

Vote in the ECI REC Board Election!

IT'S TIME TO VOTE! ECI REC's Board election will get underway on May 26, when voting opens. Voting will remain open until June 26. Results will be announced at this year's Annual Meeting of the Members, which will be held virtually via Zoom on June 28.

"Members, your vote does matter! While we will not yet have the opportunity to gather in person and vote, we've extended our voting window this year, and we are offering members three ways to cast their ballots," said CEO Teresa Floyd. "We hope you'll join us for our livestream and take part in guiding our Cooperative's future!"

In today's challenging environment, cooperative leaders carry a significant responsibility. Over the past year, we've been reminded how incredibly essential our utilities are. ECI REC is blessed to have a Board of Directors that is both prepared to power through obstacles and excited to find ways to power possibilities.

We've created a page on our website dedicated to the Annual Meeting. Look for the yellow button at the top of the home page at ecirec.coop. For more detailed information on how to attend the meeting, how to vote, and this year's prizes, see the back cover. 

OUR MISSION

To demonstrate the advantages of the cooperative business model



OUR VISION

To make a difference in the lives of those we serve



virtual meeting

Wednesday, June 28, 2023

10:30 a.m. - Login opens

11:00 a.m. - Business meeting begins

meeting agenda

Call to Order

Invocation

Introduction of Directors

Steve Rau, President

Reading of Affidavit of Mailing of Notice of Annual Meeting

Ryan Kress, Secretary/Treasurer

Approval of Agenda

Ryan Kress, Secretary/Treasurer

Minutes of Last Annual Meeting

Ryan Kress, Secretary/Treasurer

Introduction of Attorney

Steve Rau, President

Reading of the Nominating

Committee Minutes and Election Results

Julie Pulkrabek, Attorney

Adjournment of Business Meeting

Thank you for supporting our democratic governance!

EACH YEAR, the ECI REC Board of Directors selects members from their individual districts to serve on the Nominating Committee. The purpose of the committee is to nominate one to two ECI REC members as candidates for the upcoming Board election.

We'd like to take this opportunity to thank this year's Nominating Committee for their efforts. They met virtually with CEO Teresa Floyd on February 16 to prepare for the election. 

Thank You to the Nominating Committee

a Cooperative Difference highlight

Photo credit: Katie Stadheim

CEO Teresa Floyd leads a virtual Nominating Committee meeting in February. The members of the committee included: Robert Hanson (District 1), Peggy Bearbower (District 2), Clint Sandburg (District 3), David Inman (District 4), Ernie Henderson (District 6), Randy Merkel (District 8), Gary Maurer (District 9), and Carl Dodge (District 10).

Financials

STATEMENT OF REVENUE AND EXPENSE

REVENUE	2022	2021
Operating Revenue & Patronage Capital	\$23,860,298	\$21,620,805
EXPENSE		
Purchased Power	\$14,173,119	\$12,009,951
Distribution Expenses - Operations	\$2,274,858	\$2,116,165
Distribution Expenses - Maintenance	\$657,492	\$634,864
Customer Accounts Expense	\$445,937	\$405,742
Customer Service & Informational Expense	\$560,820	\$394,476
Administrative & General Expense	\$1,319,691	\$1,235,671
Depreciation	\$2,577,474	\$2,486,997
Taxes - Other	\$0	\$21,579
Interest on Long-Term Debt	\$1,428,023	\$1,355,605
Other Deductions & Interest Expense	\$64,013	\$62,240
TOTAL EXPENSE	\$23,501,427	\$20,723,290
Operating Margins	\$358,871	\$897,517
Non-Operating Margins	\$850,471	\$64,035
Generation & Transmission Capital Credits	\$288,856	\$621,715
Other Capital Credits & Patronage Dividends	\$244,300	\$244,300
Total Operating & Non-Operating Margins	\$1,742,498	\$1,825,740

BALANCE SHEET

ASSETS	2022	2021
Current Assets & Other Debits	\$16,264,383	\$15,133,672
Fixed Assets (Net Utility Plant)	\$67,070,411	\$63,735,561
Total Assets & Other Debits	\$83,334,794	\$78,869,233

LIABILITIES	2022	2021
Total Current & Accrued Liabilities	\$6,222,281	\$4,380,666
Total Fixed Long-Term Debt & Deferred Credits	\$37,372,701	\$35,947,691
Total Margins & Equities	\$39,739,812	\$38,540,876
Total Liabilities & Other Credits	\$83,334,794	\$78,869,233

COMPARATIVE OPERATING STATISTICS

Miles of Line Energized	2,296	2,291
New Services Connected	117	136
Total Services in Place	9,813	9,756
kWhs Purchased from CIPCO	237,286,671	221,551,723
Cost Power Purchased	\$14,155,294	\$11,993,282
Percent Line Loss	4.5%	4.64%

OPERATING REVENUE	\$23,814,779	\$21,578,890
Average kWhs Used per Month per Consumer	2,159	2,038
Average Monthly Bill	\$216.68	\$198.46
Average Cost per kWh to Consumer	\$0.1004	\$0.0974

LOAN FUNDS	2022	2021
CFC	\$35,942,449	\$34,654,677
Other	\$726,723	\$775,126
Total Loan Funds	\$36,669,172	\$35,429,803

2022 President & CEO Report Resilient Roots, Sustained Commitment



STEVE RAU,
President



TERESA FLOYD,
CEO

THE PAST YEAR certainly ended more quietly than it began—and we are very grateful for that! You may recall that on March 5, 2022, ECI REC's Vinton Operations Center sustained damage from an EF1 tornado that passed through Benton County. Thankfully, no one was in the building at the time of the evening storm. However, there was significant damage to the overhead doors, roof, and side walls of the facility.

While of course we'd rather the tornado had never touched down, it provided a perfect demonstration of the resilient roots and sustained commitment of your Cooperative. All outages from the storm were promptly restored, and all

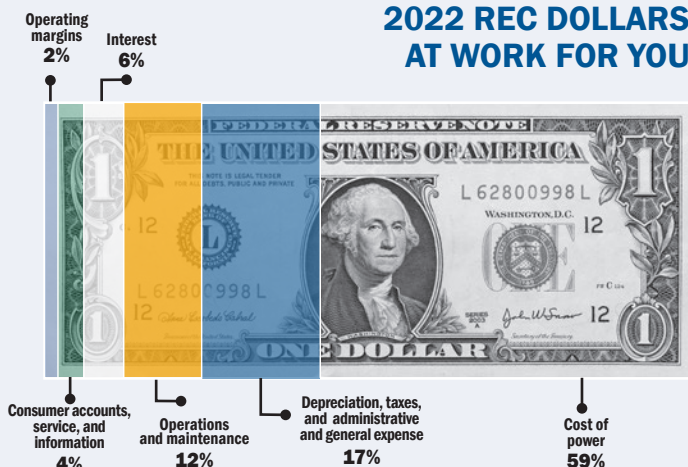
the damage at our Vinton facility has been repaired. Given the types of repairs that were needed, we had the opportunity to update the facility's insulation, install more efficient doors and windows, and upgrade the shop lighting to LED fixtures. These upgrades are energy efficient and will save the Cooperative money over time on our electricity costs. Turn to page 10 to see photos of the restored buildings.

We could not be more proud of the strength, camaraderie, and loyalty shown by our team in the wake of that tornado. We carried this spirit through the rest of the year, never losing sight of our core objective: providing our membership with safe, reliable, affordable, and sustainable power. The remainder of this message will cover some of the successes and challenges we experienced in 2022.

We tallied just 56 outage minutes per member last year, the third fewest in ECI REC's history. We also continued to make great progress on our five-year, \$22.4 million Construction Work Plan (2021–2025). As part of this plan, 42.8 miles of distribution line were replaced by Highline Construction, Inc. ECI REC invested approximately \$2.7 million in these replacements. CRC Trenching also completed cable replacements. This work happened in conjunction with the Spring Creek substation circuit breaker upgrades.

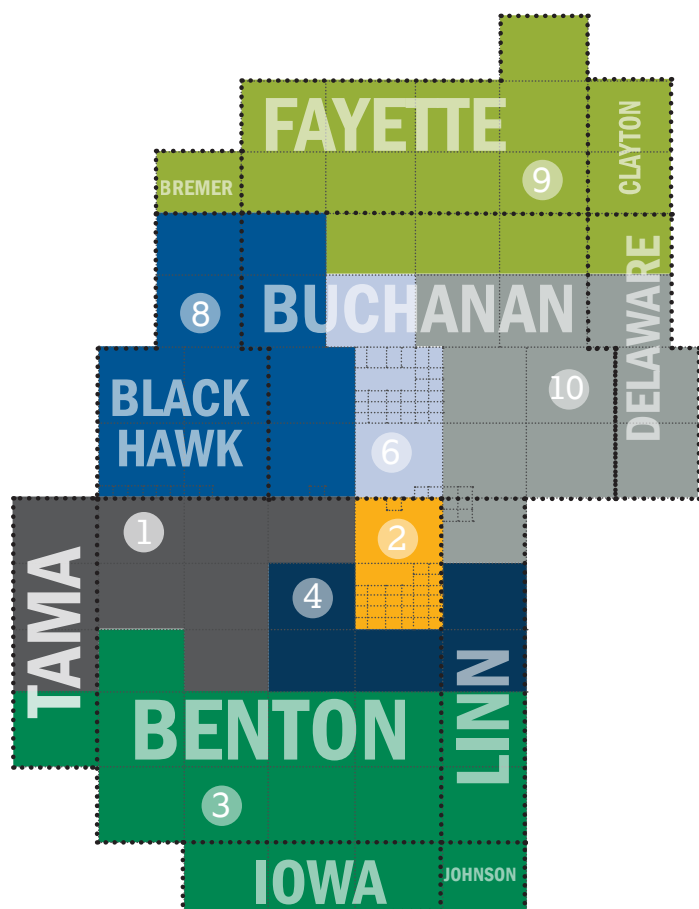
As part of the 2022 budget, your Board of Directors approved the purchase of the IAEC's Safety Gold services. That purchase covers an overall upgrade to the safety services ECI REC receives from the IAEC, including operating procedures, the Regulatory Compliance Group Model Safety program, and the Safety Sentinel Safety Coordina-

2022 REC DOLLARS AT WORK FOR YOU



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Your District Map & Board of Directors



Jeff Elliott
Vice President
Director since 1990
Board District 1



Julie Kester
Assistant Secretary/
Treasurer
Director since 2019
Board District 2



Brian McNulty
Director
since 2021
Board District 3



Gary McKenna
Director since 2016
Board District 4



Don Shonka
Director since 2006
Board District 6



Nick Donlea
Director since 2018
Board District 8



Steve Rau
President
Director since 2005
Board District 9



Ryan Kress
Secretary/Treasurer
Director since 2009
Board District 10

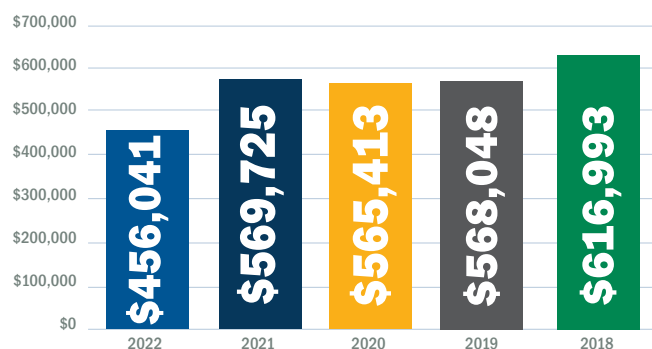


2022 Work Plan Improvements Budget

New services construction: **\$138,978**
42.8 miles of line replacement: **\$2,658,208**
Substation upgrades: **\$50,000**
New transformers, meters, & special equipment: **\$445,392**
Service upgrades: **\$156,297**
Sectionalizing equipment (such as breakers & fuses): **\$80,000**
Pole, equipment, & conductor replacements: **\$869,744**
Security lights: **\$30,826**
Technology: **\$30,000**

5-Year Patronage History Returning Your Investment

Since ECI REC is a nonprofit organization, you pay for electricity at cost. Any margins left over at the end of the year, after all expenses are covered, are allocated to you by your Board of Directors in the form of patronage dividends!



7 Cooperative Principles

1. Open and Voluntary Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation Among Cooperatives
7. Concern for Community



Photo credit: Lisa Franck

2022 PRESIDENT & CEO REPORT

continued from page 8

tor's training (with 12 in-person safety meetings and an unlimited apprentice training program).

In January 2022, your Board President represented the Cooperative at the Welcome Back Legislative session along with Director Don Shonka. This event is always a valuable opportunity to meet with state legislators to discuss issues that impact rural electric cooperatives and the communities we serve.

Over the course of 2022, ECI REC members earned \$6,119 for recycling inefficient working appliances. Your Cooperative also distributed \$120,118 in energy efficiency rebates. Thanks to these rebates, members saved 573,877 kWh of energy.

Your Cooperative has been very fortunate to be able to retire deferred patronage for 23 of the past 26 years. At its May 2022 meeting, your Board of Directors approved the retirement of \$456,041—100% of 2007 margins—to members of the Cooperative. In June, 6,010 member-accounts that got electricity from ECI REC in 2007 received money back. These dollars represent your share of the deferred patronage dividends (profits) the Cooperative earned that year. In the past 10 years, ECI REC has returned \$5,264,649 to its membership.

We know our Cooperative functions most effectively with committed and informed leadership. Following the 27th Annual Meeting of the Members in June, the Board held its reorganization meeting. The following were re-elected to office: Steve Rau, president; Jeff Elliott, vice president; Ryan Kress, secretary/treasurer; and Julie Kester, assistant secretary/treasurer. Both your Board President and Director Jeff Elliott earned their Director Gold Renewal Certificates in the past year.

Finally, ECI REC completed its cost-of-service study in 2022. Wholesale power costs have been increasing, and they are expected to continue to rise in 2023. This study looked at current rates and costs, as well as the future needs of the Cooperative. From these projections, it was determined that rates must increase to support the increased expenses and margin requirements to provide safe and reliable energy to our members.

At the November 2022 meeting, the Board of Directors approved an overall rate increase of 5%. The increase went into effect on March 1, 2023. The cost of security lights leased from the Cooperative also increased 50 cents (\$0.50) per month. Most rate classes saw an increase in the Facility Charge, a monthly charge that represents the fixed costs

of making electricity available to your meter 24/7. Additionally, all rate classes moved to one Energy Charge (kWh). Your Cooperative's strategy was to work toward recovering our fixed costs via the Facility Charge and to simplify the Energy Charge (or electric rates). These two changes aligned with this goal.

We continue to keep our members informed about things like the recent rate increase through several channels, including the *Heartland Link*, e-newsletters, Facebook, ecirec.coop, bill inserts, and newspaper ads. An informed and educated membership is in our best interest as a locally owned cooperative!

In 2023, our Annual Meeting of the Members will again be held virtually. Members will have the option to cast their ballot online or via mail. For more details on voting and attending the June 28 meeting, see the back page.

The core purpose and mission of East-Central Iowa Rural Electric Cooperative is to provide our members with safe, reliable, and environmentally friendly electricity. We rely on our resilience and the commitment of our team to fulfill this goal, no matter what challenges arise. Above all, we are dedicated to putting our membership first, and we remain motivated to serve our communities. We thank you for your trust and support. 

2022 ECI REC Year-End Stats

9,159

member-accounts

7,241

memberships

11,305

AMI meters

\$33,502

donated to 38 causes

2,296 miles

of overhead and underground
distribution line

24 substations

owned and maintained
by ECI REC

839

Facebook fans
and 950 followers

\$12,000

given through twelve
\$1,000 scholarships for
graduating seniors

\$0.00097620/kWh

of 2022 revenue invested in energy efficiency programs

70 members

contributed an average
of \$4/month supporting
Iowa renewable energy
production

\$5.20

average cost
residential members
spent each day
for electricity

68 members

cared with ECI's RECare
program, giving \$7,354

3,014

registered SmartHub
users

YOUR BOARD

Board District 1 - Jeff Elliott
(2022/2023 Vice President)

Board District 2 - Julie Kester
(2022/2023 Asst. Secretary/
Treasurer)

Board District 3 - Brian McNulty

Board District 4 - Gary McKenna

Board District 6 - Don Shonka

Board District 8 - Nick Donlea

Board District 9 - Steve Rau
(2022/2023 President)

Board District 10 - Ryan Kress
(2022/2023 Secretary/
Treasurer)

CLASSIFIEDS: Free to members only

Please email your ad to classifieds@ecirec.coop. Ads for the July/August 2023 *Heartland Link* must be received by June 1, 2023.

East-Central Iowa REC will publish non-commercial 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.

