

the Kilowatt

AUGUST 2013

published monthly for members of
Kiwash Electric Cooperative, Inc.

A SUPPLEMENT TO OKLAHOMA LIVING



Closed Labor Day.....

Kiwash Electric will close Monday, September 2 for Labor Day. To report an power outage, please call **888-832-3362**.

Have a safe and happy holiday!.



ENERGY EFFICIENCY

Tip of the Month

When shopping for a new appliance, consider lifetime operation costs as well as the up-front purchase price. Check the appliance's estimated yearly operating cost, and look for ENERGY STAR units. To learn more, visit EnergySavers.gov.

--US DEPARTMENT OF ENERGY



BILL PAYMENT LOCATIONS

Kiwash Electric
120 W. 1st Street
Cordell, Oklahoma

Pay online:
www.kiwash.coop

Custer City Hall
Custer City, Oklahoma

First National Bank
Thomas, Oklahoma

75
YEARS
1938 - 2013

KIWASH ELECTRIC COOPERATIVE

KIWASH ELECTRIC COOPERATIVE

ANNUAL REPORT

and

ANNUAL MEETING

Monday, August 12, 2013
Cordell High School Auditorium



KIWASH ELECTRIC
COOPERATIVE, INC.

*Providing the service
that lights up your life.*

Office Location

PO Box 100
120 W. 1st Street
Cordell, Oklahoma

(888) 832-3362
www.kiwash.coop

 Find us
on Facebook

STAFF

Dennis Krueger
MANAGER

Wendy Putman
DIRECTOR OF
FINANCE

Lisa Willard
DIRECTOR OF
COMMUNICATIONS

Roy Dewees
DIRECTOR OF
OPERATIONS

BOARD OF TRUSTEES

OFFICERS

Jack Sawatzky
PRESIDENT

Robert Travis
VICE PRESIDENT

Virginia Walker
SEC.-TREASURER

John Schaufele
ASST. SEC.-TREASURER

DIRECTORS

Ralph Cunningham
Leslie Hinds
Rex Eagan

INSIDE YOUR CO-OP



By Dennis Krueger
GENERAL MANAGER

Advocacy Protects Your Rights

Kiwash Electric celebrates 75 years of putting members first

As we enter our 75th year of business and prepare for our 74th Annual Meeting, the member-owners of Kiwash Electric Cooperative need to understand that their directors do more than set policies, rates and corporate goals. Your directors have accepted the responsibility to safeguard your electric cooperative on many levels, which includes political advocacy.

In the electric co-op program, "grassroots" is a powerful word. In fact, the historical success of the electric co-ops is largely credited to that single word. Remembering the electric cooperative program sprang from politics in the mid 1930's due, ironically, to the fact that existing investor-owned utilities (IOUs) did not deem rural America as a profitable investment. Thus, private, nonprofit, locally owned electric cooperative came into being to serve the needs of rural America.

Grassroots has an electric co-op definition, one that reflects its importance in the industry. "Grassroots"

refers to electric cooperative activists - directors, managers, employees and member-owners - who take an active role in the political process to protect their co-op from harmful

"Through our collective efforts, we have championed the electric cooperative business model, and helped keep the lights on for our member-owners for 75 years."

legislation and regulation, and to promote the value of co-op ownership to their legislators.

Grassroots involvement can mean communicating with local, state and federal legislators on issues affecting your electric cooperative. During the 2013 Oklahoma legislative session, the grassroots cooperative network worked with Rep. Harold Wright, principle author of HB 1714, to support copper scrape/salvage regulations. The measure would help ward off copper thieves that cost utilities thousands of dollars in unnecessary damages every year.

Electric cooperatives enjoy a reputation on

Capitol Hill in Washington D.C. as a "grassroots" organization. Legislators know that electric co-op member-owners actively get involved by writing, calling and e-mailing their legislators to have their

voice heard in the political process. Grassroots advocates speaking with that same voice make a difference on Capitol Hill. Every year, Kiwash Electric sends representatives to discuss federal issues that could impact you, our owners.

This year's issues involved supporting the passage of the Farm Bill minus the assault on RUS lending practices proposed by the current administration, and regional haze issues that directly affect the cost of electric generation. We also expressed our opinion on the lesser prairie chicken controversy, and fought to eliminate unwanted regulation on the transmission grid and renewable energy efforts.

That's the short list.

Grassroots—the unified voices of the nation's electric co-op supporters—is the foundation of the electric co-op's 75 year success in serving rural members and their communities. Legislative advocacy is more than just lobbying. It means taking an active role to ensure that our cooperatives and the members we serve are protected in legislation and regulation. Through our collective efforts, we have championed the electric cooperative business model and helped keep the lights on for our member-owners for 75 years. Our goal is to never stop fighting for electric cooperatives or our members.

With that in mind, I hope you will attend your Kiwash Electric Cooperative Annual Meeting on Monday, August 12. It's your chance to participate in your co-op and engage your directors on the legislative issues surrounding the electric industry that could influence your electric rates.



BOARD OF TRUSTEES MANAGEMENT, AND STAFF



Standing: Dennis Krueger, general manager, Rex Eagan; Virginia Walker, secretary-treasurer; Robert Travis, vice president; and Mark Wesner, Kiwash Electric attorney. Seated: Ralph Cunningham; John Schaufele, asst. secretary-treasurer; Leslie Hinds; and Jack Sawatzky, president.



ADMINISTRATIVE & MARKETING
Lisa Willard, Dennis Krueger and Linda Robison



FINANCE DEPARTMENT
Michelle Ainsworth, Wendy Putman, Michele Kauk, and Dwayne Hurliman



MAINTENANCE DISTRICT 1
B.J. Carter and Johnny Jones



MAINTENANCE DISTRICT #2
Mark Lawson and Kyle Eldridge



MAINTENANCE DISTRICT 6
Manny Macias and Robert Parsons



MAINTENANCE DISTRICT 8
Ryan Walton and Brad Hardwick



OPERATIONS DEPARTMENT
Cal Humphrey, Brad Jones, Brad Claussen, Mike Beach, Jerry Black, Rick Wiest, and Roy Dewees



CONSTRUCTION DEPARTMENT
Mike Miller, Chris Bowles, Tyler Mitchell and Clint Christensen. Not pictured is Brandon Rogers.

Certificate of Secretary

I, Virginia Walker, do hereby certify that I am the duly elected, qualified and acting Secretary-Treasurer of the Kiwash Electric Cooperative, Inc., (hereinafter called the "Cooperative,") and the keeper of its records, that the attached and foregoing is a true and correct copy of the original minutes entered in the minute book of the Cooperative of the annual meeting of the members thereof convened and held pursuant to and in accordance with the laws of the State of Incorporation of the Cooperative and the Articles of Incorporation and Bylaws of the Cooperative on the 16th day of August, 2012; that at said meeting, a quorum of the members of the Cooperative were present in person; that said meeting was held after notice thereof duly given to all of the members of the Cooperative in accordance with the Laws of the aforesaid State and the Articles of Incorporation and Bylaws of the Cooperative; that the copies of said notice and said meeting and of my affidavit as Secretary with respect to the mailing of said notice annexed to the aforesaid copy of said minutes are true and correct copies of the original of said notice and of said affidavit.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of this Cooperative this 24th day of July, 2013.

Signed: Virginia Walker, *Secretary-Treasurer*

Official Notice of Annual Meeting

An Annual Meeting of the members (stockholders) of Kiwash Electric Cooperative, Inc., will be held at the Cordell High School Auditorium, Third Street and Massingale Drive, Cordell, Oklahoma at 7:30 p.m. on Monday, August 12, 2013 for the following purposes:

- Introduction of elected trustees.
- Reading of all notices.
- Receiving and considering reports of officers.
- Consideration of previous minutes.
- Any other business.

Dated this 24th day of July, 2013.

Signed: Jack Sawatzky, *President*

Signed: Virginia Walker, *Secretary*



Kiwash Electric Cooperative
Providing the services that light up your life

Minutes of the 73rd Annual Meeting

The 73rd Annual Meeting of the members of the Kiwash Electric Cooperative, Inc., was held at the Cordell High School Auditorium, Cordell, Oklahoma on August 16, 2012, with Mr. Jack Sawatzky, president of the cooperative presiding as chairman.

Mr. Sawatzky welcomed KEC members and the entertainers, Nash Street. Pastor Ronald Boelte St. Johns Lutheran Church, Lone Wolf, gave the invocation.

Mr. Krueger introduced the guests in attendance and then welcomed keynote speaker, Glenn English.

Glenn English, CEO of NRECA, talked about the beginning of the electric cooperative system, why he became involved in the industry, and the roles that Kiwash and electric cooperatives play.

Next, Mr. Sawatzky called the 73rd Annual Business Meeting to order and introduced each director and their spouses.

Mr. Sawatzky introduced KEC's attorney, general manager, and their spouses. He thanked Kiwash employees for another successful year and thanked Supt. Brad Overton and his staff for the use of the facility.

Mr. Sawatzky then declared a quorum of members registered and present, and that the 2012 Annual Meeting was officially open for the transaction of business.

Mr. Sawatzky requested a motion to approve the Notice of Meeting and Affidavit of Mailing and advised that both of these documents were included in the monthly publication, *Kilowatt*. A motion was made and seconded, which was approved unanimously.

Next, Mr. Sawatzky requested a motion to approve and vote on the approval of the 2011 Annual Meeting minutes as it appeared in the August edition of the monthly newsletter. A motion was made to approve the 2011 minutes as presented and seconded, which was approved unanimously by the membership.

Mr. Sawatzky requested a motion to approve and vote on the 2011 Financial Statement as it appeared in the August edition of the *Kilowatt*. A motion was made to approve the 2011 Financial Statement as presented. The motion was seconded, which was approved unanimously.

At this time, Mr. Sawatzky announced that re-elected to the District #3 board seat was Mr. Jack Sawatzky ; re-elected to the District #4 board seat was Mrs. Virginia Walker; and re-elected to District #5 board seat was John Schaufele. Mr. Sawatzky, Mrs. Walker and Mr. Schaufele have been elected for a three year term.

A motion was then made to adjourn the business portion of the meeting, which was approved unanimously.

Next, Lisa Willard recognized Youth Tour Winners, Andrew Troyer and Mitch Cruse. Andrew was present and spoke briefly about his Youth Tour experience.

Next, the winners of the cash and prize drawings were awarded.

The following were the winners of the cash and prize drawings.

Willie Basler, Leedey	\$500
Mike Baker, Arapaho	\$250
Kermit Raab, Arapaho	\$100
Truman Schrock, Thomas	\$500
Dwaine Horton, Thomas	\$250
Mel Miller, Thomas	\$100
Le Mon Nichols, Clinton	\$500
Jud Regier, Corn	\$250
Thomas Snider, Clinton	\$100
Ed Holt, Cordell	\$500
Allen Wedel, Cordell	\$250
Daniel Jaronek, Cordell	\$100
Jesse Parker, Dill City	\$500
Ray Miller, Cordell	\$250
Kim Burnett, Lone Wolf	\$100
A D Shewmaker, Hammon	\$500
Florence Wood, Dill City	\$250
Ila Ward, Foss	\$100
Tim Galloway, Rocky	\$500
James Fletcher, Cordell	\$250
Jeff Schmidt, Rocky	\$100
Evelyn Shephard, Arapaho	\$30 gift
Card Dirk Webb, Cordell	Tool Set
James Garman, Putnam	\$1,000
Marvin Sperle, Cordell	\$500

At the conclusion of the drawing, the meeting adjourned.



The Oklahoma Balladeer

*Les Gilliam to play for members at
Kiwash Electric Annual Meeting*

Legendary performer Les Gilliam will bring his signature western swing sound to the Kiwash Electric Annual Meeting on August 12. Designated the official "Oklahoma balladeer" by the state legislature in 1998, Gilliam is a talented singer, songwriter and recording artist with a long resume of achievements that includes mention in the recent book, "Distinguished Oklahomans."

In 2005, Gilliam received the most prestigious award in western music by receiving the coveted "Wrangler Award" from the National Cowboy and Western Heritage Museum in Oklahoma City. In 2006, he received the Oklahoma Governor's Arts Award for years of entertaining and keeping western music alive. In 2008, Gilliam, who was born and raised in Gene Autry, Okla., received the "Lifetime Achievement Award" from the Gene Autry Museum.

In 2010, the Academy of Western Artists presented him with the Western Swing Song of the Year award for his composition and recording of "Oklahoma 1955".

Gilliam will kickoff his Kiwash Electric Annual Meeting performance at 6:30 pm at the Cordell High School Auditorium. Bring your family and friends and prepare to swing!



Annual Meeting of the Members

AGENDA

KIWASH ELECTRIC COOPERATIVE, INC.

Monday, August 12, 2013

- | | |
|---------------|---|
| 4:30-6:30p.m. | Meal served at Washita County Activity Center
Entertainment by the Dunford Family. |
| 6:30 p.m. | Les Gilliam, The Oklahoma Balladeer |
| 7:15 p.m. | Video – "Celebrating 75 years" |
| 7:30 p.m. | Welcome – Jack Sawatzky, president
Invocation –
Introduction of Guests - Dennis Krueger, general manager
Business Meeting – Jack Sawatzky, president |
- Call to Order
 - Introduction of board members
 - Notice of Meeting and Business Agenda:
 1. Request for a motion with second to consider and vote on the approval of the Notice of Meeting and Affidavit of Mailing as they appeared in the August 2013 issue of the *Kilowatt*.
 2. Request for a motion with second to consider and vote on the approval of the 2012 Annual Meeting minutes as they appeared in the August 2013 issue of the *Kilowatt*.
 3. Request for a motion with second to consider and vote on the approval of the 2012 Financial Statement as it appears in the August 2013 issue of the *Kilowatt*.
 4. Request for a motion with second to consider and vote on the approval of the bylaw revisions mailed to each member per the guidelines within the bylaws. Brad Wesner, attorney, will discuss bylaw modifications following the motion from the floor.
 5. Results of district meeting elections for directors in district 1 and 7.
 6. Motion to adjourn the business meeting.

Youth Tour Moment: Lisa Willard, director of marketing

General Manager's Comments: Dennis Krueger

Cash Prize Drawings - \$250, \$125 and \$50 per district

Grand Prize Drawing - \$500 and \$250

Adjournment



Treasurer's Report

The financial records of Kiwash Electric Cooperative, Inc. were audited at the close of the year ending December 31, 2012, by an independent CPA firm. It was the auditor's opinion that the financial statements fairly present, in all material respects, the financial position of the Cooperative. A condensed financial statement is printed here for your information.

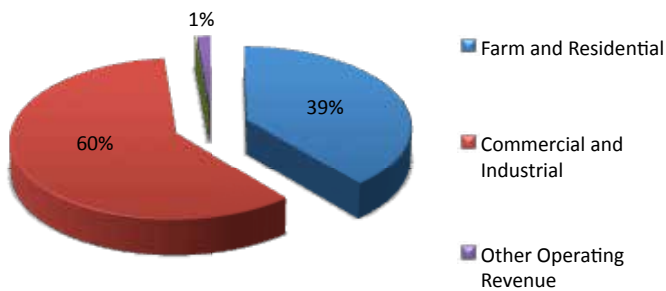
— Virginia Walker, Secretary/Treasurer

STATEMENT OF INCOME AND EXPENSES

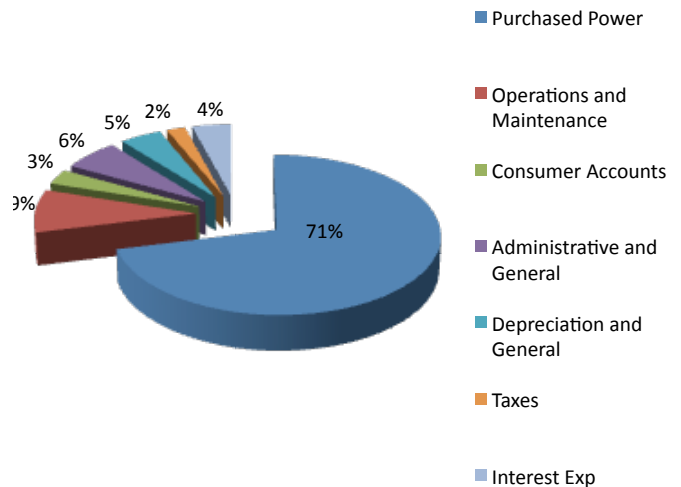
For the Years Ending December 31, 2012 and 2011

	2012	2011	
WHAT WE RECEIVED	OPERATING REVENUE		
	Farm and Residential	\$ 6,694,031	\$ 7,404,360
	Commercial and Industrial	10,220,248	9,619,670
	Power Cost Adjustment	(13,695)	269
	Other Operating Revenue	240,744	223,656
	Total Operating Revenue	\$ 17,141,328	\$ 17,247,955
HOW IT WAS SPENT	OPERATING EXPENSES		
	Purchased Power	\$ 11,780,053	\$ 11,990,473
	Operations and Maintenance	1,458,767	1,243,522
	Consumer Accounts	507,267	506,936
	Administrative and General	1,032,174	987,008
	Depreciation and General	749,091	704,238
	Taxes	333,897	335,534
	Interest Exp	695,367	701,554
	Other Deductions	1,954	2,282
	Total Operating Expenses	\$ 16,558,570	\$ 16,471,547
WHAT WE HAVE LEFT	OUR MARGINS		
	Operating Margins and Patronage Capital	\$ 582,758	\$ 776,408
	Non-Operating Margins	429,860	366,169
	Net Margins	\$ 1,012,618	\$ 1,142,577

WHERE THE DOLLAR COMES FROM



WHERE THE DOLLAR GOES





BALANCE SHEET

For the Years Ending December 31, 2012 and 2011

		2012	2011
WHAT WE OWN	ASSETS		
	Electric Plant In Service	\$ 31,396,441	\$ 28,589,413
	Construction Work In Progress	142,631	84,783
	Less: Accumulated Depreciation	9,327,721	9,043,892
	Net Utility Plant	\$ 22,211,351	\$ 19,630,304
	Investments In Associated Companies	5,185,772	4,720,947
	Cash and Temporary Investments	2,953,182	1,250,131
	Accounts and Notes Receivable	1,526,381	1,963,220
	FEMA Related Receivable	624,691	
	Material and Supplies	400,234	539,249
Other Current and Accrued Assets	585,431	465,018	
Deferred Charges	26,813	43,423	
	TOTAL ASSETS	32,889,164	29,236,983
WHAT WE OWE	Liabilities & Equity		
	Long Term Debt	\$ 18,058,077	\$ 15,857,819
	Notes Payable - CFC	1,022,955	803,547
	Consumer Deposits	53,110	51,470
	Accounts Payable	1,815,614	1,244,318
	Deferred Credits	447,538	86,996
	Other Current and Accrued Liabilities	127,004	173,650
	Total Liabilities	\$21,524,298	\$ 18,217,800
OUR NET WORTH	Membership Fees	\$ 31,200	\$ 30,790
	Patronage Capital and Other Equities	11,333,666	10,508,307
	Total Net Worth	\$ 11,364,866	\$ 10,539,097
	TOTAL LIABILITIES & NET WORTH	\$ 32,889,164	\$ 28,756,897

YOUR ELECTRIC COOPERATIVE: A DECADE MAKES A DIFFERENCE

	2002	2012
Total Number Of Consumers	5,802	6,303
Total Miles Of Line	2,796	2,980
Total Kilowatts Sold	93,189,240	233,436,035
Total Kilowatts Purchased	101,257,563	241,539,550
Total Cost Of Purchased Power	\$ 4,270,731	\$ 11,780,053
Total Utility Plant	\$19,217,061	\$ 31,539,072
New Services Connected	62	121
Average Bill	\$ 103.60	\$ 247.25
Average kWh Per Residential Member	1,569	1,594
Taxes Paid	\$134,498.59	\$ 333,897



Be our guest.

MONDAY, AUGUST 12, 2013

75th Anniversary and Annual Meeting of the Members

As a member-owner of Kiwash Electric Cooperative, you're invited to a special event on Monday, August 12. That's the date of your electric co-op's annual meeting. It's also the celebration of Kiwash Electric's 75th anniversary.

Please help us honor a proud legacy of service to southwest Oklahoma by attending your annual meeting. You'll see friends you haven't seen in a while, and you'll sit down to a wonderful meal, courtesy of Kiwash Electric Cooperative. What better way to celebrate than enjoying heaping helpings of smoked ham, country fried chicken, brisket, assorted salads and veggies, and cake and cobbler for dessert?

Of course, there's more: To show appreciation for our member's support over the years, Kiwash Electric is giving away several registration gifts that include a set of kitchen knives, a commemorative belt buckle, and a number of valuable cash prizes. We even have free gifts for kids, so bring your whole family.

Registration begins at 4:30 pm. Dinner will be served at 6:30 pm at the Washita County Activity Center, with dinner entertainment provided by the Dunford Family. Afterward, members will gather at the Cordell High School Auditorium across the street for western swing music from award-winning performer, and Oklahoma's official balladeer Les Gilliam. Immediately following his performance, the annual business

meeting will commence with members voting on amendments to their co-op bylaws. (Watch for these proposed bylaw changes to arrive in the mail prior to the meeting.)



Immediately following the business meeting is the drawing for cash prizes, including the grand prize drawings of \$500 and \$250, plus other cash prizes.

Kiwash Electric's Annual Meeting for Members has plenty to celebrate this year. We hope you will join us as our guest of honor!

The special celebration includes:

- **Complimentary meal** with your choice of smoked ham, country fried chicken, smoked brisket, assorted salads and veggies, and cake and cobbler for dessert.
- **Free registrations gifts** including a set of quality, stainless steel (?) kitchen knives, a 75th anniversary commemorative belt buckle, and several fun gifts for kids including a cool pair of sunglasses with UV protective lenses.
- **Cash prize drawings** of \$250, \$125 and \$50 for members in each of Kiwash Electric's seven districts.
- **Grand prize drawing of \$500 and \$250.**



COMING UP

in Kiwash Country

■ AUGUST

- 9 Movie Night "Hotel Transylvania" Wind Energy Park, Weatherford
- 12 Kiwash Electric Annual Meeting and 75th Anniversary, Cordell High School Auditorium. Registration begins at 4:30 pm. Free dinner with smoked brisket, smoked ham, country-fried chicken and more, plus western swing music from Les Gilliam and the Silver Lake Band.

■ SEPTEMBER

- 2 Labor Day
- 2 Kiwash Electric Cooperative closed in observance of Labor Day. To report an outage, please call 800-832-3362.
- 4-7 Kiowa County Free Fair Fairgrounds, Hobart

AFFIDAVIT OF MAILING

I, Virginia Walker, do hereby certify that I am the duly elected, qualified and acting Secretary of the Kiwash Electric Cooperative, Inc., (hereinafter called the Cooperative) and the keeper of its records, that the attached and foregoing is a true and correct copy of the Notice of the Annual Meeting of the members, pursuant to, and in accordance with, the Laws of the State of Incorporation of the Cooperative and the Articles of Incorporation and By-laws of the Cooperative, and said Notice was addressed to each member of the Cooperative, with the address of the member as it appears on the records of the Cooperative and that said Notices were deposited in the United States mail at its Post Office in the City of Cordell on the 22nd day of July, 2013.

Signed: Virginia Walker, Secretary