# neartland

A publication of East-Central Iowa Rural Electric Cooperative

# Remarkable Safety Milestone Celebrated

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### **OPS UPDATE**

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Read about your ECI REC Operations team's work in 2024.



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See who now sits on your Cooperative's Board of Directors.



### JUNIOR ACHIEVEMENT

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Engineering Technician Scott McLaughlin volunteers.



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Board retires \$602,382.





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# member challenge

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- 3. ENERGY WISE: \_\_\_\_\_ through windows and exterior doors waste energy and decrease comfort.

Find the answers within the stories, features, and content of this newsletter and you could win a prize. Send your answers to memberchallenge@ecirec.coop. Or, print the word(s) at the top of the back page, cut it out, and send it to: ECI REC, PO Box 248, Urbana, IA 52345. You may mail your entry along with your electric bill payment, but remember there is a deadline! Entries for this issue must be received by August 1. Sixteen names will be drawn from all correct entries. Members will not be allowed to win more than once per calendar year.

# challenge winners \_

The following names were drawn from the May/June 2024 Heartland Link entries. These members will receive a \$10 credit on their account.

Orland R. Fish
Dennis G. Williams
Joanne Zuber
Edward Sass
TJ Stecklein
Thomas G. Wiese
Wade E. Crawford
Lester F. Hyke
John C. Pease
John P. Brown
Brenda G. Smith
Paul J. Bachtell
Wade E. Crawford
Usan Schwinke

George Vileta

Stay connected! We post operations news and outage updates at facebook.com/eastcentraliowarec.

James Klever

### **Calendar Notes**

CLOSED:

Thursday, July 4 for Independence Day

CLOSED:

Monday,

September 2

for Labor Day

### **Contact ECI REC**

### **EMAILS**

memberservices@ ecirec.coop (rebates, product sales)

csr@ecirec.coop (billing, new customers)

WEBSITE

www.ecirec.coop

### MANAGEMENT TEAM

Teresa Floyd Chief Executive Officer Ext. 450 teresa.floyd @ecirec.coop

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Lisa Franck Manager of Communications Ext. 472 lisa.franck @ecirec.coop

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HOURS

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(closed Saturdays, Sundays, and holidays)

### Remarkable Safety Milestone Celebrated

a Safety spotlight

**WE ARE THRILLED** to share with our membership that East-Central Iowa REC has surpassed an extraordinary milestone: 400,000 working hours without a single lost time accident! This achievement underscores our steadfast dedication to maintaining a safe and secure work environment for each member of the ECI REC family.

This milestone is not just a number—it represents the mindfulness of our team members and the countless precautions they take when carrying out their duties every day.

"Your unwavering commitment to safety has not only ensured the well-being of yourselves but also that of your colleagues," said CEO Teresa Floyd. "For that, I extend my deepest gratitude."

The safety of our team, our membership, and the public remains our top priority. "I am immensely proud to be a part of such a dedicated team," continued CEO Floyd. "Let us continue to uphold our commitment to safety as we work together toward even greater achievements in the future."

To mark the occasion, employees were given the opportunity to choose a new piece of ECI REC apparel for their wardrobe.

Thank you to everyone at ECI REC for your continued hard work and dedication!

### **2024 Mid-Year Operations Update**

a Keeping the Lights On story

**THE FIRST HALF** of 2024 has been very productive at ECI REC. Thus far, outages have been kept to a minimum due to the commitment of everyone at your Cooperative (and a little help from Mother Nature). Crews have been busy replacing aged poles, changing out oil circuit reclosers with electronic reclosers, installing new services for members, and working on other maintenance projects.

Here is a look at what has been accomplished so far and what is on the horizon.

### Safety

The safety of our employees and the public is our number-one priority. We continue to make ongoing education programs, conferences, and in-house training available to all Cooperative employees. We also conduct monthly safety meetings with the assistance of the Iowa Association of Electric Cooperatives, which provides annually required training and other safety-related training to ECI REC.

**Engineering** Design Technician **Dave Henkes** completes bucket rescue and climbing competency training on May 14.

Your Cooperative recently achieved an important milestone: more than 400,000 hours of work without a lost time accident. Way to go, everyone!

The safety of our members and the public is always at the top of our list. If you see something concerning ECI REC's electrical equipment that looks suspicious or unsafe, stay away from it and call your Cooperative. No matter the time of day, we will promptly address the issue.

### **Temporary Employee Program**

We have hired summer help employees again this year. These employees are interested in careers in the electric industry, and this program provides them with hands-on experience before they enroll in educational courses (as well as the possibility of long-term employment in the future if the opportunity arises). It also gives the line crews some extra help in the busy summer months!

### **Preventative and Ongoing Maintenance Projects**

Badgerland Utility Solutions, LLC, of Wisconsin was contracted again this year to inspect approximately 6,300 poles and 1,030

### ANNUAL MEETING OF THE MEMBERS: RESULTS & RECAP





**THE 29TH ANNUAL MEETING OF THE MEMBERS** of East-Central Iowa REC was held virtually via Zoom on June 26! Members can view the recording of the meeting by going to ECI REC's website and clicking on the link located in the 2024 Annual Meeting story found in the News and Events section.

One primary piece of the Annual Meeting is the Board election. Nick Donlea (District 8) was re-elected and Pete Burmeister (District 6) and Gary Cook (District 10) were newly elected to serve three-year terms on the Board of Directors. This year, members could vote by mail-in ballot or online through our website and SmartHub.

Following the business meeting, a Board reorganization meeting was held. Re-elected to office were Steve Rau, president, and Jeff Elliott, vice president. Julie Kester was elected secretary/treasurer, while Pete Burmeister was elected assistant secretary/treasurer.

This year's theme was "Energizing Tomorrow: A Resilient Journey of Innovation and Dedication." We remain steadfast in our commitment to innovation, sustainability, and the well-being of our membership. Together, we stand poised to embrace the challenges and opportunities that lie ahead, fortified by a resilient spirit and an unwavering dedication to energizing tomorrow.

Scan the QR code to the left to view and download the 2023 Annual Report.

### PRIZE WINNERS

Members who voted in this year's election were entered to win one of twelve \$50 bill credits. Two grand prize winners were also selected, one from the group of members who joined the virtual meeting and a second from members who voted electronically. Each will receive a \$100 bill credit. Winners were electronically and randomly selected.

### These members will see a \$50 credit on their July billing statement:

George Martin Peggy Larsen Cindy Zingg Mark Kleitsch William Hayes Michael Kimm Richard Pint Dan Corwin Timothy Donnelly
Tracy Seeman
Carol Elliott
Steven Rippel

These members will see a \$100 credit on their July billing statement:

John Schares Billie Jo Tonn

### Powering a Brighter Future in Guatemala Photo credits: Scott Meinecke and Brian Reidy

In June, ECI REC Line Foreman Brian
Reidy traveled to Guatemala with 13 other
lineworkers from Iowa and Minnesota
electric cooperatives. They volunteered with
an international project affiliated with the
NRECA, with a goal of bringing electricity and
clean water filtration to a remote community.
Stay tuned for the next issue of the Heartland
Link, where we'll catch up with Brian and
learn more about his experiences!







### MEET YOUR DIRECTORS



**BOARD DISTRICT 1**Jeff Elliott, Vice President – Director since 1990

Jeff graduated from Drake University in 1975 with a B.S. in business and a major in finance. He has been a farmer

since 1976 and manages 500 acres of corn, soybeans, and hay, as well as a cow-calf herd. Jeff and his wife, LuAnn, have three daughters and five grandchildren.



**BOARD DISTRICT 2**Julie Kester, Secretary/Treasurer –
Director since 2019

Julie is a longtime Benton County resident and farms with her husband, Bill. They have six daughters and eleven

grandchildren. After 35 years, Julie retired from the Linn County Assessor's Office. For nearly 10 of those years, she served as the assessor. Julie sat on several committees during her tenure.



BOARD DISTRICT 3
Brian McNulty – Director since 2021
Brian is a lifelong farmer and resident of Benton County. He graduated from Benton Community High School and has a bachelor's degree in ag business. In

addition to farming, he has worked part-time as the city clerk for Blairstown since 2004.



BOARD DISTRICT 4

Gary McKenna - Director since 2016

Gary represents ECI REC on the CIPCO

Board of Directors. He owns Van

Eschen-Strong Insurance and has been at Eden Mutual Insurance since 1997.

For 32 years, he was a member of the Vinton Fire Department and served as fire chief. Gary and his wife, Teresa, have two children.



**BOARD DISTRICT 6** 

Pete Burmeister, Assistant Secretary/
Treasurer - Newly elected in 2024
A relationship officer at Farm Credit Services of America, Pete has a B.S. in ag studies/
farm business management from Iowa

State University and an M.S. in animal science from Western Kentucky University. Pete also manages his family's farm operation. He is married to Erin; they have three daughters.



BOARD DISTRICT 8

Nick Donlea – Director since 2018

Nick graduated from Waldorf College with an A.A. and has been in the building industry his entire career. In addition to the ECI REC Board, he has served on his local planning

and zoning commission and school board. Nick and his wife, Terri, raised three children—Cameron, Haley, and Taylor.



**BOARD DISTRICT 9** 

Steve Rau, President – Director since 2005
Steve has been farming since 1985 and currently manages 900 acres of corn, soybeans, and hay. He is also a Hereford cow and calf operator. Steve has held

leadership positions with the Stanley Fire Department, the Fayette County Corn and Soybean Growers, and the Iowa Hereford Breeders Association. Steve and his wife, Missy, have three boys.



BOARD DISTRICT 10

Gary Cook – Newly elected in 2024
Gary is a graduate of East Buchanan
Community Schools and has been an ECI
REC member for over 30 years. He has
worked as a grain farmer and certified crop

insurance adjuster and has served many local organizations. Gary is married to Missy; they have two sons and a beloved granddaughter.



Don Shonka



Ryan Kres

### **Shonka and Kress Retire From ECI REC Board of Directors**

a Cooperative Difference recognition

**Don Shonka** joined the ECI REC Board of Directors in June 2006, and he will complete 18 years of service upon his retirement next month. He served as the Board's assistant secretary/treasurer for five years (2009–2014). Don was also a member of the IAEC Board (2013–2021), serving as vice president from 2016 to 2021.

Ryan Kress joined the ECI REC Board of Directors in June 2009 and will complete 15 years of service upon his retirement next month. He served as assistant secretary/treasurer for three years (2014–2017) and secretary/treasurer for seven years (2017-2024).

We thank Don and Ryan for their dedicated service to our Cooperative, and we wish them all the best in their next endeavors!  $\triangle$ 

### 2023 CIPCO POWER SUPPLY REPORT: POWERING PROGRESS TOGETHER

From Gary McKenna, Representative on the CIPCO Board of Directors - a Cooperative Difference feature





**AS THE ENERGY LANDSCAPE** continues to shift around us, I'm happy to report that our Cooperative renewed our long-term commitment to Central Iowa Power Cooperative (CIPCO) by signing a new wholesale power

contract. Negotiations lasted several years, until CIPCO and its member-owner electric cooperatives came to an agreement on updated terms that provide a framework to integrate new technologies and serve as a foundation for critical long-term resource decisions while maintaining flexibility.

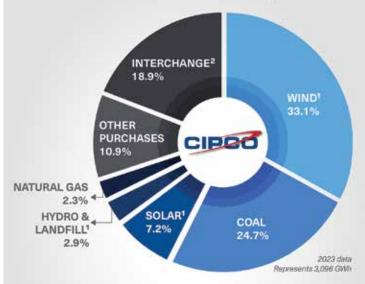
Although 2023 began amid a backdrop of economic uncertainty, persistent inflation, and ongoing supply-chain disruptions, the wholesale power markets somewhat calmed. CIPCO's financial results reflected a year of strong performance and competitive rates. CIPCO is proud to maintain competitive rates that today remain below rates charged to East-Central lowa REC more than 10 years ago.

As your representative on the CIPCO Board of Directors, I was involved in discussions around the challenges we expected to come from the Environmental Protection Agency's Greenhouse Gas Standards and Guidelines for Fossil Fuel-Fired Power Plants, released in April this year. As expected, this barrage of new EPA rules ignores our nation's ongoing electric reliability challenges and is the wrong approach at a critical time in our nation's energy future. These rules push additional essential and "always available" generating resources like coal off the grid just as the nation is depending on electricity to power more of the U.S. economy.

On behalf of its member-owners, CIPCO stands united with its cooperative and industry peers to challenge detrimental regulations and advocate for sensible energy policies. Intermittent generation resources such as wind and solar are a valuable and growing portion of CIPCO's energy mix, but coal and natural gas generators are critical to preserving reliability, minimizing emissions, and keeping electricity rates at an affordable level for East-Central Iowa REC and our member-consumers.

Severe weather events underscored the need for a robust transmission system in 2023. On March 31, a widespread tornado outbreak swept through the eastern part of lowa, causing 23 system outages and 47 damaged transmission structures for CIPCO. In August, CIPCO reached a new all-time peak demand of 675 MW during a period of sustained high tempera-

### A Balanced Portfolio of Energy Sources



\*CIPCO invests in the development of renewable energy projects in several ways. We operate all similal-scales solar arrays near communities we save and main the renewable energy certificates associated with each. We also contract with energy producers for the electricity output from wind, solar hydro, and minthene ges from a landfill (converted into electricity). CIPCO cannot claim these issources as renewable within our supply portfolio as we have either sold to third parties or do not receive the renewable attributes associated with the electricity produced from these energible power sources. By saling these attributes (RECs), we not only support other organizations in meeting their renewable energy goods, we also generate revenue to help us lower our wholesale power rate to our 12 Mamber-owner distribution cooperatives and 15 mumopalities.

PA percentage of market purchases assist within the portfolio to meet additional supply needs not covered by existing contracts or CIPCO produced generation. Weather volatility and unplainted operational events at power plants may also impact market purchases.

tures. I'm pleased to report that CIPCO met all its generation requirements as requested by the Midcontinent Independent System Operator (MISO) and did not need to call on any of its member-owners to shed load.

Despite these events and others, CIPCO maintained an overall outage rate of 0.209 hours per customer—one of the best years for reliability in CIPCO's history. For 2023, ECI REC's outage rate was 0.35 hours per member-consumer.

In 2023, both Standard & Poor's and Fitch Ratings maintained CIPCO's A rating, which confirms CIPCO's financial strength.

CIPCO remains dedicated to sound financial practices that allow margins to be returned to its members in the form of patronage, a key component of the cooperative business model. In 2023, CIPCO returned patronage totaling \$552,264 to East-Central Iowa REC.

I can assure you that the CIPCO Board, member CEOs, and the CIPCO management team are focused on finding solutions that balance the reliable, affordable, and sustainable energy our members expect and deserve. No matter the complex issues before us, cooperative solutions are the answer.

pieces of underground equipment at the Lindahl, Harrison, Bryantsburg, and Sumner substations. They were able to get an early start due to the mild winter and have completed their pole inspections; they will be back later this summer to start their underground cabinet inspections.

As many of you may have noticed, ECI REC hired two new tree contractors to complete our vegetation management program in 2024. Zielies Tree Service of Bruce, Wisconsin, trimmed in the Van Horne substation area, while Kendall Vegetation Services of Albia, Iowa, trimmed in the Shady Grove substation area earlier this spring. We are very happy with the work both contractors did for us this year!

### **Work Plan Projects**

Highline Construction, Inc., continues to work on ECI REC's overhead Work Plan projects. They have completed work in our northern area at the Bryantsburg and Rowley substations, and they are currently working in our southern area at the Shellsburg, Van Horne, and Homer substation areas. When work is completed, they will have replaced approximately 31 miles of older conductor and poles to strengthen our infrastructure and provide more capacity for our distribution system. Our 2024 Work Plan projects are mainly overhead construction, so we did not contract an underground construction crew for this year.

### **Substation/Feeder Circuit Improvements**

We recently added a remotely controlled switch at our Jefferson substation to cut down on outage response times in that area. ECI REC is also updating five substation tie switches in various areas. These switches are used in outage situations to backfeed circuits that are out of power and feed them from other substations that are still energized. They are also used when a substation must be deenergized for maintenance. We can feed the affected circuits alternatively to keep the electricity flowing with no disruptions. These switches can be controlled remotely by our Operations personnel from our offices or from home if needed.

### **Material Availability**

Global supply chain issues are continuing to improve. Lead times on most line materials are relatively short, although there are still long lead times on trucks and equipment.

# Stay in the Know With SmartHub

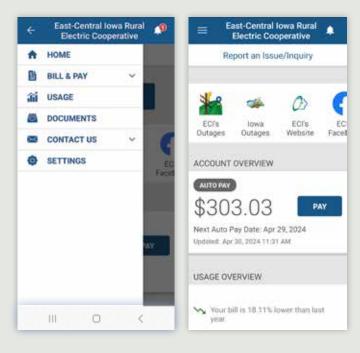


a Keeping the Lights On article

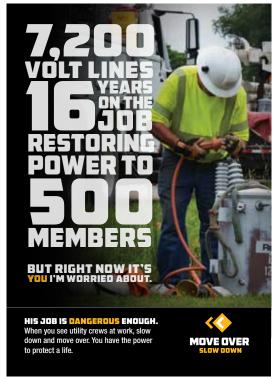
**WITH A SMARTHUB ACCOUNT,** you can quickly view and file bills, enroll in budget billing, monitor your energy usage, check ECI REC's online outage map, and much more.

### Not sure how to register for SmartHub? We've got you covered!

- Go to www.ecirec.coop. Near the top of the page, you'll see an Account Login section. Click on the link that says, "New User? Register to use SmartHub!"
- The Account Registration screen will appear. Enter your ECI REC account number as printed on your bill. Also enter your last name or the business name associated with your account. Enter your email address (this will become your username). Click the Continue button. A secondary account-related registration screen will appear.
- Enter the last four digits of your Social Security or business ID number. Check to confirm you are not a robot. Agree to the terms and conditions. Click Register.
- 4. Check your email for a message from ecirec@smarthub.coop that will include a link to the Verify Account page.
- 5. Clicking the Verify Account link takes you to the Change Your Password screen. Create a new password and click Save. You can change how you'd like to receive your bill and begin to review your account details. Note: You will also receive an email verifying that you have updated your password.
- 6. The Security Phrase screen will appear. This is a second way to protect your information once you've logged in with your password. You need your security phrase to change payment or other account-related information. Enter at least a five-character word or phrase and click Save.







### Don't Assume You Know What's Below!

a Safety reminder

Whatever your summertime projects may be—whether you're putting in a fence, planting a tree, or starting a garden—call 811 or file your locate requests online. Iowa One Call is here to help!

### **Things to Remember**

- » You must contact lowa One Call at least 48 hours in advance of your plans to excavate (not including weekends and holidays).
- » A ticket is valid for 20 calendar days from the time of the call.
- » ALWAYS check yard markings and your lowa One Call Positive Response ticket status before beginning excavation.

### **What Does NOT Get Marked?**

Only the buried facilities registered with Iowa One Call will be located and marked. Private facilities will not be marked. These can include LP gas lines, sprinkler systems, gas grill lines, and more. Homeowners may call private locating companies to have their private facilities marked.

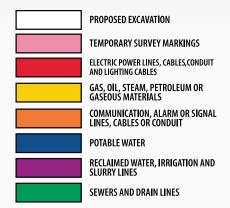
### **Tolerance Zone**

Paint and flag markings are approximate. The tolerance zone is 18" on

either side of the markings. You should hand dig with caution in the tolerance zone to expose the facility.

### **Paint & Flag Color Indicators**

It is extremely helpful for you to outline your proposed excavation site in white paint or with white flags to reduce any confusion as to where the proposed excavation will be. Underground facilities will be marked according to the APWA Color Code below:





### 8/11 is National Safe Digging Day!

### **Before Contacting Iowa One Call**

When you contact lowa One Call with a locate request, a series of questions will be asked that you should be prepared to answer:

- » What is your name, address, and phone number?
- » What type of work will you be doing? (e.g., planting a tree, installing a fence)
- » What is the dig location's address, including the city, county, and nearest intersecting street?
- » At the dig location, where will you be digging? (e.g., on the east side of house, within a five-foot radius of the white stake)
- When will you be digging? (e.g., in three days, next week)

Source: Iowa One Call website

# July/August 2024 Heartland Link

### THANK YOU FOR YOUR YEARS OF SERVICE!

### **JULY ANNIVERSARIES**



Scott McLaughlin Engineering Technician 11 years



**Dane Peterson** Engineering Design Technician 11 years



**Bryce Burroughs** Lineworker 7 years



**Brooks** Erickson **Apprentice** Lineworker 1 year



Holly Cashman Member Service Representative 18 years

### **AUGUST ANNIVERSARIES**



**Ben Donnelly** Lineworker 20 years



**Travis** Schellhorn Lineworker 22 years

# Junior Achievement Inspires and Prepares Young People to Succeed in a Global Economy

a Community Connected story

THIS SPRING, Engineering Technician Scott McLaughlin volunteered to present Junior Achievement curriculum at Tilford Elementary in the Vinton-Shellsburg Community School District. Junior Achievement provides quality programming that exposes students to topics that might not appear in standard school curriculum, including entrepreneurship and how it powers our local economy.

Scott is in his eighth year of presenting Junior Achievement curriculum in the Center Point-Urbana and Vinton-Shellsburg School Districts. This year, he volunteered in two classrooms, completing five 40-minute sessions in each. Scott says he enjoys interacting with the students and challenging them to think about how they can become part of a local or regional economy as they grow older.



This year, he presented the Junior Achievement "Our City" curriculum to Mrs. Sellers' secondgrade class. This course introduces young learners to the workings of a city's economy, teaching them about businesses, financial institutions, and the role of government in urban planning.

Scott also presented the Iunior Achievement "Our Region" curriculum

to Mr. Meyer's fourth-grade class. They explored the interconnectedness of cities within a broader regional economy, emphasizing the importance of industries, resources, and trade.

Entrepreneurship is a common topic throughout all Junior Achievement programming. Junior Achievement is supported by volunteers like Scott, who present the material, and by area businesses, who provide financial support. For example, Clickstop sponsored Junior Achievement at Vinton-Shellsburg again this year. 🕭

# The Dog Days of Summer

Tips for a midseason checkup

an Energy Wise feature



### **Maintaining Your Cooling System**

Annual cleaning and inspections are important, but ongoing preventive maintenance is necessary to keep your cooling system operating at peak efficiency.

- » Keep filters clean. Check air filters regularly and replace them according to the manufacturer's guidelines.
- » Strike the right balance. Adjust dampers and vents to make sure the system is balanced properly.
- » Examine economizers. Determine if air conditioning economizers are working as designed, then repair or replace them if needed. Rooftop units may require two people to verify proper damper opening and closing if controls are inside the facility.
- » Confirm compressor performance. Check for unusual compressor operation, including continuous running or frequent stopping and starting.
- » Look for leaks. Check for and repair refrigerant and oil leaks around equipment seals, pipe joints, valves, and other instrumentation. Examine refrigerant levels and adjust if necessary.
- » Lend an ear. Follow up on comfort complaints from building occu-



pants. It could be a sign of trouble with your cooling or air-handling system. Listen to the system as it operates for a few minutes and determine the cause of any unusual sounds.

### **Finding Hidden Energy Costs**

If you look beyond your air conditioning system, you may find undetected sources of energy waste that are adding to your summer energy bills.

- » Controls that are out of control. Poorly tuned thermostats, sensors, and other controls can waste energy. Check control settings and adjust to current space conditioning needs and occupancy schedules.
- » Heat gain. Solar heat gain through windows can make your air conditioning system work harder to keep things comfortable. Inspect window treatments (including automated blinds and shades) to make sure they're being used correctly to block out solar heat gain, especially in areas with varying occupancy.
- » Air leaks. Air leaks through windows and exterior doors waste energy and decrease comfort. Check for leaks and seal them with caulk or weatherstripping.
- » Kitchen ventilation. Kitchen ventilation hoods running all day at full speed waste energy and suck up air, making your air conditioning system work harder. Turn down ventilation equipment during idle times or install variable speed or demand control ventilation to automatically adjust ventilation fan speeds.

With these measures, your facility will be ready no matter what the rest of the season brings!  $\bigcirc$ 

Current Service Detail			
Balance Forward		\$0.00	
Facility Charge		\$44.00	
kWh Charges	1026 kWh @ 0.1022	\$104.86	
Power Cost Adj.	1026 kWh @ 0.006	\$6.16	
County Tax		\$1.55	
Total Electric Charges		\$156.57	
Deferred Patronage Div	idend -\$46.72		
Other Services & Credits		-\$46.72	
Other Servi			
7	ic, Other Services & Credits	\$109.85	
7		\$109.85 \$109.85	

# Board Returns \$602,382 to Members Through Patronage Dividends

a Cooperative Difference announcement

AT ITS MAY MEETING, the ECI REC Board of Directors approved the retirement of \$602,382—100% of its 2009 allocated patronage dividends, 12% of its 2010 allocations, and 10% of its 2015 allocations—to members of the Cooperative. In June, 7,597 member-accounts that received electricity from East-Central Iowa REC in these years received money back. These dollars represent your share of the deferred patronage dividends (profits) the Cooperative earned during these years. In the past 10 years, ECI REC has returned \$5,365,256 to its membership.

Over sixty-four percent (64.88%) of the 7,597 member-accounts that received money back are active member-accounts currently receiving electricity from ECI REC. These active member-accounts saw a credit on their June bills. The remaining 2,668 member-accounts that are no longer active (not currently receiving electricity from ECI REC) received their credits in the form of a check in the mail. If you did not receive a credit on your June bill, you did not receive electric service from ECI REC in 2009, 2010, or 2015. Email the Urbana office at csr@ecirec.coop or call 877-850-4343 if you have any questions.

Since ECI REC is a nonprofit organization, members pay for their electricity at cost,



### **ECI REC SCHOLARSHIPS AWARDED**

Thank you to Union Community School District staff for presenting graduate Lydia Albertsen with her \$1,000 scholarship on ECI REC's behalf. Lydia's scholarship was one of twelve scholarships of \$1,000 each that the Cooperative awarded this year.

and any margins left over at the end of the year after all expenses are covered are allocated in the form of patronage dividends. These margins include operating margins, which are generated directly by the sale of electricity to you. They also include non-operating margins, which consist of interest from our investment of spare cash and patronage dividend allocations. ECI REC receives these allocations through memberships with other cooperatives from which we purchase goods and services.

As owners of the Cooperative, members provide equity by allowing ECI REC to hold on to these margins for a certain length of time. They are used to finance operations and system improvements, to cover the cost of maintaining the electric distribution system, and more.

### Message From the CEO

continued from page 12

the capital credits, the Board must consider the financial condition of the cooperative and the need for capital funds for the upcoming years. Patronage dividends may not be retired every year. In the case of last year (2023), your Board of Directors elected to delay retiring patronage dividends until the fall as opposed to the usual summer timeframe.

### Why the Delay in 2023?

If you recall last year, I addressed the need to delay retiring patronage dividends to the membership. Your Cooperative delayed increasing electric rates, which significantly lowered our cash position. While your Cooperative has a strong financial position, controllable expenses for 2023 rose by 11.66% and fixed expenses rose by 6.09%.

The expected increase in the cost of power did not materialize (costs ended up being 2.05% below the previous year). This cost of power decrease was passed on to our members. We expected an average Energy Cost Adjustment (ECA) factor of \$0.01225/ kWh, but the actual ECA factor for 2023 was less than half that projection (\$0.00613/kWh). As a result, your Board of Directors approved the retirement of 2008 allocations in October.

### **Outlook for 2024**

While it is too early to predict the outcome for 2024, your Cooperative's financial condition continues to be strong. It's been just over a year since the rate increase, and our cash position has improved. With these positive indicators, your Board of Directors wanted to resume our normal schedule of retiring patronage to our members in June.

In closing, we extend our heartfelt thanks to all our members for your understanding and patience as we navigated the delay in retiring patronage dividends. Your unwavering support has been instrumental in allowing us to maintain our commitment to keeping the lights on and providing reliable service to you.



### **YOUR BOARD**

**Board District 1 - Jeff Elliott** (2024/2025 Vice President)

**Board District 2 - Julie Kester** (2024/2025 Secretary/Treasurer)

**Board District 3 - Brian McNulty** 

**Board District 4 - Gary McKenna** 

**Board District 6 - Pete Burmeister** (2024/2025 Asst. Secretary/Treasurer)

**Board District 8 - Nick Donlea** 

**Board District 9 - Steve Rau** (2024/2025 President)

**Board District 10 - Gary Cook** 

### **CLASSIFIEDS:** Free to members only

FOR SALE: 2021 1800BH Winnebago Micro Minnie 21' travel camper in great shape, \$18,000. Ph: 319-361-4541.

WANTED: Old window screens in good shape. Ph: 319-334-0075.

Please email your ad to classifieds@ ecirec.coop. Ads for the September/ October 2024 Heartland Link must be received by August 1, 2024.

East-Central Iowa REC will publish noncommercial advertisements as a service to our members. All ads are free. They may be submitted by any member or employee of East-Central Iowa REC. Ads should contain a phone number, name (if desired), a brief description of items with price if applicable. Each ad is limited to maximum of 50 words; please type or print clearly. Editor reserves the right to edit or reject any ad. No ads will be taken over the telephone-please email, mail, or bring your ad to the office.

### heartland LINK

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**CLIP AND MAIL** 

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### See page 2 for the Member Challenge questions.

Answers: 1. \_\_\_\_\_ 2.\_\_\_ 3.

Please note: NO ANSWERS will be taken over the phone.

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**CEO TERESA FLOYD** 

Message From the CEO: Within Nine Months ECI REC Returns Over \$1 Million in Patronage Dividends

# Patronage returned in October 2023 and June 2024

PATRONAGE DIVIDENDS are one of the most unique and rewarding benefits you enjoy as a member of East-Central lowa Rural Electric Cooperative. With the current positive financial outlook, your Board of Directors has elected to retire \$602,382 to our members, which represents 100% of our 2009 allocated patronage dividends, 12% of our 2010 allocations, and 10% of our 2015 allocations. Over two-thirds of this year's retirement was returned to our current members via a credit on their June energy bills. Last fall, your Board of Directors also approved retiring \$453,324 (100% of our 2008 allocations). In the past 10 years, your Cooperative has returned over \$5.3 million to our membership.

Unlike investor-owned utilities that maximize profits to pay dividends to shareholders, not-for-profit electric cooperatives provide members with "at cost" electric service. At the end of the year, after all operational expenses have been covered, a portion of any excess funds are allocated back to the members in the form of capital credits. Before allocating and retiring