WITH MEMBERS OF BUTLER COUNTY RURAL ELECTRIC COOPERATIVE

Your Touchstone Energy® Cooperative 🔨

July 2019



Craig Codner, CEO ccodner@butlerrec.coop

Safety first and always You

have heard us say that our goal is to provide "safe, reliable and affordable electricity." "Safe" is the first word for a reason. We take the safety of our community—employees and members—very seriously.

Every morning our line crews hold a tailgate session to discuss the work to be done for the day so that everyone is on the same page. And every month we hold a safety meeting attended by every employee. Our statewide organization, the Iowa Association of Electric Cooperatives, has a dedicated safety staff. One of their staff leads our monthly meeting. In addition, John Endelman, operations manager, is the head of our fiveperson safety team.

We also give safety demonstrations to children to show them the dangers of electricity, and we publish newsletter articles and Facebook posts on various safety concerns—for example, bin clearance requirements so that our farmers are aware of the guidelines to stay safe.

At Butler County REC, safety is not only a noun, it's a verb.

It's what we do—our culture. This is apparent with achieving over 1 million hours of no-lost-time accidents. We want all of our employees home safe every night, and we want our members to remember that it's always safety first.

System demand and load

management As we head into the warmest part of the year, remember the Peak Monitor on our website, butlerrec.coop. The monitor shows if there is a large demand on our system due to electricity usage.

If you see that we are approaching or at peak, please consider shifting your chores that require electricity and also waiting to adjust your thermostat. This lowers the energy demand on the system, saving us, and you, money.

Do you own an electric water heater? Call us to install a load control receiver so that your water heater can be shut off from time-to-time to reduce demand during peak times. You probably won't even notice when it is shut off. You'll receive a one-time \$10 bill credit for participating. We can also provide you with a free peak alert device, while supplies last, for instant updates on peak demand situations.

Solar arrays update Peak shaving during the summer is one of our goals when installing solar. When usage is high during air conditioning season, the arrays balance the load by converting sunlight into electricity. This shaves demand during the peak because electricity is, in a way, replenished.

Solar I at our Horton warehouse continues to produce as expected. On April 11 of this year, Solar II was energized. Located north of the town of Bremer, this 150-kilowatt (kW) array is expected to produce 299,000 kWh per year.

Visit our website and take a look at the output of the arrays: click on Solar Projects and then Solar I Live Feed or Solar II Live Feed. If you click on the arrow next to each project, you can link to the Output Summary.

Be sure to like us on Facebook so that you can stay up-to-date on safety messages and cooperative business.



First Class Lineman Tyler Aukes (left) and Crew Chief Andy Uthoff (right) present to students attending the safety fair at the Butler County Fairgrounds in May.

Enhanced heat pump incentive available

If it is time to replace your air conditioning system or your furnace, consider an air source heat pump. A heat pump, in cooling mode, will keep your home cool and comfortable in the summer more efficiently than an air conditioner. In heating mode, it moves heat from the outside air to heat your home using less energy than the most efficient gas furnace.

When the outside temperature plummets below freezing for extended periods, the heat pump efficiency is reduced because there is less heat outside to move inside. However, if you have a gas furnace in addition to your heat pump, the gas furnace will kick in to help the heat pump keep you warm and comfortable.

Your cooperative offers an enhanced rebate to offset the slightly higher cost of installing an air source heat pump.

The rebate for installing an air source heat pump with gas back-up:

- Under 15 SEER—\$150/ton
- More than 15 SEER—\$300/ton

The rebate for installing an air source heat pump without gas back-up:

- Under 15 SEER—\$50/ton
- More than 15 SEER—\$200/ton



Save energy and money! Consider an air source heat pump for your heating and cooling needs.

As a member-owned electric utility, we want to make sure you're using energy efficiently and we want to assist in saving energy. For more information on heating and cooling options and incentive guidelines, please contact us.

Come and see us at the Iowa State Fair!

We are proud to be a Touchstone Energy Cooperative, part of a nationwide network of locally owned co-ops to help our members use energy wisely.

At the Iowa State Fair August 8-18, the Touchstone Energy Cooperatives of Iowa are again sponsoring the Rastetter 4-H Building on the south side of the fairgrounds. We're looking forward to connecting with fairgoers and rural 4-H families at our booth in the air-conditioned building. With a new, interactive display (pictured below), electric co-op employees will be talking about cooperative careers and our commitment to leadership development with the national Youth Tour program for high school students.

Cooperative careers

Throughout rural Iowa, more than 1,200 people are employed full-time at locally owned electric cooperatives. We hire skilled workers like linemen and mechanics in addition to professionals like accountants, engineers, communicators, human resources managers, economic development officers, administrators and customer care representatives. Electric

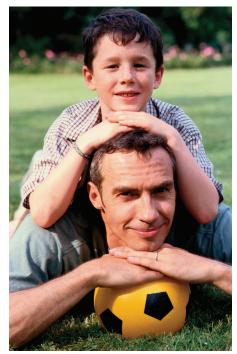
co-ops offer competitive pay and generous benefits in an exciting and challenging industry.

Youth Tour

For over 60 years, Iowa's electric cooperatives have been sending high school students to Washington, D.C., every June for leadership development at the national Electric Cooperative Youth Tour. On the weeklong Youth Tour trip, students with a passion for government, leadership and service will meet with elected officials, learn more about American history, visit dozens of monuments and museums and come home with a greater understanding of electric cooperatives.

We're excited to share our cooperative story at the Iowa State Fair; stop by our booth and say hello!





Unplug to connect

"Almost everything will work again if you unplug it for a few minutes, including you." Author Anne Lamott cleverly captures the benefits of unplugging in today's device-driven, multi-tasking world.

Summer is a great time to take a family vacation, but it's also a good opportunity to unplug from our devices and enjoy the great outdoors with family and friends.

If your summer plans include a staycation, take time to recharge your relationships and be more present with those you love. Enjoy our beautiful surroundings with your family and friends.

In our connected world, we have forgotten how to slow down. We multitask and text. We check email, then voicemail, then Facebook. Do yourself and your family a favor. Put down the device.

While your electric cooperative can't help you recharge your relationships, we can help you save money and energy by connecting you with our energy-saving programs and services. When you plug back in, we're just a call or click away.

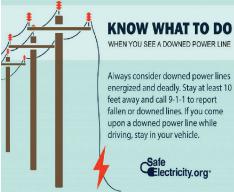
Contact us about an energy assessment, rebates and many other saving options.

Beware of downed power lines

Overhead power lines carry thousands of volts of electricity. If a line is down, always assume it is energized and dangerous, even if the power is out in your area. Touching or going near a live power line can injure or kill.

Additional safety reminders:

- Call 9-1-1 to report fallen or damaged power lines.
- Power lines do not have to be arcing or sparking or making a humming noise to be live.
- Do not attempt to move a downed line or anything it is touching with another object such as a stick or pole.
- Do not step in water or walk in debris near a downed power line.
- Stay at least 10 feet away from a downed power line.
- Do not attempt to drive over a downed power line.

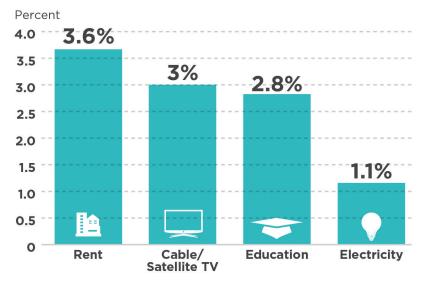


- If a power line falls on your vehicle while driving, do not attempt to drive away or get out. Call for help and STAY INSIDE THE VEHICLE until utility crews say it is safe to get out. If there is a fire or you smell gasoline, hop out without touching the vehicle at the same time and do not walk, but HOP AWAY TO SAFETY.
- Line properties can change: A dead power line may become energized due to power restoration or back feed from backup generators.

ELECTRICITY REMAINS A GOOD VALUE

The cost of powering your home rises slowly when compared to other common expenses. Looking at price increases over the last five years, it's easy to see electricity remains a good value!

Average Annual Price Increase 2013-2018



Sources: U.S. Bureau of Labor Statistics Consumer Price Index



Board allocates \$2,482,958.43 in margins

Unlike other electric utilities, Butler County REC exists to make sure your needs are always met, not to make a profit. As a member-owner, you share in the excess margins in the form of patronage dividends.

After reviewing the operating revenues for 2018, your board of directors approved to set aside \$2,482,958.43 in excess margins. These margins – retained as patronage capital – will be used to help keep your electric cooperative financially sound and the quality of service as high as possible.

Allocations on June bills

Your share of the 2018 margin – your patronage allocation – was listed in the box directly below your name on the June 2019 electric bill for May's usage. The total unretired patronage for all your accounts was included.

The amount you earn in a given year is based upon the amount of electricity you use. The sum of your bills for the year is multiplied by a percentage to determine your allocation.

Payments expected in 2037

Butler County REC is currently on a 19-year payback schedule, so this patronage allocation will likely be paid back in 2037. The latest payback of patronage was in February 2019, when \$762,285.15 was returned to those who were members in 2000 and/or 2017.

Keep your address with us current

If you move out of our service territory and will no longer receive electrical service from Butler County REC, it is important to keep your address current with us. We rely on former co-op members to send us their new address for patronage disbursement mailings.

Donation given to Fredericksburg for first responder bags

When the pager goes off and our community members are out the door to help their sick or injured neighbor, they need the right equipment.

The community of Fredericksburg recently purchased five first responder bags, and your cooperative donated \$500, the approximate price of one equipped bag, to help defray the cost.

The bag includes a blood pressure cuff, stethoscope,



Matt Mahoney (center), Butler County REC energy services manager, accepts a thank you from Fredericksburg First Responders Dale Flugge (left) and Kathy Bartels (right).

tourniquet, pocket mask for resuscitation, scissors, pulse oximeter, 3x4 gauze pads, tape and roller gauze.



Standing from left, Butler County REC employees: Sandi Miller, office manager; Alan Mayer, IT analyst; and Craig Codner, CEO. Seated from left, NCATS employees: Justin Forbes, Blake Rubach, William Burke and Tarrell Fletcher.

Keeping your information safe

Everyone is concerned about personal information being accessed by an outside party.

At Butler County REC, we take our members' information very seriously. So, this spring we invited National Cybersecurity Assessments and Technical Services (NCATS), a division of the Department of Homeland Security, to perform a phishing campaign and risk and vulnerability assessments on our computer system. Both campaigns are a free service from NCATS.

A simulated external breach and vulnerability scanning along with a penetration test were performed. We are awaiting the final report to learn if there is additional action we can take to better protect your information.

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