but also had three small children to care for at this time. Farm life was much different from the urban lifestyle during the 1930s. "I can remember the house being so cold...my feet would freeze when I had to get up in the middle of the night to tend to the small children."

Esther recalls. "I would make Arno rub my feet and if he would complain, I would tell him next time he could get up with the children. It always did the trick!"

Getting electricity at the Linderbaum farmstead was life changing, as it was for so many rural Americans during this time

period. The most important memory for Esther was the new luxury of having running water in the house. "I no longer had to carry heavy pails of water from the well to the house everyday just so I could make dinner or do laundry. It was great!" She remembers. "And better yet, the indoor plumbing during the bitter cold months was indescribable"

When the REA boys came to 'flip' the meter switch, only one light had been installed in each room of the house. It wasn't until some time later that they re-wired for more lighting throughout the farmhouse. This was common practice. It was just such a relief for these members to get that one light to dispel the darkness.

Esther enjoys looking back on her life, laughing as she tells stories about her children growing up on the farm and at the same time remembering the struggles they faced as well. "Farming was a hard road to follow, but we lived within our means and never bought anything we couldn't pay for." She describes their financial upbringing as much different than society today. "There's a lot to learn from families who had to be frugal. We made things work. That's just the way it was!"

Esther now lives alone in Cresco as Arno passed away a number of years ago, but she still relies on dependable service from Hawkeye. She has a first call emergency response unit for her security and independence. Esther wants to live to see 100! Living for nearly a century Esther has seen many amazing advances, but getting electricity to rural areas of America was one of the greatest achievements during her lifetime!

Esther and Arno's six children: Marilyn, Darlene, Allyn, Carol, Donna and Steve gave them 17 grandchildren; 26 great-

"Do You Remember When?"

A series of articles capturing memories and photos of the beginning of your electric cooperative.

This article was written in March 2009.

By: Meagan Moellers



Esther proudly showcases an alarm clock from the 1930's that ran for over six decades.

Telechron

and going... for 65 years!

grandchildren and three great-great grandchildren to enjoy and to whom they could relate their stories of “the way it was” before electricity. Thanks Esther for also sharing your story with the rest of our REC members!

Esther and Arno Linderbaum's wedding day in 1934.



The Linderbaum farmstead north of Cresco in the 1940's.



The History of Clocks Before Electricity

There have been many types of clocks throughout history, but the first method of telling time was by looking at the sun as it crossed the sky. When the sun was directly overhead, it was the middle of the day, or noon.

- Sundial clocks were invented about 5,500 years ago (3,500 B.C.). The shadow of the sun pointed to a number on a circular disk.
- Water clocks were invented in Egypt about 1,400 B.C. A water clock was made of two containers of water, one higher than the other and the water traveled to the lower container marking the number.
- A spring-powered clock was invented around 1510.
- The first clock with a minute hand was invented in 1577.
- The first practical clock was driven by a pendulum around 1656.
- The first pendulum clock with external batteries was developed around 1840 (First Electric Clock).
- By 1906, the batteries were inside the clock.

Excerpt taken from www.arcytech.org/java/clock/clock_history.html

The Cooperative Difference

Rebates & Incentives for 2011

Look for an article in the February newsletter for a complete listing of the rebates and incentives available in 2011. The forms can be downloaded on Hawkeye's website at www.hawkeyerec.coop.

▲ Rebates must be purchased, installed and/or recycled January 1, 2011 – December 31, 2011.

▲ Rebates are in place through December 31, 2011 OR until funds, by incentive or in total, are depleted.

▲ Members are encouraged to submit the rebate form and a copy of your receipt as soon as the equipment is purchased and installed.



Attention Class of 2011

Hawkeye REC offering five \$500 scholarships

Any graduating high school senior, whose parents or guardians are members of the Cooperative, are eligible for the Hawkeye REC scholarship. The applicant must be a student who is enrolled or planning to enroll, in a full-time undergraduate course of study at an accredited college, university or vocational/technical school in the fall of 2011. The applicant must be a U.S. citizen.

How Do You Apply?

Applications are available at your area high school guidance counselor office or at the REC office in Cresco. Applications can also be downloaded and printed on Hawkeye's website at www.hawkeyerec.coop.

Return the completed application to the Cooperative by Monday, April 11, 2011 with the following:

- Copy of the student's high school transcript
- Letter of recommendation from a teacher, advisor or counselor
- Essay (minimum 250 words) answering the following question:

What can cooperative members do to become more energy efficient?



Who: High school sophomores and juniors

What: Free trip sponsored by your local electric cooperative

Where: Washington, D.C.

When: June 11-16, 2011

Why: The Iowa Rural Youth Tour is a perfect opportunity to travel, work with REC leaders, and enhance your leadership skills! You will travel with 40 other students from Iowa and meet over 1,000 teens from across the nation!

How: Log-on to www.hawkeyerec.coop to download the application form and return to Cindy at the REC office. You will receive Youth Tour study materials and an open book test which must be completed and returned to Hawkeye by March 1, 2011. The five students with top scores will qualify for the final examination and judging. Judges will select the winner of the Washington D.C. trip and an alternate.

Power to protect... *Continued from cover...*

- ▶ Smoke sensors and carbon monoxide sensors will alert authorities of a potential problem, even if the property owner is away from home.
- ▶ Freeze-up sensors are an excellent option for anyone, but is especially appealing in this region for those who migrate south during the winter or for cabin owners. This device helps prevent water pipes from bursting and causing costly property damage by monitoring the temperature in the area it is located. If the temperature drops below the preset level, the response center receives a signal and alerts the property owner, a designated relative or neighbor.
- ▶ Heartland Security offers a lifetime warranty due to our technicians' installation training and our use of the top quality equipment provided by GE.

- ▶ Heartland Security also offers commercial alarm systems that include monitored intrusion and fire protection, card access systems to limit and track entry into and throughout the premises, camera surveillance systems to record activity, as well as 24/7 monitored video surveillance.

"Heartland Security is a way for Hawkeye REC to bring another valuable service to our area at a fair price," said Brian Krambeer, CEO of Hawkeye REC. "There is a real need to provide a low cost security solution for our customers. Being an owner of Heartland Security allows Hawkeye REC to be focused on providing high quality and reasonably priced energy services to our members while expanding the types of monitoring

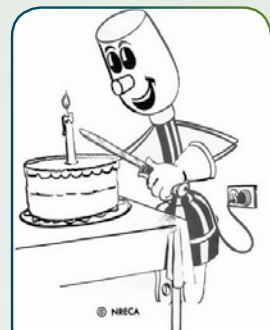
services we have provided in the past, throughout our community. I feel that Heartland Security offers the same high standard quality service that we have always strived to provide Hawkeye REC customers for over 75 years. Besides, you shouldn't just trust anybody with your home or business security needs."



The FirstCall Service won't change and the rates will remain the same. The only change is that the billing statement will come from Heartland, not Hawkeye REC.

Recipes...

Cakes, cupcakes
and shortcakes...



75th Anniversary

Willie Wiredhand is the longtime friendly face and spokesplug of rural electric cooperatives nationwide. Adopted in 1951 by the National Rural Electric Cooperative Association (NRECA), Willie's last name is one of the original nicknames for rural electric cooperatives: "wiredhand" (because electricity brought to rural America by co-ops in the 1930s and 40s was the never-tiring, always available hiredhand to assist the nation's farmers.)

Send or e-mail your favorite recipe. If we print your recipe in our newsletter you'll receive \$5 off your next electric bill. E-mail to: mmoellers@hawkeyerec.com
All recipes can be found on our website.

- Feb.** - Recipes that use a waffle iron (need by Jan. 15)
- March** - No Newsletter - Annual Report
- April** - Make ahead meals to freeze (need by March 15)



Graham Streusel Cake

- 1 butter pecan cake mix
- 1 c. water
- 1/3 c. vegetable oil
- 3 eggs

In a separate bowl mix:
 2 c. graham cracker crumbs (24 squares)
 3/4 c. brown sugar
 3/4 c. butter
 3/4 c. walnuts (chopped).

Put 2 1/2 c. cake mix batter (about half of it) in a buttered 9X13 pan. Sprinkle with half the crumbs, then rest of batter and top with remaining crumbs. Bake at 350° for 40 minutes. Cool and drizzle with glaze.

Nancy Dietzenbach • Decorah

ENJOY!!!! We love this cake! It is simple to make, and has every day ingredients in it. We think it gets better every day!

- Glaze**
- 1 c. powdered sugar
 - 2 T. water
 - 1 t. vanilla



Rich Chocolate Layer Cake

- 1/2 c. butter
- 2 t. vanilla
- 2 t. vinegar
- 2 c. water
- 3 c. flour
- 2 c. sugar
- 6 T. cocoa
- 2 t. soda
- 1/2 t. salt

Preheat oven to 350°. Grease and flour 2 layer pans. Melt butter in medium saucepan. Remove from heat and add vinegar, vanilla and water. In large bowl measure all dry ingredients. With a fork mix all together until lumps disappear. Bake about 35 minutes.

Barbara Meyers • Lawler

Replacing your Grain Dryer...Adding Geothermal in 2011?

Grant Funds Available

USDA Rural Development is offering grants and guaranteed loans to help rural business or agricultural producers looking to produce renewable energy or make energy-saving improvements to their facilities or farms. A popular use of the program has been to assist in the purchase of new, more efficient grain-drying systems.

*Funds are not available for residential use.

Contact Pat Boyle at (563) 547-3801 for more information

With Hawkeye's assistance, members received over \$940,000 in grants during 2010 for energy efficiency/renewable energy projects.



Construction Update...

Progress of your cooperative's new headquarters facility during the month of December:

- Brickwork and masonry of office area
- Roof structure of office area
- Construction of a lean-to structure for semi-truck deliveries
- Painted inside warehouse
- Shop floors poured and sealed
- Installation of HVAC ductwork in warehouse
- Installation of sprinkler system in warehouse



Log-on to www.hawkeyerec.coop for more pictures and videos.

Howard City, Fairgrounds - Cresco, Iowa 52136
 1-800-658-2243 or 547-3801

www.hawkeyerec.coop

OFFICE HOURS

Monday thru Friday • 7:30 a.m. - 4:00 p.m.
 (Closed Sat., Sun., & Holidays)

**Payment and billing inquiries
 are available 24-7**

OUTAGES

1-800-927-5265

**IOWA STATE ONE CALL
 1-800-292-8989**

BOARD OF DIRECTORS

Dean Fisher, President - Lawler
 Charles Frana, Vice President - Calmar
 Dennis Pracek, Secretary/Treasurer - Elma
 Norman Dickman - Decorah
 Roger Nibaur - Elma
 Dean Nierling - Burr Oak
 Dennis Young - Decorah
 Darla Rance - Lime Springs
 Carl Reicks - New Hampton

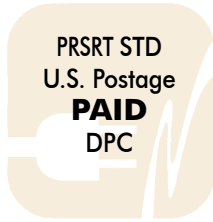
PERSONNEL

Brian Krambeer, Chief Executive Officer
 Mike Walton, Operations Manager
 Peggy Berg, Chief Financial Officer
 Ted Kjos, Marketing & Mbr. Services Manager

EDITOR

Meagan Moellers

Hawkeye REC
 PO Box 90
 Cresco, Iowa 52136



Dates to Remember

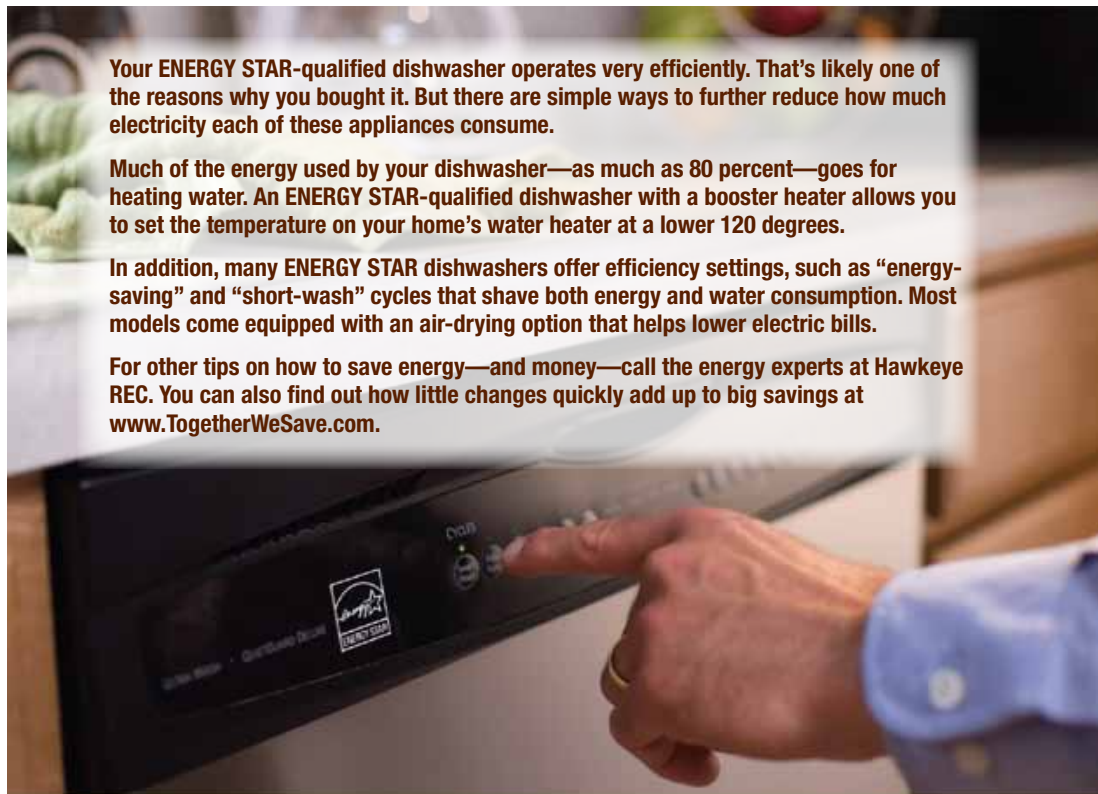
BILLING CYCLE DATES

- Jan. 10 Hawkeye REC prints bills based on December meter reading.
- Jan. 11 Bills are mailed to members.
- Jan. 25 Disconnect services for non-payment.
- Jan. 25 Please mail your bill today to make sure it arrives to Hawkeye by the 1st of February. If needed, member reads meter and records on payment voucher.
- Jan. 28 Automated payments from checking accounts and credit/debit cards are processed.
- Jan. 31 AMR meters are read by the cooperative.
- Feb. 1 Bills become delinquent.

OTHER EVENTS

- Jan. 27 Hawkeye REC Board Meeting

**Best Wishes for a
 Safe and
 Happy New Year!**



Your ENERGY STAR-qualified dishwasher operates very efficiently. That's likely one of the reasons why you bought it. But there are simple ways to further reduce how much electricity each of these appliances consume.

Much of the energy used by your dishwasher—as much as 80 percent—goes for heating water. An ENERGY STAR-qualified dishwasher with a booster heater allows you to set the temperature on your home's water heater at a lower 120 degrees.

In addition, many ENERGY STAR dishwashers offer efficiency settings, such as "energy-saving" and "short-wash" cycles that shave both energy and water consumption. Most models come equipped with an air-drying option that helps lower electric bills.

For other tips on how to save energy—and money—call the energy experts at Hawkeye REC. You can also find out how little changes quickly add up to big savings at www.TogetherWeSave.com.

**MY APPLIANCES AREN'T
 THE ONLY ENERGY STARS
 IN MY HOUSE.**

I am, too. Because now I know how to get the most out of them. By simply using more efficient settings on my ENERGY STAR® qualified appliances, I'm really helping the savings grow. What can you do? Find out how the little changes add up at TogetherWeSave.com.

TOGETHERWESAVE.COM