



NOVEMBER 2020

Phone : 712-472-2506 or 1-800-658-3976 ~ Website : [www.lyonrec.coop](http://www.lyonrec.coop)

Office Hours : Monday thru Friday 7:30 a.m. to 4:30 p.m.

## RETIREMENT OF PATRONAGE DIVIDENDS

The Board of Directors of Lyon Rural Electric Cooperative met on September 22, 2020 and approved a general retirement of patronage dividends to the members in the amount of \$281,705.45. This represents the remaining \$48,893.49 of unpaid patronage dividends for 2006, \$227,055.51 of the unpaid patronage dividends for 2007 and 20 % of patronage dividend assigned for 2019 for patronage dividends assigned from Lyon Rural Electric Cooperative operations and L & O Power Cooperative assigned patronage dividends. Patronage dividends are returned to Cooperative members on a rotating schedule. Patronage dividend checks are scheduled to be mailed around November 15, 2020.

With this retirement of patronage dividends, Lyon Rural Electric Cooperative has retired \$8,361,653.22 in patronage dividends. Lyon Rural Electric Cooperative's retirement of patronage dividends is faster than most electric cooperatives in the nation. Per a study by The National Rural Utilities Cooperative Finance Corporation (CFC), our banker, as of December 31, 2019, the latest year reported, Lyon Rural Electric Cooperative has retired 41.24% of all patronage dividends assigned compared median, the cooperative in the middle of all reporting cooperatives, of 25.80% for Cooperative's reporting. Some electric cooperatives have never paid a retirement of patronage dividends.

As a Rural Electric Cooperative member, you are part owner of a business. Basically, you have pooled your money with other members and created equity for your Rural Electric Cooperative to buy electricity and provide services at an affordable cost.

As a locally owned business, your Rural Electric Cooperative is committed to the people it serves and the communities in its area. Because cooperatives are member-owned and operated, one of the principles your Rural Electric Cooperative follows is a commitment to returning your investment. This is done in the form of patronage dividends.

Since Cooperatives are nonprofit, they return any margin to members through the patronage dividend process. The amount returned is in relation to the individual member's transactions or patronage, with the Cooperative.

When you think about your Rural Electric Cooperative, think about being an owner of a local business, because that is what you are. Reap the benefits from the Cooperative services provided today and look forward to a return on your investment in the future.

## CHANGE IN FACILITY CHARGE AND MINIMUM CHARGE FOR ALL RATES EFFECTIVE JANUARY 1, 2021

Electric rates charged by Lyon Rural Electric Cooperative have remained the same since January 1, 2006 with the exception of the Casino Rate that was established in 2010. During this time period, the Power Cost Adjustment (PCA) and member energy usage has increased causing member electric bills to increase.

The PCA is the cost of power purchased on behalf of the membership over the cost of purchased power used to calculate the electric rates in 2006. This rate is recalculated no less than yearly.

Lyon Rural Electric Cooperative members on the Farm and Residential Rate (single-phase rate) have used the highest average monthly kWh in the nation of all Cooperatives for three of the last five years from 2015-2019 with remaining two years being second highest.

Your Board of Directors has a strategic plan to bury all of our powerlines. Rebuilding our lines is costly with these costs depreciated over a 38-year useful life. It cost \$30,000 per mile to bury single phase lines and \$65,000 per mile to bury three phase lines. Each year we try to bury about 25 miles of line.

In 2019, we had an operating loss of about \$125,000. While we met our loan requirements, it is time to raise our charges to help eliminate this operating loss.

Effective January 1, 2021, we will increase all Facility Charges and Minimum Charges by \$10.00 per month. For our single-phase rate members, the Facility Charge will increase from \$15.00 per month to \$25.00 per month.

The new Farm and Residential rate will have the following percentage increase based on kWh usage before sales tax:

kWh Used	500	750	1,000	1,250	1,750
Current Rate Charge	\$72.61	\$99.91	\$127.21	\$148.76	\$191.87
*New Rate Charge	\$82.61	\$109.91	\$137.21	\$158.76	\$201.87
Percentage Increase	13.77	10.01	7.86	6.72	5.21

\* Above rates are before any PCA rate changes in 2021.

We are committed to delivering electrical power that is reliable, affordable, safe and environmentally responsible.

The Board of Directors and Management thank you for your understanding for the need to make these changes in rates.



LYON RURAL ELECTRIC COOPERATIVE  
WILL BE CLOSED  
NOVEMBER 26 AND 27  
FOR THE HOLIDAY

\*HAPPY\*  
*Thanksgiving*





## CLOSE THE REFRIGERATOR DOOR!



In the bustle of the mega-dinner party we call Thanksgiving, cooks often make a mistake that can spoil the food and raise the energy bill: They leave the refrigerator door open.

Sure, it's convenient to let it sit open if you're going to get back to it in a minute. But it's one of the most energy-inefficient things you can do in the kitchen.

Here are some energy-saving tips that will keep your food fresh, your family healthier and your energy use under control as you over-use your kitchen this holiday season:

## ADD ENERGY EFFICIENCY TO YOUR THANKSGIVING MENU

It takes a lot of energy to cook all day and to host a house full of company for Thanksgiving. So while you're making your grocery list this holiday season, start a list of ways you and your family can cut down on energy use.

Some ideas:

- ➔ Lower the thermostat. If you're cooking all day, your kitchen will get really hot. Some of that heat will spill into the house. So there's no need to keep the thermostat at its usual setting.
- ➔ Don't turn your oven on until it's full. Cook several dishes at once. If their recommended cooking temps are within 25 degrees of each other in either direction, everything will cook as it should.
- ➔ Identify dishes that you can cook in the microwave, which heats food faster than the oven and uses about a third of the electricity.
- ➔ Run your dishwasher only if it's full. Using the dishwasher saves more energy and water than handwashing.
- ➔ Cool leftovers on the counter before putting them into the refrigerator. That will keep the fridge from having to work so hard to cool off hot food.
- ➔ Don't rush to put leftovers in the refrigerator, which will work harder to cool off hot foods.

- ➔ Before you place leftovers in the fridge, wrap them up. Raw meat and poultry leak, and those juices can contaminate other food on a lower self.
- ➔ Cool food on the counter before sticking it in the fridge. Hot food will raise the temperature inside the refrigerator.
- ➔ Fill your fridge so cold items can help keep other items cool. But don't stuff it. An overflowing refrigerator doesn't allow air to circulate between items, which tricks the unit into working harder and using more energy.
- ➔ Don't rely on your refrigerator to automatically set the temperature. Check it often so it stays at around 37 degrees. The freezer should have a temperature of zero, according to Consumer Reports.

**Veterans Day - November 11, 2020**  
**Thanks to all veterans for their service!**

happy  
**VETERANS**  
 day

### Non-Discrimination Statement

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

*"This institution is an equal opportunity provider and employer."*

# HOLIDAY TIPS COME IN EXTRA-HANDY DURING TOUGH TIMES

Maybe you put the housekeeper who used to help you clean up every week or once a month on permanent vacation. You've probably been skipping your regular haircuts and have started doing your own pedicures. And you haven't been to the gym-or seen your trainer-in months.

You're not the only one.

The people who used to take such good care of you probably miss you more than you miss them-and that's a lot-but for a different reason. Because you're not paying for appointments or offering tips, they're struggling from the loss of income.

This holiday season, don't just remember the people who are taking care of you and your family now. Remember the ones who used to, and show them your gratitude for their years of service by tucking a generous tip into a Christmas card. Or send a gift card for a local business to help your caretakers with their holiday shopping. Drop off a big turkey before Thanksgiving or leave a stocking stuffed with gift cards on the front porch of someone you used to count on to help you keep your home and your appearance in order.

These people are your neighbors and have become your friends over the years. Even if you're struggling during these tough times, too, let them know that you haven't forgotten about them.

And take care of those who are doing double-duty these days to deliver the extra packages you've been ordering since you've stopped shopping in stores as often. Offer a small holiday bonus to delivery drivers.

And even though you might be working at home instead of in the office the administrative staff you rely on-and who typically get a big thank-you tip from the staff at the holidays-are still working on your behalf. Don't let out of sight, out of mind stop you from showing your appreciation for their virtual help.

## Energy Efficiency Tip of the Month

Keep cold air out to save energy. Seal air leaks around pipes and any gaps around chimneys and unfinished spaces behind cupboards and closets.

Source: [www.energy.gov](http://www.energy.gov)



## SHOP LOCALLY TO SUPPORT YOUR NEIGHBORS

One of the biggest casualties of the pandemic is the locally owned small business.

Do your part this holiday season to help them stay in business. Here's how:

Stop ordering everything from Amazon. Check on Main Street for businesses that sell the same items you buy online. Even if they're not open yet, they're probably taking online and telephone orders. Buy the bulk of your holiday gifts, decorations and food from locals.

Go to farmer's markets. Many of them stayed open during the pandemic, and now is the time to repay the favor. Some are allowing customers to pre-order. How great would a fresh turkey from a local farm taste during your Thanksgiving feasts? What could be better than fresh, locally grown vegetables as side dishes and pies homemade by someone with a business right down the street from your home?

Shop for the holidays and beyond. As long as you're shopping, think about the birthday and anniversary gifts you'll need over the next year-and buy them now. That way, you'll give some local businesses a boost when they need it the most. Plus, you'll be prepared when it's time to wrap those gifts up later.

Invest in gift cards. Buying gift cards now to spend once the economy improves infuses your favorite small business with cash at a time when it might be cash-strapped. You would spend the money anyway; why not do it in advance if you can afford it now?

Order carry-out. Start buying your morning coffee from a local café instead of from a national chain store. Find a favorite restaurant with outdoor dining and go there with your family whenever you're feeling like a socially distanced evening on the town. Pick up carry-out from a locally owned diner a little more often than you ordinarily would.

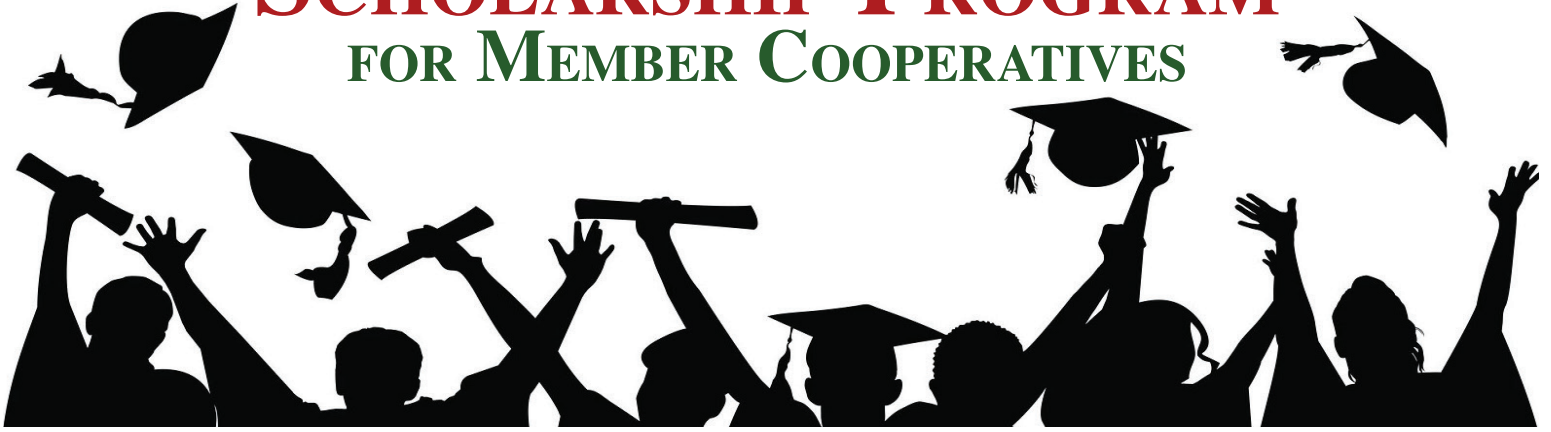
Write a review. Get on Yelp and on the website of your favorite businesses and talk them up. Online reviews go a long way toward attracting customers. It will take you just a minute to post a rave review that might just save someone who lives in your community from shuttering a neighborhood institution.

## SEPTEMBER OPERATING STATISTICS

	2019	2020
KWH Purchased . . . . .	9,346,151	8,935,618
KWH Sold . . . . .	9,134,583	8,603,892
Percentage of Line Loss (Year to Date) . . . . .	2.34%	2.76%
Total Demand . . . . .	17,275 KW	16,346 KW
Average Farm Consumption . . . . .	2,188 KWH	1,996 KWH
Average Farm Bill . . . . .	\$218.09	\$200.61
Income Per Mile . . . . .	\$965.71	\$910.56
Expenses Per Mile . . . . .	\$1,026.72	\$939.27
Miles Energized . . . . .	872.86	872.86
Cost of Wholesale (For the Month) . .	6.34¢	6.21¢



# SCHOLARSHIP PROGRAM FOR MEMBER COOPERATIVES



## A program for dependent children of:

- Member-cooperative employees
- Member-cooperative consumers

## How much is the scholarship?

The Basin Electric Power Cooperative (BEPC) Scholarship Program will award more than 180 scholarships in the amount of \$1,000 each. Five of the 20 scholarships for children of BEPC or subsidiary employees will be designated for qualified applicants who plan to attend a certified Vocational or Technical school, and five of the 20 will be designated for qualified applicants who plan to achieve an engineering degree.

Twenty will go to children of member cooperatives' employees, and 141 to children of member-cooperative consumers. There will be one \$1,000 scholarship for each member cooperative to award to a dependent of a consumer member.

The scholarships must be used for educational costs, and the student must enter college in the fall of the school year for which the scholarship is given. Checks will be made payable to the school, and will be distributed to the school by BEPC. Scholarships will be distributed in August.

## Who is eligible to receive the scholarship?

Dependent children (including adopted or step-children) of member-system consumers and dependent children of member-cooperative employees are eligible. The applicant must also be a U.S. citizen.

The applicant must be a student who is enrolled or planning to enroll in a full-time undergraduate course of study at an accredited, two-year or four-year college, university or vocational/technical school.

BEPC scholarships will be awarded without regard to other awards, loans or financial assistance the applicant may have obtained.

## How are the recipients selected?

Scholarship recipients are selected on the basis of academic record, potential to succeed, leadership and participation in school and community activities, honors, work experience, a statement of education and career goals, and an outside appraisal.

Applicants for the member-cooperative employee dependent category will first be screened by their cooperative. A BEPC selection committee will make the final selection in the member-cooperative employee dependent category.

Member cooperatives will be responsible to select one recipient to be awarded a scholarship in the member cooperative consumer category. The final recipient's completed application will then be forwarded to BEPC by the member cooperative.

The scholarship award winners or the member coops are asked to notify the BEPC human resources division with the name and address of the school the student will be attending by July 1. It is also important to know if the student has switched schools, or has decided not to attend.

## What are the recipient's obligations?

Except for the requirements outlined in this brochure, no obligations will be imposed upon the student as a scholarship award winner. Other than payment of the scholarship, no obligations or liability are assumed by BEPC, its subsidiaries or member cooperatives.

## How can I apply?

To apply, complete the required criteria and the scholarship application, which can be obtained from your local electric cooperative office.

Children of member-system employees and consumers must submit the application and all necessary information to apply for a scholarship to their local electric cooperative office. The applications must reach your cooperative by **February 14, 2021**.

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## Lyon REC Scholarship

Each year the Lyon REC, Rock Rapids, Iowa awards one \$1,000.00 scholarship to a student of a member of the Lyon REC. The scholarship can be used to assist in paying for the costs of the student's college, vocational-technical, or community college education. Priority will be given to applicants planning to attend vocational-technical, 2-year community or junior college education. Scholarship applications are available at the Lyon REC office or online at [www.lyonrec.coop](http://www.lyonrec.coop) with a deadline date of **February 14, 2021**.