

● SEPTEMBER 2024

# iowa

ELECTRIC COOPERATIVE LIVING



**SPECIAL INSERT:**

**Raccoon Valley  
Electric Cooperative  
2023 Annual Report**

**Win a cordless leaf blower ► See Page 3**

# PUTTING ALL THE PIECES TOGETHER

2023 ANNUAL REPORT



# MESSAGE TO OUR MEMBERS

BY DAVID ONKEN AND JIM GOSSETT



David Onken

Raccoon Valley Electric Cooperative (RVEC) continues to demonstrate resilience and innovation, ensuring reliable, affordable and responsible energy services for our member-owners. Guided by steady board leadership and the dedication of our experienced employees, we faced numerous challenges, including ongoing inflationary pressures and supply chain issues, while maintaining our commitment to core values.



Jim Gossett

This year, RVEC achieved our highest-ever Average Service Availability Index (ASAI) score of 99.9974%, underscoring our commitment to distribution reliability. Safely building

your lines right from the start, restoring and making repairs safely and quickly, and using technology where practical all contribute to providing you with the most reliable service.

In 2023, the RVEC board approved the first rate increase in seven years, which took effect on April 1, 2024. This increase was not due to rising energy costs but was necessary because increasing operating costs, including materials, supplies and equipment, outpaced our ability to maintain operations under existing rates.

RVEC is challenged by its small size, a meter density of 1.9 meters per mile of line, and high power costs. Rate stability is the board’s primary financial goal. To achieve this, the board establishes policies aimed at growth in our service territory. Our proactive approach includes leveraging U.S. Department of Agriculture (USDA) programs for

zero-interest loans, promoting business expansion and increasing kilowatt-hour sales, all of which help with rate stability.

We also prioritized member engagement and satisfaction. Our American Consumer Satisfaction Index (ACSI) survey yielded the highest scores in a decade, reflecting your trust and confidence in our services. We remain dedicated to listening to your feedback and adapting to meet your needs. Your input is invaluable as we navigate the evolving energy sector and plan for the future.

Thank you for your continued trust and support. Together, we will navigate the challenges and opportunities ahead, ensuring RVEC remains your reliable energy partner.

*David Onken is the board president and Jim Gossett is the CEO of Raccoon Valley Electric Cooperative.*



**Office Address**

Headquarters  
PO Box 486 /  
28725 Hwy 30  
Glidden, IA 51443



**Phone:** 712-659-3649 or 800-253-6211

**Fax:** 712-659-3716

**Hours:** 7 a.m. to 4 p.m. Monday through Friday

**Website:** www.rvec.coop

**Email:** info@rvec.coop

Follow us on Facebook!



**Directors**

- David Onken, President ..... Glidden
- Jeff Cranston ..... Odebolt
- Mark Ludwig ..... Breda
- Karen Werner ..... Schaller
- Steve Schable ..... Carroll
- Adam Handlos ..... Glidden
- Dave Schroeder ..... Coon Rapids

Jim Gossett, CEO

RVEC is an equal opportunity provider and employer.

## STRONG PRINCIPLES RUN THROUGH EVERY CO-OP LINE

Raccoon Valley Electric Cooperative (RVEC), headquartered in Glidden, is a member-owned, not-for-profit rural electric cooperative. RVEC provides reliable, affordable, responsible energy to businesses and industries, farms and homes throughout west central Iowa.



**2,100**  
members

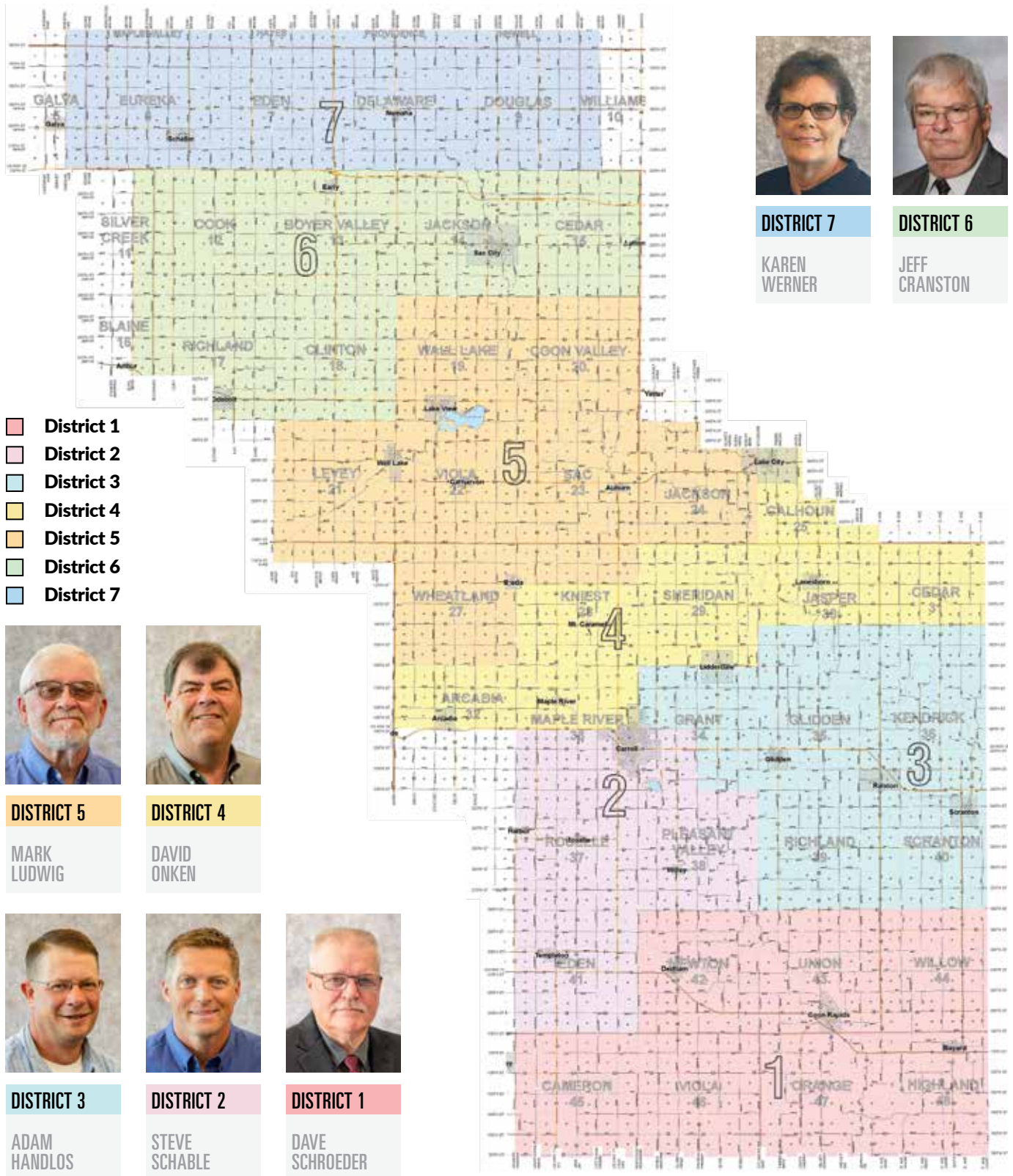


**9**  
counties served



**1,447**  
miles of line

Raccoon Valley Electric Cooperative's (RVEC) operations are carried out under the policies established by the board of directors. Each director represents a geographical area of the cooperative's service territory called a district. RVEC has seven districts, and each director is an active member of the cooperative and obtains his or her electricity from the cooperative just as every other member-owner does.



**DISTRICT 7**

KAREN WERNER



**DISTRICT 6**

JEFF CRANSTON



**DISTRICT 5**

MARK LUDWIG



**DISTRICT 4**

DAVID ONKEN



**DISTRICT 3**

ADAM HANDLOS



**DISTRICT 2**

STEVE SCHABLE



**DISTRICT 1**

DAVE SCHROEDER

# POWER SUPPLY REPORT

BY JACOB OLBERDING AND DAVID ONKEN



Jacob Olberding

Corn Belt Power Cooperative’s (Corn Belt Power) theme for 2023 was “Blueprinting for our Future.” The theme encapsulates the essence of progress and growth in a world driven by innovation and constant change. As we navigate the ever-evolving landscape of our industry, it is crucial to proactively



David Onken

prepare for the future while upholding the high service standards our member-cooperatives rely on.

Financially, Corn Belt Power remains robust, exemplified by the \$8,777,858 returned to its membership through annual quick rolls and patronage payments. Achieving an “A” rating from both S&P Global Ratings and Kroll Bond Rating Agency further underscores the cooperative’s financial strength.

### Advocating for reliability and affordability

Corn Belt Power continues to

collaborate with policymakers and regulators on state and federal levels, advocating for an inclusive “all-of-the-above” generation strategy in response to challenges outlined in the North American Electric Reliability (NERC) reports on the 2023 Summer and Winter Reliability Assessments. This strategic initiative aims to incorporate all energy sources, ensuring reliability and affordability in the face of operational challenges observed in the Southwest Power Pool (SPP) system.

Corn Belt Power began to see benefits from its new battery storage facility. Throughout 2023, the system realized \$277,260 in savings using the battery during times of peak electric demand. When added to the entire load management system, Corn Belt Power saved members more than \$2.3 million in demand charges.

Corn Belt Power’s vigilance extended to its Wisdom Station power plant and shared coal units on the Missouri River. These units continue to provide vital peaking and baseload generation when needed despite reduced utilization compared to five years ago.

### Investments in system upgrades

Membership in the SPP regional tariff continued to yield positive economic results, leading to the upgrade or rebuilding of 69.72 miles of transmission line. Simultaneously, electrical maintenance and meter crews undertook significant infrastructure improvements, replacing aging components, upgrading relays and wiring, and installing new radios and fiber connections across the system.

The cooperative also addressed the need for modernized storage facilities, opening a new vehicle storage facility in 2023 to accommodate the growth and increased size of equipment over the past 70 years.

In the realm of cybersecurity, Corn Belt Power made notable strides by introducing a new phone system, security update service, disaster recovery procedure and security protocols. A comprehensive cybersecurity penetration test at the end of 2023 ensures a robust defense against potential threats, reflecting the cooperative’s commitment to technological resilience.

### Embracing a dynamic energy landscape

In 2023, Corn Belt Power embraced the theme “Blueprinting for our Future” within the dynamic energy industry landscape. With a dedicated focus on progress and growth, the cooperative proactively prepared for the future while maintaining high service standards. From fortifying transmission infrastructure to safeguarding technology assets, Corn Belt Power persistently strides toward the future, committed to delivering safe, reliable and affordable services.

*Jacob Olberding is the executive vice president/general manager and David Onken is the board president of Corn Belt Power Cooperative.*



# WORKING FOR YOU

Raccoon Valley Electric Cooperative (RVEC) serves 2,100 member-owners with 2,773 meters through 1,447 miles of distribution line in nine counties. The cooperative headquarters is in Glidden with an outpost in Sac City. Currently, RVEC has 17 employees and is governed by a seven-member board of directors representing each of the cooperative's districts. The directors are elected by the membership.




**ADAM WITTRICK**  
First Class Lineman  
**6 YEARS**



**ALICIA LOHR**  
Director of Human Resources  
**6 YEARS**



**BRADY BOELL**  
Director of Safety & Member Services  
**14 YEARS**



**BRIAN HEUN**  
First Class Lineman  
**14 YEARS**



**CHAD LANKFORD**  
Meter Technician  
**25 YEARS**



**EUGENE HANDLOS**  
Chief Financial Officer  
**11 YEARS**



**JACK SCANLAN**  
Line Superintendent  
**35 YEARS**



**JILL HANNASCH**  
Director of Communications  
**22 YEARS**




**JIM GOSSETT**  
Chief Executive Officer  
**11 YEARS**



**JOEL HENELY**  
Apprentice Lineman  
**1 YEAR**




**KEITH GREVING**  
Lead Lineman  
**12 YEARS**




**KEVIN GREVING**  
First Class Lineman  
**10 YEARS**



**MATT SCHWARZKOPF**  
First Class Lineman  
**10 YEARS**




**MITCH MCKEEVER**  
Operations Superintendent  
**38 YEARS**



**MORGAN KRAMER**  
Lead Customer Service Representative  
**10 YEARS**



**RYAN GALLOWAY**  
Line Forman  
**18 YEARS**



**TERRY VAUBLE**  
Line Forman  
**31 YEARS**

Raccoon Valley Electric Cooperative's mission is to safely provide reliable, affordable and responsible service while being a leader in our community's prosperity and growth.

# NOTES TO FINANCIAL STATEMENTS

**Audit and financial health:**

Raccoon Valley Electric Cooperative’s (RVEC) books were audited by Eide Bailly LLP. The audit, presented to the board in March 2023, confirmed that all financial and accounting procedures adhere to generally accepted auditing standards.

**Margins and allocations:** RVEC’s operating margin for 2023 was \$27,621. The total year-end margin was \$1,567,177, which includes operating margins, interest, patronage allocations from other cooperatives and extraordinary income. Patronage from Corn Belt Power Cooperative (Corn Belt Power) and Basin Electric Power Cooperative totaled \$1,251,428,

representing future payments promised by RVEC’s power providers.

**Patronage dividends:** In 2023, RVEC’s board retired \$716,383 in patronage dividends to member-owners, including \$499,482 from Corn Belt Power’s 2022 margin, \$199,987 from RVEC’s 2002 margins, and \$16,914 from estates.

**Electric revenue and power costs:**

RVEC’s 2023 electric revenue was \$15,026,577 from 134,210,162 kWh sold, with power costs totaling \$9,812,059. The peak power demand with Corn Belt Power was 28,624 kW in October 2023. Community solar arrays produced 1,337,574 kWh, with power costs of \$145,274 billed to RVEC through its subsidiary, Raccoon Valley Visionary Corp. (RVVC).

**Operational challenges and improvements:**

RVEC faced rising material prices and shipping delays but maintained inventory for its construction work plan. The office improved systems like SmartHub for data usage tracking, online bill payments, outage management and cybersecurity.

**Development loans:**

RVEC’s balance sheet reflects increased development loans to support local economic growth. In 2023, RVEC issued four new loans totaling \$5,390,700 through a USDA zero-interest loan program. The accounts receivable also include a loan to Sac Economic Tourism and Development for industrial park land purchased in August 2022.



**7,200  
VOLT LINES  
16 YEARS  
ON THE  
JOB**

**RESTORING  
POWER TO  
500  
MEMBERS**

**BUT RIGHT NOW IT'S  
YOU I'M WORRIED ABOUT.**

**HIS JOB IS DANGEROUS ENOUGH.** The last thing he needs is for you to drive into his utility truck because you ignored the flashing lights, cones and signs. When you see utility crews at work, slow down and move over. You have the power to protect a life.

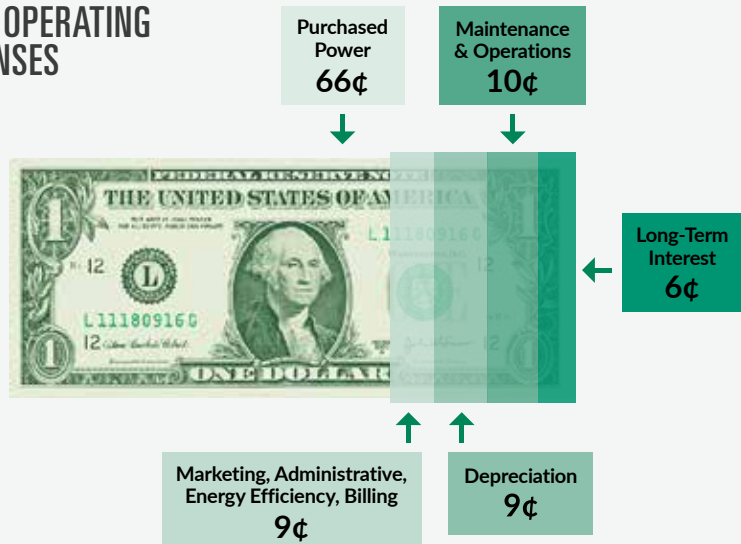


**MOVE OVER  
SLOW DOWN**

STATEMENT OF CONDITIONS

	DEC. 31, 2022	DEC. 31, 2023		DEC. 31, 2022	DEC. 31, 2023
<b>Assets</b>			<b>Electric Revenue</b>		
<b>Total Value of Utility Plant</b>	\$ 42,048,681	\$ 44,002,854	Residential and Farm	\$ 6,505,299	\$ 6,336,297
<b>Less: Accumulated Depreciation</b>	13,617,651	14,815,565	Small Commercial and Ag.	1,830,563	1,804,231
<b>Net Value of Utility Plant</b>	\$ 28,431,030	\$ 29,187,289	Large Commercial	6,270,172	6,376,242
Cash in Bank	\$ 1,265,498	\$ 238,504	Highway Lighting	5,924	6,078
Temporary Cash Investments	7,306	7,364	Irrigation	17,845	17,851
Accounts Receivable	3,297,029	3,106,360	Sales for Resale	475,076	455,278
Material Inventory	680,351	827,323	Other Electric Revenue	31,465	30,600
Other Assets & Long-Term Invest.	1,110,892	1,184,091	<b>Total Electric Revenue</b>	<b>\$ 15,136,344</b>	<b>\$ 15,026,577</b>
Investments in Associated Org.	9,514,110	10,216,111	Purchased Power	\$ 9,729,272	\$ 9,957,333
Investments - CFC Certificates	376,801	376,801	Operation & Maintenance	1,404,392	1,434,686
Development Loans & Investments	2,916,098	8,307,035	Consumer Accounting	145,607	141,434
Deferred Debits	157,883	75,970	Sales	116,396	110,593
<b>Total Assets</b>	<b>\$ 47,756,998</b>	<b>\$53,526,848</b>	Energy Cons. & Information Exp.	94,688	57,252
<b>Liabilities</b>			Administrative & General Expense	969,683	1,038,245
Consumers' Deposits	\$ 22,674	\$ 19,708	Depreciation	1,247,456	1,298,167
Accounts Payable	975,532	838,423	Interest on Short & Long-Term Debt	879,967	918,624
Other Accrued Liabilities	725,375	703,561	Misc. Deductions & Donations	33,146	42,622
Deferred Credits & Non-Current Liab.	600,464	597,439	<b>Total Expenses</b>	<b>\$ 14,620,607</b>	<b>\$ 14,998,956</b>
Development Grants & Loans	2,609,098	7,985,910	<b>Electric Margins</b>	<b>\$ 515,737</b>	<b>\$ 27,621</b>
CFC Mortgage and Notes	21,669,656	21,301,694	<b>Other Income</b>		
<b>Total Liabilities</b>	<b>\$ 26,602,799</b>	<b>\$ 31,446,735</b>	Interest	\$ 31,621	\$ 49,476
<b>Net Worth</b>			Corn Belt & Basin Patronage	1,651,440	1,251,428
Deferred Patronage	\$ 9,575,223	\$ 10,941,521	Other Patronage	118,672	134,184
Margins - Current	2,469,883	1,567,177	Resale Sales & Visionary	163,736	104,468
Other Equities	9,109,093	9,571,415	Extraordinary Income/(Expense)	-11,323	0
<b>Total Net Worth</b>	<b>\$ 21,154,199</b>	<b>\$ 22,080,113</b>	<b>Total Other Income</b>	<b>\$ 1,954,146</b>	<b>\$ 1,539,556</b>
<b>Total Liabilities &amp; Net Worth</b>	<b>\$ 47,756,998</b>	<b>\$ 53,526,848</b>	<b>Total Margins</b>	<b>\$ 2,469,883</b>	<b>\$ 1,567,177</b>

2023 OPERATING EXPENSES



2023 STATISTICAL HIGHLIGHTS

- Total meters billed: 2,773 meters
- Total miles of line: 1,447 miles
- Total meters per mile of line: 1.92 meters
- Total assets: \$53,526,848
- Net investment in plant: \$29,187,289
- Total assets per member: \$25,611
- Total kWhs purchased: 137,503,040
- Total kWhs used by members: 134,210,162



# YOUTH TOUR WINNER



Raccoon Valley Electric Cooperative (RVEC) is excited to announce that Porter Snyder, a student at Carroll High School, represented the cooperative on the Youth Tour trip to Washington, D.C., in June.

Porter joined several other Iowa students along with students from across the country in learning more about cooperatives, U.S. history and our government. They also participated in leadership training, engaged with elected officials, networked with their peers, and toured monuments and museums in our nation's capital.

RVEC is proud to support Youth Tour and believes that investing in the next generation of co-op members is essential to the economic future of rural communities.

# SCHOLARSHIP WINNER



Independent judges for Raccoon Valley Electric Cooperative (RVEC) selected Dylan Hosenfelt as the recipient of a \$1,000 scholarship.

The co-op, along with Basin Electric Power Cooperative, awarded the scholarship to Hosenfelt, whose parents are member-owners of RVEC. He will attend Iowa State University College of Design to study architecture.



## VOLUNTARY AND OPEN MEMBERSHIP

Membership in a cooperative is open to all persons who can reasonably use its services and stand willing to accept the responsibilities of membership, regardless of race, religion, gender or economic circumstances.

## MEMBERS' ECONOMIC PARTICIPATION



Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital remains the common property of the cooperative. Members allocate surpluses for any or all of the following purposes: developing the cooperative; setting up reserves; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.



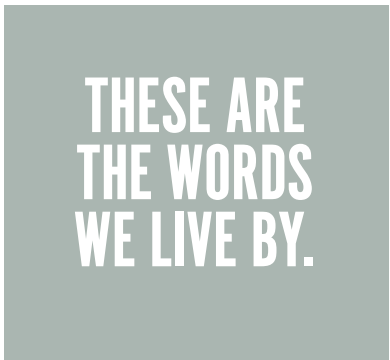
## COOPERATION AMONG COOPERATIVES

By working together through local, national, regional, and international structures, cooperatives improve services, bolster local economies and deal more effectively with social and community needs.

## CONCERN FOR COMMUNITY



Cooperatives work for the development of their communities through policies supported by the membership.



## AUTONOMY AND INDEPENDENCE

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control as well as their unique identity.

## DEMOCRATIC MEMBER CONTROL



Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Elected representatives (directors/trustees) are elected from among the membership and are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote); cooperatives at other levels are organized in a democratic manner.

## EDUCATION, TRAINING AND INFORMATION



Education and training for members, elected representatives (directors/trustees), CEOs and employees help them effectively contribute to the development of their cooperatives. Communications about the nature and benefits of cooperatives, particularly with the general public and opinion leaders, helps boost cooperative understanding.

The National Rural Electric Cooperative Association (NRECA) is the national service organization for more than 900 not-for-profit rural electric cooperatives and public power districts providing retail electric service to more than 42 million consumer-members in 48 states and whose retail sales account for approximately 12% of total electricity sales in the United States.

Learn more at [electric.coop](http://electric.coop)

# THE SEVEN COOPERATIVE PRINCIPLES





IOWA ELECTRIC COOPERATIVE LIVING

The magazine  
for members of  
Iowa's electric  
cooperatives.

September 2024

Visit our website at [www.rvec.coop](http://www.rvec.coop)

## **TRUST.** ANOTHER PRECIOUS RESOURCE WE'RE COMMITTED TO PRESERVING.

Around here, there's more to trust than making sure your lights come on when you flip the switch. We also must have information you can trust, whether it's about local renewable energy options or ways to lower your bill. For more, visit [TouchstoneEnergy.com](http://TouchstoneEnergy.com).

## **YOUR SOURCE OF POWER. AND INFORMATION.**



Touchstone Energy®  
Cooperatives