

AUGUST 2014

Published for members of
Kiwash Electric Cooperative

Kilowatt

A supplement to Oklahoma Living

INSIDE

Take action against higher prices,
and win a \$250 bill credit. **PAGE 2**

Meet the board, management and
staff of Kiwash Electric. **PAGE 3**

2013 KEC Statement of Income and
Balance Sheet. **PAGE 7-8**



Kiwash Electric Cooperative
PO Box 100 • 120 West 1st Street
Cordell, Oklahoma

tele: **(888) 832-3362**
www.kiwash.coop

OFFICE HOURS:

Monday-Friday, 7:30 am - 5:30 pm.

POWER OUTAGE HOT LINE
888-832-3362

BOARD OF TRUSTEES

Jack Sawatzky, *President*

Robert Travis, *Vice President*

John Schaufele, *Secretary Treasurer*

Rex Eagan, *Asst. Secretary Treasurer*

Virginia Walker

Ralph Cunningham

Jevon West

Dennis Krueger, *General Manager*

PAYMENT OPTIONS

- Pay online at
www.kiwash.coop.
- Pay by phone by calling
855-875-7216. Available
24 hours a day. Visa or
Mastercard.
- Pay in person at 120 West
1st St., Cordell, Monday -
Friday, 7:30 am to 5:30 pm.
- Pay via automatic draft of
your checking or savings
account. To sign up, please
visit **www.kiwash.coop** or
call **888-832-3362**.
- Pay at one of our authorized
payment locations:

Custer City Hall
Custer City, Oklahoma

First National Bank
Thomas, Oklahoma

2013 kiwash electric cooperative **ANNUAL REPORT** & Annual Meeting

Please join us for dinner, entertainment and
business on **Monday, August 11, 2014** in Cordell.

Full details inside this issue. →



What It Means To Be A "Member"

In 2013, the International Cooperative Alliance released the "Blueprint for a Cooperative Decade" designed to promote the cooperative business model as the best way to meet the economic and social needs of individuals and communities.

The report describes the five key areas that all co-ops emphasize:

- Participation by members
- Sustainability (helping local communities prosper)
- Identity (making sure people understand the cooperative business model)
- Legal Framework (making sure laws and regulations help, not harm your co-op's ability to operate for your benefit)
- Capital (ensuring we have the money we need to finance our operations)

Kiwash Electric Cooperative members have a role to play in all of these areas, but it is participation that is critically important. Kiwash Electric wants members to actively participate in the co-op by voting on issues, attending district meetings, or even running for the board of directors.

Kiwash Electric wouldn't exist without the active participation of its membership. While technology and reliability have improved over the years, member involvement is still necessary. Margaret Mead the cultural anthropologist once said, "Never doubt the ability of a small group of people to change the world, indeed it is the only thing that ever has."

So, please get involved. Attend the KEC Annual Meeting on August 11. Learn about your co-op and what it means to be a member.

It Pays To Take Action

Lately, you've been hearing a lot about the Environmental Protection Agency (EPA) regulations on power plants across the country. The regulations aim to limit carbon (CO₂) emissions from generating plants, which scientists say are contributing to global climate change. For the electric utility industry and its consumers, the rules could mean higher prices in the future.

The EPA issued an order for existing power plants on June 2. The proposal will allow each state to develop their own strategy to achieve necessary reductions in emissions. Each state has an emissions target, which differs from state to state depending on its mix of resources as of 2012.

EPA requires the states to have their implementation plans ready in one to three years, depending on circumstances and the form of the state plan. multistate plans will be allowed more time for development.

Because the impact of the rule will depend a great deal on how it is implemented at the state level, it is impossible to predict how this could affect your electric bill. What we do know is it doesn't look good.

The rule will be finalized a year from now following a 120-day public comment period. We need your help.

Kiwash Electric is asking you to add your comments to a nationwide letter writing campaign to leaders in Washington, D.C., asking the EPA to reconsider its regulations on existing power plants. The effort is being coordinated by the Cooperative Action Network website, Action.coop. Thus far, over 500,000 co-op members from across the U.S. have joined the effort by sending letters and email messages to EPA and elected officials.

We are encouraging our members to participate by signing up for Action.coop at our upcoming Annual Meeting on August 11. While potentially higher

electricity prices should be a strong incentive, Members who sign up will also be eligible for a \$250 electric bill credit, which will be given away at the end of our meeting.



BY DENNIS KRUEGER

GENERAL MANAGER

We will offer another way for members to get involved, too. At the meeting, you will have the opportunity to join Co-op Owners for Political Action. This member-driven, grassroots movement works to support political candidates who understand electric co-op issues and uphold the co-op mission to provide electric service at an affordable cost.

By joining Co-op Owners for Political Action, your \$25 membership fee helps make politicians aware of how their decisions in Washington D.C. affect co-op members "at the end of the line."

Joining the group also keeps you up to date on current political issues that affect your electric co-op. With electronic newsletters, email alerts and access to resources on the Web, you'll gain better insight into these issues and how they could affect your electric rates.

Members who sign up for Co-op Owners for Political Action at the Annual Meeting, will also be eligible for a \$250 electric bill credit, so your participation could pay off in more ways than one.

For Kiwash Electric Cooperative, which was created by the grassroots movement of members like yourselves 75 years ago, these opportunities to participate are more than nostalgic reminders of our past. If you care about what lies ahead for your co-op, it's time to put in your two cents worth. Your voice can make a difference for you, your family, and your electric co-op.



KIWASH ELECTRIC COOPERATIVE BOARD OF TRUSTEES



*Jack Sawatzky
President.*



*Robert Travis
Vice President*



*John Schaufele
Secretary-Treasurer*



*Rex Eagan
Asst. Sec.-Treasurer*



Ralph Cunningham



Virginia Walker



Jevon West

MANAGEMENT AND STAFF



ADMINISTRATIVE & MARKETING

*Lisa Willard, Dennis Krueger
and Linda Robison*



FINANCE DEPARTMENT

*Michelle Ainsworth, Wendy Putman, Michele Kauk
and Dwayne Hurliman*



MAINTENANCE DIST. 1
B.J. Carter and Johnny Jones



MAINTENANCE DIST. 2
*Mark Lawson and
Kyle Eldridge*



MAINTENANCE DIST. 6
*Manny Macias and
Robert Parsons*



MAINTENANCE DIST. 8
*Ryan Walton and
Brad Hardwick*



OPERATIONS DEPARTMENT

*Mike Beach, Jace Ewalt, Brad Jones, Brad Claussen, Jerry Black,
Rick Wiest and Roy Dewees.*



CONSTRUCTION DEPARTMENT

*Mike Miller, Scott Latham, Tyler Mitchell, Clinton Christensen,
Drew Davis, and Clay Pickel. Not pictured is Chris Bowles.*

Certificate of Secretary

I, John Schaufele, 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 12th day of August, 2013; 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 18th day of July, 2014.

Signed: John Schaufele, *Secretary*

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 11, 2014 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 18th day of July, 2014.

Signed: Jack Sawatzky, *President*
Signed: John Schaufele, *Secretary*

Minutes of the 74th Annual Meeting

The 74th Annual Meeting of the members of the Kiwash Electric Cooperative, Inc., was held at the Cordell High School Auditorium, Cordell, Oklahoma on August 12, 2013, with Jack Sawatzky, President of the Cooperative presiding as chairman.

Mr. Sawatzky welcomed KEC members and welcomed the entertainer, Les Gilliam. Pastor Buck Nicholson of the Stafford Baptist Church gave the invocation. Mr. Krueger introduced the guests in attendance and recognized the Kiwash Electric employees.

Next, Mr. Sawatzky called the 74th Annual Business Meeting to order and introduced each Board of Director and their spouses. Mr. Sawatzky introduced KEC's Attorney, General Manager, and their spouses. He also thanked the 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 was registered and present, and that the 2013 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*, and sent to each member of Kiwash Electric. 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 2012 Annual Meeting Minutes as it appeared in the August edition of the monthly newsletter. A motion was made to approve the 2012 Annual Meeting Minutes as presented and seconded, which was approved unanimously by the membership.

At this time, Mr. Sawatzky requested a motion to approve and vote on the 2012 Financial Statement as it appeared in the August edition of the monthly newsletter, *Kilowatt*. A motion was made to approve the 2012 Financial Statement as presented. The motion was seconded, which was approved unanimously.

Next, a motion was requested by Mr. Sawatzky for the approval of the By-Law Revision which were mailed to each member per the guidelines within the by-laws. A

motion was made to approve the By-Law Revisions. The motion was seconded, which was approved unanimously. The modifications were then discussed in an open discussion with the membership.

At this time, Mr. Sawatzky announced that re-elected to the District #1 board seat was Mr. Rex Eagan and re-elected to the District #7 board seat was Mr. Ralph Cunningham. Mr. Eagan and Mr. Cunningham 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, Mrs. Willard recognized Youth Tour Winners, Elise Cornell and Tyler Lucas. Elise was present and spoke briefly about her Youth Tour experience.

Next, the winners of the kids prizes were awarded as well as the cash and prize drawings.

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

Leroy Morris, Taloga	\$250
Charles Fischer, Custer City	\$125
Putnam Senior Citizen, Putnam	\$ 50
WR Lehman, Weatherford	\$250
Larry Goyer, Weatherford	\$125
Custer City Rural Water	\$ 50
Tim Nickel, Weatherford	\$250
Paul Schilberg, Clinton	\$125
Roger Gauger, Clinton	\$ 50
Bill Miller, Cordell	\$250
Jimmie Balzer, Cordell	\$125
Charles Nimmo, Weatherford	\$ 50
Freddy Burnett, Lone Wolf	\$250
Carl Reimer, Hobart	\$125
Harold Straub, Hobart	\$ 50
Denise Dodson, Hammon	\$250
Tim Kilhoffer, Dill City	\$125
Dale Massey, Canute	\$ 50
Bennie Waters, Rocky	\$250
Bill Bookout, Dill City	\$125
Bill Taylor, Cordell	\$ 50
Bruce Hanlin, Lone Wolf	\$50 Gift Card
Bill Kern, Cordell	\$50 Visa Card
Milburn Walker, Clinton	\$500 Grand Prize
Nick Byrd, Rocky	\$250 Grand Prize
Lily Duvall, Edmond	Samsung Tablet
Kameron Rivera, Rocky	Samsung Tablet

At the conclusion of the drawing, the meeting adjourned.

Enjoy Music At Your Co-op Annual Meeting

Members who attend the upcoming Kiwash Electric Annual Meeting on August 11, will enjoy music from two talented Oklahoma families.

Music from the Dunford Family will kick off the event at 4:30 pm. The Enid family blends music with ministry for the perfect family entertainment. Immediately following their performance, the singing trio of sisters, known professionally as Threefold Chord, takes the stage at the Cordell High School Auditorium.

Sisters Kallie (15), Kaycie (13), and Kambrie (11) Swaim began their singing careers at the ages of 5, 3, and 2, performing for and ministering to a church nursery worker as she was battling cancer. While the trio have opened for Southern Gospel quartets such as Brian Free and Assurance, The Perrys, and Legacy Five, and performed at the Grand Ole Opry in Nashville, TN this past July, they say their hearts are most joyful when singing and ministering at nursing homes, the Veteran's Center in Clinton, and at churches across western Oklahoma.

In recent years the sisters have added instruments to their performance. Kallie plays the piano, Kaycie plays the violin, and Kambrie rounds out the group with her mandolin. Their performances consist of singing accompanied with their instruments, a capella singing and songs accompanied by a soundtrack.

Kallie, Kaycie, and Kambrie are home schooled and are the daughters of Richard and Timmie Dee Swaim of Weatherford, OK and the granddaughters of Jim and Nancy Young, also of Weatherford, and Robert and Ruth Ann Swaim of Watonga, OK.

Please make plans to attend your Kiwash Electric Annual Meeting and catch these talented Oklahoma families doing what they do best—playing music. Bring your family, enjoy a free meal and meet your cooperative board members, employees and staff.

Kiwash Electric Cooperative, Inc.

75th Annual Meeting

AGENDA

Monday, August 11, 2014

- 4:30-6:30 p.m. Meal Served at Washita County Activity Center
Entertainment by the Dunford Family
- 6:30 p.m. Entertainment – Threefold Chord
- 7:15 Welcome – Mr. Jack Sawatzky, President of the Board
Invocation – Pat Garling, Bessie Peace Lutheran Church
Introduction of Guests - Mr. Dennis Krueger, General Manager
Action.coop - Video and Discussion on EPA fight for affordable electricity rates - www.Action.coop - Dennis Krueger, Manager
COPA/ACRE - Video and Discussion on "Co-op Owners for Political Action" (COPA) campaign – Chris Myers, CEO of OAEC
Business Meeting – Mr. Jack Sawatzky, Kiwash President
- Call to Order
 - Introduction of Board Members
 - Request from the Secretary/Treasurer as to a Quorum
 - 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 edition of the monthly newsletter, *Kilowatt*.
 2. Request for a motion with second to consider and vote on the approval of the 2013 Annual Meeting Minutes as it appeared in the August edition of the monthly newsletter, *Kilowatt*.
 3. Request for a motion with second to consider and vote on the approval of the 2013 Financial Statement as it appeared in the August edition of the monthly newsletter, *Kilowatt*.
 4. State the results of the District Meeting Elections for the Board of Directors in District numbers 2 and 6.
 5. Motion to Adjourn the Business Portion of the meeting
- Youth Tour Moment - Lisa Willard, Director of Communications
Annual Meeting Drawings -
Kid's Prize Drawings – (2) Samsung Galaxy Tab 4
COPA/ACRE Drawing (\$250 Credit on your electric bill)
Action.coop Drawing - (\$250 Credit on your electric bill)
Cash Prize Drawings - (1) \$250 and (1) \$125 and (1) \$50 prize winner
Per District
Grand Prize Drawing - (1) \$500 and (1) \$250 Winner
- Adjournment



Treasurer's Report

The financial records of Kiwash Electric Cooperative, Inc. were audited at the close of the year ending December 31, 2013, 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.

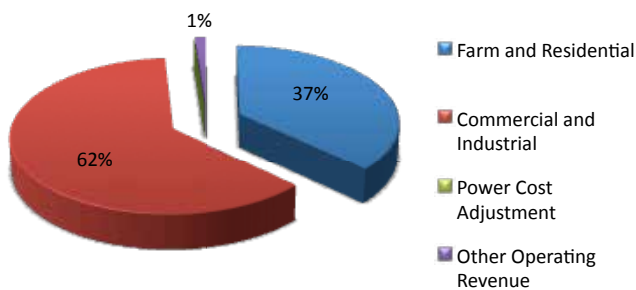
— John Schaufele, Secretary-Treasurer

STATEMENT OF INCOME AND EXPENSES

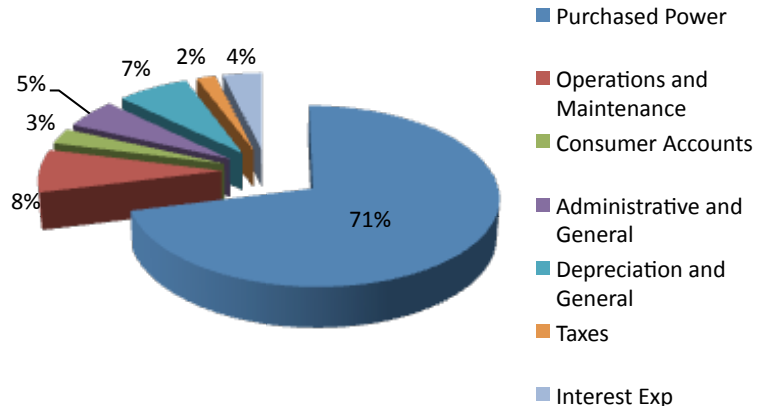
For the Years Ending December 31, 2013 and 2012

		2013	2012
WHAT WE RECEIVED	OPERATING REVENUE		
	Farm and Residential	\$ 7,069,062	\$ 6,694,031
	Commercial and Industrial	11,766,761	10,220,248
	Power Cost Adjustment	(2,148)	(13,695)
	Other Operating Revenue	225,463	240,744
	Total Operating Revenue	\$ 19,059,138	\$ 17,141,328
HOW IT WAS SPENT	OPERATING EXPENSES		
	Purchased Power	\$ 14,020,201	\$ 11,780,053
	Operations and Maintenance	1,546,066	1,458,767
	Consumer Accounts	560,515	507,267
	Administrative and General	1,053,464	1,032,174
	Depreciation and General	1,401,820	749,091
	Taxes	376,644	333,897
	Interest Exp	757,589	695,367
	Other Deductions	1,059	1,954
	Total Operating Expenses	\$ 19,717,358	\$ 16,558,570
WHAT WE HAVE LEFT	OUR MARGINS		
	Operating Margins and Patronage Capital	\$ (658,220)	\$ 582,758
	Non-Operating Margins	770,107	429,860
	Net Margins	\$ 111,887	\$ 1,012,618

WHERE THE DOLLAR COMES FROM



WHERE THE DOLLAR GOES





Balance Sheet

For the Years Ending December 31, 2013 and 2012

		2013		2012
	ASSETS			
WHAT WE OWN	Electric Plant In Service	\$ 34,742,546	\$	31,396,441
	Construction Work In Progress	30,509		142,631
	Less: Accumulated Depreciation	10,250,968		9,327,721
	Net Utility Plant	\$ 24,522,087	\$	22,211,351
	Investments In Associated Companies	5,870,901		5,185,772
	Cash and Temporary Investments	2,305,608		2,953,182
	Accounts and Notes Receivable	2,255,801		1,526,381
	FEMA Related Receivable	34,717		
	Material and Supplies	366,928		400,234
	Other Current and Accrued Assets	487,243		585,431
Deferred Charges	796,709		26,813	
	TOTAL ASSETS	36,639,994		32,889,164
	LIABILITIES & EQUITY			
WHAT WE OWE	Long Term Debt	\$ 20,499,367	\$	18,058,077
	Notes Payable - CFC	2,373,148		1,022,955
	Consumer Deposits	51,015		53,110
	Accounts Payable	1,988,060		1,815,61
	Deferred Credits	355,916		447,538
	Other Current and Accrued Liabilities	151,782		127,004
	Total Liabilities	\$ 25,419,288	\$	21,524,298
OUR NET WORTH	Membership Fees	\$ 31,235	\$	31,200
	Patronage Capital and Other Equities	\$ 11,189,471	\$	11,333,666
	Total Net Worth	\$ 11,220,706	\$	11,364,866
	TOTAL LIABILITIES & NET WORTH	\$ 36,639,994	\$	32,889,164

LOOK WHAT'S HAPPENED IN TEN YEARS

	2003	2013
Total Number Of Consumers	5,847	6,365
Total Miles Of Line	2,799	2,987
Total Kilowatts Sold	90,046,702	261,036,789
Total Kilowatts Purchased	104,220,410	274,497,660
Total Cost Of Purchased Power	\$4,897,508	\$14,020,201
Total Utility Plant	\$19,716,258	\$34,773,055
New Services Connected	62	145
Average Bill	\$30.50	\$252.11
Average kWh Per Residential Member	502	2,029
Taxes Paid	\$9,828	\$33,243

Wholesale Power Represents 71 Percent of Kiwash Electric Total Expenses

Western Farmers Electric Cooperative (WFEC) is the wholesale power supplier for Kiwash Electric Cooperative. Kiwash Electric has an all-requirements contract with WFEC that extends to the year 2050. They are required to supply all power needed by Kiwash members. WFEC was formed in 1941 as a generating and transmission cooperative (G&T) to supply the needs of 23 other electric distribution cooperatives such as Kiwash Electric. In 2013, Kiwash Electric purchased 274,497,660 kwh from Western Farmers at a cost of \$14,020,201.31. Today, 71 cents of every dollar you spend for power from Kiwash Electric is paid directly to WFEC for the cost of wholesale power.

KIWASH ELECTRIC COOPERATIVE

75th Annual Meeting

Monday, August 11, 2014

Registration begins at 4:30 pm at the Washita County Activity Center.

LIVE MUSIC

Enjoy the music of the Dunford Family from 5 pm to 6:30 pm at the Washita County Activity Center. Threefold Chord will entertain members from 6:30 pm to 7:15 pm at the Cordell High School Auditorium.

FREE MEAL

Free meal prepared and served by Klein Catering will include smoked beef brisket, smoked ham, sausage, fried chicken, beans, mashed potatoes, corn and various salads and desserts.

CASH PRIZES & KID'S PRIZES, TOO!

Win valuable cash prizes of \$50, \$100, \$250 or \$500, just by being there! Members who register at the meeting are eligible for the Annual Meeting prize drawing, or sign up for Action.coop or ACRE at the meeting, and you could win an electric bill credit of \$250. Kid's prizes, cash prizes and electric bill credits will be awarded following the business meeting, so be sure to stick around!

Please mark your calendars and make plans to attend!



Threefold Chord



The Dunford Family

AFFIDAVIT OF MAILING

I, John Schaufele, 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 18th day of July, 2014.

Signed: John Schaufele, *Secretary*