

Vote in the ECI REC Board Election!

a Cooperative Difference highlight

IT'S TIME TO VOTE! ECI REC's Board election will get underway on May 24, when voting opens. Voting will remain open until June 24. Results will be announced at this year's Annual Meeting of the Members, which will be held virtually via Zoom on June 26.

"Members, your vote does matter! Though we no longer gather in person, we offer an extended voting window, and members have 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 dedicated Board of Directors that supports innovation that will energize our tomorrows.

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 26, 2024

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

Amanda James, Attorney

Adjournment of Business Meeting

Nominating Committee Confirms Candidates

Photo credit: Lisa Franck

Nominating Committee Members, pictured left to right: Carl Dodge (District 10), Bob Hanson (District 1), Clint Sandburg (District 3), Peggy Bearbower (District 2), Gary Maurer (District 9), and Randy Merkel (District 8). Present virtually via Zoom: Ernie Henderson (District 6) and John Frazier (District 4).

EACH YEAR, ECI REC's Board of Directors selects members from each district to serve on our Nominating Committee. The committee's purpose is to nominate one to two East-Central Iowa REC members to be placed on the ballot for the upcoming Board of Directors election, which is voted on at the Annual Meeting of the Members.

This year, there are three positions up for election. On Thursday, February 15, 2024, the Nominating Committee met at Urbana Administrative Headquarters to review and confirm the candidates:

- » Board District 6: Pete Burmeister
- » Board District 8: Nick Donlea and Brent Parks
- » Board District 10: Gary Cook and Brett Soukup 

FINANCIALS

STATEMENT OF REVENUE AND EXPENSE

REVENUE	2023	2022
Operating Revenue and Patronage Capital.....	\$25,644,490	\$23,860,298
EXPENSE		
Purchased Power.....	\$13,883,043	\$14,173,119
Distribution Expenses - Operations.....	\$2,631,241	\$2,274,858
Distribution Expenses - Maintenance.....	\$614,502	\$657,492
Customer Accounts Expense.....	\$488,563	\$445,937
Customer Service and Informational Expense.....	\$608,887	\$560,820
Administrative and General Expense.....	\$1,528,667	\$1,319,691
Depreciation.....	\$2,690,219	\$2,577,474
Taxes-Property & Other.....	\$(21,608)	\$0
Interest on Long-Term Debt.....	\$1,556,840	\$1,428,023
Other Deductions and Interest Expense.....	\$91,891	\$64,013
TOTAL EXPENSE.....	\$24,072,245	\$23,501,427
Operating Margins.....	\$1,572,245	\$358,871
Non-Operating Margins.....	\$91,870	\$850,471
Generation and Transmission Capital Credits.....	\$994,801	\$288,856
Other Capital Credits and Patronage Dividends.....	\$290,271	\$244,230
Total Operating & Non-Operating Margins.....	\$2,949,187	\$1,742,428

BALANCE SHEET

ASSETS	2023	2022
Current Assets & Other Debits.....	\$15,442,326	\$16,264,383
Fixed Assets (Net Utility Plant).....	\$71,556,945	\$67,070,411
Total Assets & Other Debits.....	\$86,999,271	\$83,334,794
LIABILITIES		
Total Current & Accrued Liabilities.....	\$4,359,605	\$6,222,281
Total Fixed Long-Term Debt & Deferred Credits.....	\$40,476,868	\$37,372,701
Total Margins & Equities.....	\$42,162,798	\$39,739,812
Total Liabilities & Other Credits.....	\$86,999,271	\$83,334,794

COMPARATIVE OPERATING STATISTICS

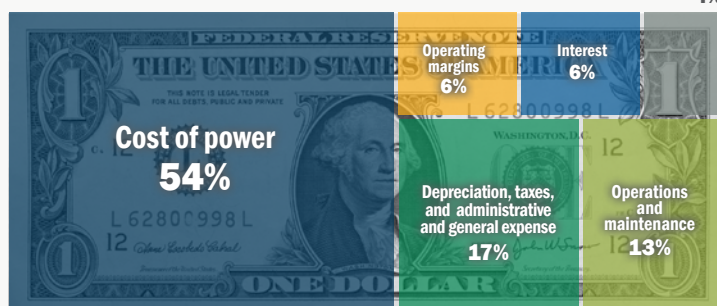
Miles of Line Energized.....	2,298	2,296
New Services Connected.....	100	117
Total Services in Place.....	9,869	9,813
kWhs Purchased From CIPCO.....	228,723,401	237,286,671
Cost Power Purchased.....	13,861,698	14,155,294
Percent Line Loss.....	4.42%	4.50%

OPERATING REVENUE.....	\$25,576,250	\$23,814,779
Average kWhs Used Per Month Per Consumer.....	2,073	2,159
Average Monthly Bill.....	\$231.77	\$216.68
Average Cost per kWh to Consumer.....	\$0.1118	\$0.1004

LOAN FUNDS

CFC.....	\$39,127,754	\$35,942,449
Other.....	\$678,319	\$726,723
Total Loan Funds.....	\$39,806,073	\$36,669,172

2023 REC DOLLARS AT WORK FOR YOU



2023 PRESIDENT & CEO REPORT

Energizing Tomorrow: A Resilient Journey of Innovation and Dedication



STEVE RAU,
President



TERESA FLOYD,
CEO

AS WE REFLECT ON the successes and milestones of 2023, it can be said it was a remarkable year filled with historically low outages, lower power costs than projected, and strategic investments in our infrastructure, maintenance, and employees.

We had a record low outage total of 28.2 average minutes per member-account, based on the outages we could control. That figure does not include planned/scheduled outages or outages caused by the public or our power supplier. Our continued investment in plant upgrades, our proactive maintenance program, and good weather also played a big part.

Financial stability is crucial and remains the bedrock of your Cooperative. We started out 2023 announcing the need to raise electric rates, and we expected our members to see an increase in wholesale power costs via the power cost adjustment. The rate increase was implemented on March 1; however, the increase in wholesale power costs did not materialize. In fact, our power supplier lowered their rate twice during 2023, saving our members an average of \$86 in power cost adjustments. Despite the initial forecast of rising electric rates, we were able to navigate through uncertain terrain, ultimately witnessing a reduction in wholesale power costs.

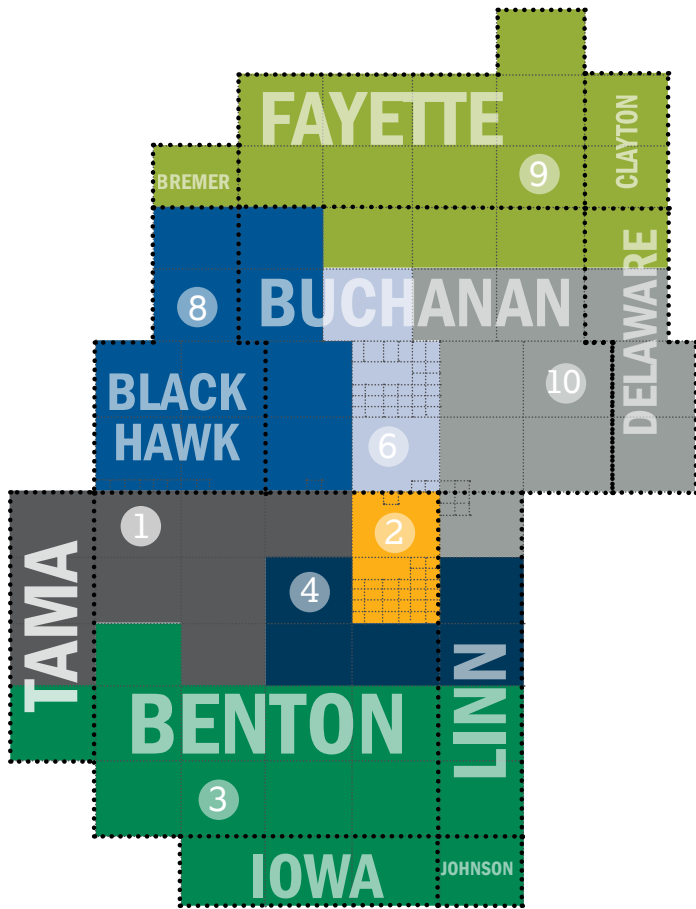
Our ongoing monthly safety meetings continue to shine the light on working safely. One aspect we focused on in 2023 was fleet management. ECI REC invited the Iowa State Patrol to our September safety meeting to do a presentation on proper cargo securement, vehicle weight limits, and distracted driving. While onsite, the commercial vehicle patrol officer inspected some of ECI REC's fleet and gave pointers on how to remain in compliance with commercial vehicle regulations.

Cybersecurity is another top priority for your Cooperative. In May 2023, the ECI REC management team underwent data security training. An RC3 (Rural Cooperative Cybersecurity Capabilities) tabletop exercise was also performed to test our cybersecurity posture.

In collaboration with our esteemed leadership and through active engagement with legislators, we have advocated for the interests of rural electric cooperatives, amplifying our

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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

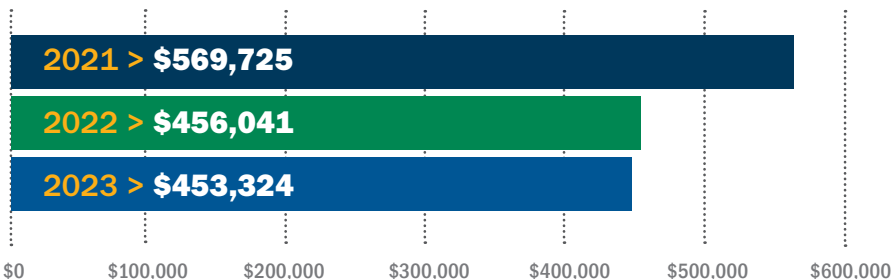


Ryan Kress
Secretary/Treasurer
Director since 2009
Board District 10



2023 WORK PLAN NUMBERS

45 miles of line replacement	\$4,819,652
Pole, equipment, & conductor replacements	\$893,024
New transformers, meters, & special equipment	\$548,080
Service upgrades	\$322,635
New services construction	\$148,891
Sectionalizing equipment (such as breakers & fuses)	\$82,680
Outdoor lights	\$41,719



3-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!

2023 PRESIDENT & CEO REPORT *continued from page 8*

collective voice and shaping policies that benefit the communities we serve.

In January 2023, Directors Jeff Elliott and Gary McKenna and CEO Teresa Floyd represented the Cooperative at the Welcome Back Legislative Session. During the March 2023 REC Day on the Hill, Manager of Finance Jennifer Schmitz represented your Cooperative. In August, ECI REC was visited by a legislative correspondent out of D.C. We also held a get-to-know event in November, inviting local legislators to meet the Board and management team. These initiatives and annual events are a valuable opportunity to meet with state legislators to discuss issues that impact rural electric cooperatives and the communities we serve. We hope to become a trusted resource they can call upon if a need should arise.

Each year, regular inspections and our vegetation management program proactively address potential issues and extend the lifespan of the Cooperative's distribution assets. In 2023, we invested over \$380,000 in maintenance and \$4.8 million in infrastructure investments that included 45 miles of distribution line replacement by contractors.

In 2023, supply chain management was another challenge we dedicated resources to addressing. Fortunately, ECI REC is a 30-year member of the Rural Electric Supply Cooperative (RESCO), a not-for-profit wholesale distributor whose advanced logistics gave us a slight edge in terms of cost-effective inventory and quicker deliveries. We implemented new strategies and projected the need for materials like transformers five years into the future.

Your Cooperative continues our commitment of returning patronage dividends to our members. In September, your Board approved returning over \$453,000 in deferred patronage divi-

dends. These dividends were margins allocated to the membership in 2008. In the past 10 years, ECI REC has returned \$5,261,705 to the membership.

Guided by our commitment to community, ECI REC has a long history of supporting students through scholarships and leadership opportunities. We've been sending deserving high school students to Washington, D.C., every summer for years as a part of the national Electric Cooperative Youth Tour program. In 2023, ECI REC also participated in both the Benton and Buchanan County Fairs by setting up a booth to connect with our members and the community.

As we look back at the past year, it becomes evident that our journey has been defined by resilience, innovation, and unwavering dedication. Our commitment to infrastructure investments and maintenance ensured the reliability and efficiency of our services, exemplified by the record low outage duration experienced by our members.

At the heart of our operations lies our 34 employees with 548 combined years of service. Their collective expertise and dedication to safety has propelled us forward. (Our employees have worked over 386,000 hours since our last lost-time accident!) In 2023, we invested over 2,100 hours in employee development. Through these initiatives, we continue to foster a culture of excellence and continuous improvement.

As we embark on the journey ahead—guided by our Board of Directors—we remain steadfast in our commitment to innovation, sustainability, and the well-being of our members. 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. 🌱

\$5.76

The average our members spend per day on electricity.

ECI REC IS AMONG IOWA'S
**LOWEST
RATES**

for cooperative residential electricity.



11,305

AMI meters

AT WORK SERVING

7,236

memberships

9,206

member-accounts

2023

Facebook Fans

1,004

FOLLOWERS



884

FANS BY
YEAR-END

HELPING MEMBER
FAMILIES IN NEED

64 members
gave **\$5,808**



CARE with
RECare



>1,968,650 kWh
energy saved by
ECI REC members
through energy
efficiency rebates

2023 ECI REC YEAR-END STATS



3,104

REGISTERED SMART
HUB USERS

1,519

AVERAGE MONTHLY
MOBILE/ONLINE
PAYMENTS

1,117

EBILL (PAPERLESS)
MEMBERS

\$47,674 donated to **42** causes



\$3,250
to school
functions

\$14,400
to local/county
economic development

\$5,500
to health/safety
organizations

\$5,849
to community
organizations

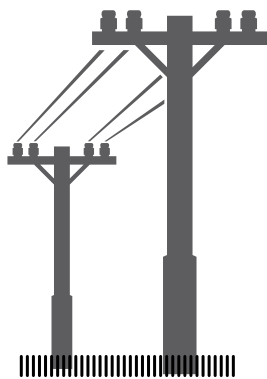


\$6,675
to Youth Tour



ECI REC
owns and
maintains

24
substations



2,298
miles

of overhead and
underground line
maintained

Members Support Renewable
Energy Production in Iowa
67 members > \$4.20 per month



Invested in Efficiency

\$0.00106187
per kWh

of 2023 revenue
invested in energy
efficiency programs

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

YOUR BOARD

Board District 1 - Jeff Elliott
(2023/2024 Vice President)

Board District 2 - Julie Kester
(2023/2024 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
(2023/2024 President)

Board District 10 - Ryan Kress
(2023/2024 Secretary/Treasurer)

CLASSIFIEDS: Free to members only

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

FOR SALE: Craftsman® shallow-well jet pump, 0.75 HP, 3450 RPM, used very little. New \$250.00, asking \$125.00 OBO. Ph: 319-290-2833.

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.

Empowering
Energy Savings
\$143,399
in energy efficiency
rebates to ECI REC
members

