

Message From the CEO

CEO Steve Marlow (front row, fourth from left) visits the offices of Senator Chuck Grassley, along with other representatives of Iowa's cooperatives, to discuss the recent denial of FEMA disaster aid.



Iowa RECs Focus on Disaster Aid During Fall Fly-In

Representatives of Iowa's electric cooperatives travelled to Washington, D.C., on September 17 for the Fall Fly-In, an annual trip to take the concerns of their members to the Capitol. This year, the cooperatives asked the Iowa Congressional delegation to formally engage the Federal Emergency Management Agency (FEMA) on their recent decision to deny federal disaster aid to Iowa electric cooperatives. I joined 35 representatives from Iowa's distribution cooperatives, generation and transmission cooperatives, and the statewide cooperative organization, Iowa Association of Electric Cooperatives for the trip.

Following a late winter snow, ice, and wind storm in April, a federally declared major disaster included Lyon, Osceola, Dickinson, Sioux, and O'Brien counties. Three of Iowa's electric cooperatives and two municipal utilities suffered damage.

For past disaster-related damage, FEMA has followed a policy by which visually observable criteria were used to determine if power lines had been damaged beyond the point of repair. FEMA reversed this long-standing policy and denied disaster aid applications following the April storm. For the first time in nation's history, FEMA stated that disaster aid could not be issued because the affected electric cooperatives did not conduct comprehensive laboratory testing on every mile of wire on an annual basis. This test is not performed as a matter of industry practice and is not required to meet any industry or engineering standard. Furthermore, it is not required by the Iowa Utilities Board, which regulates Iowa's electric cooperatives and mandates them to submit reliability plans and inspection and maintenance plans.

FEMA's decision to dramatically change the policy on awarding federal disaster aid to Iowa's rural electric cooperatives is a betrayal of the public's trust and jeopardizes the future of the cooperatives many member-consumers in rural Iowa depend upon. We met with representatives from Iowa's congressional delegation in order to

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Fall Fly-In



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affordable power. We hope FEMA will realize their decision is not in the best interest of Iowans.

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discuss the impact FEMA's decision will have on thousands of their constituents and to ask for their assistance as we encourage FEMA to reverse its policy change.

Our top priority is providing member-consumers in rural Iowa with reliable and affordable power. We hope FEMA will realize their decision is not in the best interest of Iowans and will work with us to find an alternative way forward.

Prior to the Fall Fly-In, electric cooperative employees, board members, and members took action by signing over 10,000 postcards urging Iowa's congressional delegation to intervene and direct FEMA to reconsider the denial of funds. These postcards were delivered to each Congressional district office.

In addition to the focus on FEMA, we also asked Senator Grassley to co-sponsor S. 1302, the Cooperative and Small Employer Charity Pension Flexibility Act of 2013, which supports pension funding relief for charities and rural cooperatives. We are happy to report that we succeeded on both counts.