

# heartland LINK

A publication of East-Central Iowa Rural Electric Cooperative

 **POWERING FORWARD**  
for our members

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ECI REC names scholarship winners and Youth Tour delegates.

## ON THE HILL page 10

Board Directors advocate at the State Capitol.



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Energy Wise, Community Connected

A Touchstone Energy® Cooperative 

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“ Dear ECI REC,  
Thank you for presenting at the East Buchanan Career Fair. We learned that you can start working in the electrician field right after high school. We thank you for coming.”

**STUDENTS OF EAST BUCHANAN HIGH SCHOOL**

“Dear Jared Grover,  
Thank you for attending the East Buchanan Career Fair. We learned how lineworkers train to be safe around power lines. We appreciate your time.”

**STUDENTS OF EAST BUCHANAN HIGH SCHOOL**take the  
**member challenge**

1. COOPERATIVE DIFFERENCE: Your Cooperative is run by a democratically elected Board that is granted the \_\_\_\_\_ to serve because of your vote.

2. LOOKING OUT FOR YOU: The cooperatives also strongly support a utility's ability to recover \_\_\_\_\_ costs associated with providing safe, reliable service, ensuring all cooperative members pay equitably to use and maintain the electric grid.

3. SAFETY: It is critical that the public understands their home's \_\_\_\_\_ system and the safety concerns associated with the latest residential technologies before bringing them into their homes.

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](mailto: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 June 1. Sixteen names will be drawn from all correct entries. Members will not be allowed to win more than once per calendar year.

last issue's  
**challenge winners**

The following names were drawn from the March/April 2018 *Heartland Link* entries. These members will receive a \$10 credit on their account.

Terry &amp; Monica Bengston

Ron Bossler

Mike &amp; Shelley Crow

David &amp; Deborah Ellingrod

Tamara &amp; Ryan Gibney

Richard Griswold

Mark Jackson

Mark McAvan

Scott &amp; Cheryl McLaughlin

Kathy &amp; Reginald Meyer

Gary &amp; Jill Mills

Michael &amp; Kathleen Naylor

Clayton &amp; Jamie Noe

Daniel Rewoldt

Bridget &amp; Benjamin Seiler

Michael Silhanek

**Calendar Notes**5/28 – Closed for  
Memorial Day6/21 – Annual  
Meeting**Contact ECI REC****EMAILS**

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**OPERATIONS NEWS  
OUTAGE UPDATES**

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## PRESIDENT & CEO REPORT

# 2017 Highlights to Be Celebrated at the Annual Meeting



CEO STEVE MARLOW



BOARD PRESIDENT  
STEVE RAU

**EAST-CENTRAL IOWA REC** is powering forward for our members while remaining focused on delivering safe, affordable, reliable electricity in an environmentally responsible manner. In doing so, ECI REC continues to keep the cooperative guiding principles at our forefront.

We have not forgotten our heritage and what brought us to where we are today. Over the past two years, ECI REC celebrated landmark anniversaries in our Cooperative's history. In 2017 and 2018, our parent cooperatives, Benton County ECA and Buchanan County REC, would have been in existence for 80 years, respectively. We take serving our members seriously and continue to look toward the future to the benefit everyone we serve. Not only are we your electric utility provider, we are also a local business that brings pride and prosperity to our communities.

While it is important to celebrate the accomplishments of 2017, we are continuing to power forward in 2018. By the end of the calendar year, smart meters will be installed on all member accounts, an update that positions us to leverage the electric grid of the future. We also anticipate keeping you informed through the planned launch of a new website. We envision further completion of the 2017–2020 Construction Work Plan, which targets infrastructure to facilitate new growth while decreasing the risk of unplanned outages. All these added benefits will not affect your cost for electricity in the near future; electricity rates are anticipated to go unchanged. These are just a few ways ECI REC plans to continue powering forward for our members in 2018!

Here are some highlights of how we provided safe, affordable, reliable electricity in an environmentally responsible manner in 2017.

## THE COOPERATIVE DIFFERENCE

The power of cooperative membership and ownership is the Cooperative Difference. Members of ECI REC have a voice in how your electric co-op is run. You get a say in what's best for the community and in the decisions that allow ECI REC

*continued on page 4*

## 2018 Annual Meeting Preview

*a Cooperative Difference feature*

**THE 2018 ANNUAL MEETING** of the Members of East-Central Iowa REC is just around the corner!

This year, we're excited to welcome a few unique "guests." As you may have guessed from the cover, an electric car will be on site, courtesy of ECI REC's power supplier, CIPCO. Members will have a chance to learn more about this efficient vehicle option.

ECI REC is also pleased to have Job Training/Safety Instructor Jim Wolfe of IAEC on hand to present on Iowa electric cooperatives' collective hurricane relief efforts.

Attendees will receive a registration gift and a catered noon meal and also have a chance to win a \$50.00 gift card.

And perhaps most importantly, the Annual Meeting is also the occasion to exercise one of the greatest benefits of being an electric cooperative member: voting for the upcoming year's Board of Directors. This year, the Board is also proposing two amendments to the Articles of Incorporation (see page 6–7).

Remember, ECI REC is not owned by faraway investors, and it is not run by an appointed Board of Directors. Your Cooperative is run by a democratically elected Board that is granted the privilege to serve because of your vote.

From all of your friends at ECI REC, we hope to see you in June at the Annual Meeting!

## ANNUAL MEETING OF THE MEMBERS

**Thursday, June 21, 2018**

**Independence High School, Independence**

**Registration: 10:30 a.m. - Business meeting: 11:00 a.m.**

### Director Positions Up for Reelection

<b>Hazleton (45)</b> Buchanan County		<b>Byron (56)</b> Buchanan County		<b>Fremont (57)</b> Buchanan County	
<b>Washington (55)</b> Buchanan County		<b>Liberty (66)</b> Buchanan County		<b>Middlefield (67)</b> Buchanan County	
<b>Poyner (62)</b> Black Hawk County		<b>Summer (65)</b> Buchanan County		<b>Prairie (68)</b> Delaware County	
<b>Big Creek (72)</b> Black Hawk County		<b>Spring Creek (73)</b> Black Hawk County		<b>Newton (77)</b> Buchanan County	
<b>Jefferson (74)</b> Buchanan County		<b>Homer (75)</b> Buchanan County		<b>Adams (78)</b> Delaware County	
<b>Cono (76)</b> Buchanan County		<b>Grant (138)</b> Linn County			

### District 2: Director District #21

**Incumbent:** Don Shonka, Independence

**Opposed by:** Betty Breitsprecher, Independence

### District 2: Director District #24

**Incumbent:** Jim Barz, La Porte City

**Opposed by:** Nick Donlea, Jesup

### District 2: Director District #27

**Incumbent:** Ryan Kress, Winthrop

**Opposed by:** Roy Snyder, Winthrop

to provide affordable electricity for your home or business.

- » Each of our members is represented by a member on the Board of Directors, which is elected by the membership. The ECI REC Board of Directors worked hard in 2017. From budgets, to attending educational classes, to advocating for ECI REC members legislatively, the Board of Directors made decisions in your best interests. One decision was the retirement of \$500,112 in patronage dividends to current and former members. This included 100% of our 2002 and 10% of our 2010 deferred patronage dividends.
- » ECI REC Director Ryan Kress earned the Director Gold Certificate, while Director Jim Barz was awarded the Credentialed Cooperative Director Certificate. Both programs are designed by the National Rural Electric Cooperative Association to provide cooperative directors with essential knowledge and skills.
- » We were honored to welcome Mary McLaury, former Chief Operating Officer of Touchstone Energy® Cooperative, as a guest speaker at the 22nd Annual Meeting of the Members. Board elections were completed during the meeting. Jeff Elliott (District 11), Chris Sackett (District 12), and Steve Rau (District 26) were all re-elected to serve three-year terms. Steve Rau was also re-elected to the office of president during the Organizational Meeting of Board of Directors. Elected to new leadership positions were Jeff Elliott, vice president; Ryan Kress, secretary/treasurer; and Chris Sackett, assistant secretary/treasurer.
- » Another aspect of the Cooperative Difference was demonstrated when Hurricane Irma made landfall in the United States. In the past, when our service area has been struck by disaster,

help has arrived from other areas.

This time, Iowa's electric cooperatives banded together and sent employees to help with hurricane recovery efforts. Two representatives from ECI REC joined others to clean up debris and restore power to cooperative members in the affected areas.

### ENERGY WISE

Even though electricity remains a good value, costs continue to climb. To keep your costs down, ECI REC offered several programs and educational opportunities to encourage more efficient use of electricity, which could save you money and decrease your carbon footprint.

- » In January, ECI REC released the 2017 details for our extensive energy-efficiency rebate programs, which target residential, agricultural, and commercial members. The programs were well received; 3,068 members took advantage of these opportunities. Approximately \$220,597 rebate dollars were returned to those who participated. Incentives for rebates included items that increased efficiency through weatherization, ENERGY STAR® appliances, home construction incentives, and more. ECI REC also helped members get rid of outdated appliances through the Pull the Plug program. We partnered with local retailers as part of the Be Bright lighting program; discounts for approved lamps and fixtures were marked on the shelf price at participating retailers.
- » The ECI REC website, in conjunction with the SmartHub app, continued to offer links to Energy Wise information, including the Energy Resource Center and Watts Smart. Members could also access self-energy audits, secure 24-hour bill pay, and account information.
- » ECI REC stayed connected with

contractors through participation at the Momentum is Building. This annual contractors' conference provided a forum for electric technology and energy-efficiency education, along with the opportunity to build relationships with trade professionals who influence member decision-making about electricity needs during new construction, installations, and/or remodeling.

- » We supported renewable energy production. A volunteer option was offered to support the development of renewable energy production facilities in Iowa through monthly bill payments. Eighty-nine members donated \$4,213 toward this cause. Additionally, the Urbana Solar Acres project—initiated in 2016 and located near the ECI REC headquarters site—generated 1,653,000 kWh of electricity, which is enough electricity to power 140 homes for one year.
- » ECI REC continued to promote the Take A Load Off the Peak program, which encourages reduction of energy consumption during peak use hours. Decreasing electricity use during peak hours—when the demand for, and cost of, electricity is at its highest—is an increasingly important component of becoming Energy Wise. ECI REC hopes to offer even more incentives to Take A Load Off the Peak in the future.

### COMMUNITY CONNECTED

ECI REC was proud to be Community Connected in 2017, supporting the members and communities within our service area.

- » The Co-Op Connections® card continued to be offered to members patronizing participating businesses, while the RECare program assisted low-income members within our service area. Seventy-four ECI REC

members donated \$5,238 to the RECare program. This donation was distributed via community action agencies within Benton and Buchanan Counties, helping pay for heating bills or the cost of home winterization. ECI REC representatives also presented safety and education programs at schools, community functions, and health fairs throughout the year.

- » ECI REC utilized unclaimed patronage dividends to give back to the community. The Community Reinvestment Fund, along with minimal general funds, gave more than \$38,000 to 38 community organizations. Twelve individuals were awarded \$1,000 scholarships. Three scholarships were distributed to young men planning to pursue careers as lineworkers through the Powerline Technician program at Northwest Iowa Community College. The other nine went to graduating seniors planning to further their education in a diverse range of professions.
- » High school students Cade Shramek and Macy Arbuckle were sponsored by ECI REC for the 2017 Youth Tour to Washington, D.C. Joined by more than 1,500 high school students from across America, Cade and Macy participated in leadership training, engaged in one-on-one conversations with elected officials, jump-started their national peer network, learned about electric cooperatives, and toured D.C.

## SAFETY

ECI REC has a vested interest in keeping our members safe, as well as our employees. Our communications to you this year relayed information on ways to avoid electrical accidents. Our employee trainings were also ongoing throughout the year, decreasing injury risk.

- » We again earned the Rural Electric Safety Achievement Program certification through the National Rural Electric Cooperative Association (NRECA) and the Iowa Association

of Electric Cooperatives (IAEC). This certification is long-standing in the history of ECI REC.

- » ECI REC also delivered safety information to members via our website and newsletters. Representatives visited schools, community events, and health fairs to teach electricity safety and showcase linework careers. We shared electrical safety tips on a broad range of topics with our members, such as the importance of planting trees away from power lines, the dangers of electrical outlets to children, and grain bin safety. We also continued to promote Iowa One Call.
- » ECI REC, along with other Iowa electric cooperatives and utility groups, developed a public awareness campaign dedicated to the safety of line personnel along roadways. These organizations urged drivers to take an online pledge to obey Iowa's Move Over or Slow Down law, requiring motorists to move or reduce their speed when approaching a utility vehicle stopped on the side of the road with lights flashing. The pledge remains available at <https://ia.moveoveriowa.com/>.
- » A near real-time Outage Map is accessible 24/7 via our website and SmartHub app. Using the map, members can remotely track outages affecting them or determine if their home or business is affected by an outage. As a result, members can put in place emergency back-up plans to safeguard their investments.

## KEEPING THE LIGHTS ON

The disruption to members' lives when electrical outages occur is recognized by ECI REC. Our planning is focused on Keeping the Lights On to avoid outages before they occur—whether they are caused by adverse weather, cyber security concerns, or power supply interruption. The 2017 Outage Report revealed ECI REC outages were lowest on record. Power interruption was

limited to 0.02% time throughout the year; in other words, members' lights were on 99.98% of the time. On average, members were out of power for 45 minutes during the year.

- » ECI REC celebrated the completion of a modern operations facility in Independence. The new building replaced a 66-year-old structure that was no longer capable of supporting business operations. Nine full-time employees are positioned at the Independence site, which provides operational service to members in the northern part of ECI REC's service territory. In addition, the building is capable of serving as a complete business backup facility should headquarters in Urbana become non-operational.
- » Approximately \$4.2 million in system improvements were completed, including the replacement of 88 miles of line. These system upgrades were part of our 2017-2020 Construction Work Plan to accommodate future growth and decrease the risk of outages. Approximately \$272,500 in preventive and ongoing line maintenance programs—such as pole and meter testing, tree trimming, and transformer and breaker maintenance—were also completed to reduce the risk of unplanned outages.
- » ECI REC once again demonstrated its legacy of long-term employment. Nine Board members and employees celebrated milestone service years—recognized in five-year increments—for a combined total of 125 years of service. Job satisfaction was increased by offering advanced training and conference opportunities to employees. Training topics included power line design and staking, smart meter training, management essentials, and more.
- » In September, ECI REC announced that installation of smart meters on all member accounts would commence in




## Message From the CEO, *continued from page 5*

2018. Smart meters, or Advanced Metering Infrastructure (AMI) technology, are a key component of the electrical grid. Referred to as the “smart grid,” this transmission and distribution network tracks the flow of electricity with great precision. By switching to smart meters, ECI REC will increase the overall affordability, efficiency, and reliability of our electric system.

### LOOKING OUT FOR YOU

What lawmakers decide in Washington, D.C., or Des Moines can have a significant impact on your electric bill. ECI REC advocated for our members at local, state, and national levels. We supported the Iowa Rural Power movement, a grassroots effort that energizes rural economic growth and advocates for cooperatives. We also continued membership in the IAEC, which promotes cooperatives at the legislative level. Our goal is to Look Out for You by engaging with and educating our legislators on issues that affect our members, including electricity costs and safety concerns. We also offered options for you to support the advocacy process through the Action Committee for Rural Electrification (ACRE) and Friends of Rural Electrification (FORE) organizations.

- » Members of the ECI REC Board of Directors and staff members traveled to meet with legislators throughout the year. At the annual January Welcome Back Legislative Reception hosted by IAEC in Des Moines, over 150 directors, managers, and staff members from Iowa’s electric cooperatives discussed important issues for the upcoming session with state legislators.
- » Over 200 cooperative supporters, including representatives from ECI REC, traveled to the State Capitol in March for the annual REC Day On the Hill. Cooperative representatives were present as Governor Branstad signed SF 331 into law, which streamlined energy-efficiency reporting for electric co-op staff. They also met with local elected officials to discuss issues important to Iowa’s electric cooperatives, including the safety of line personnel as they work on the side of roadways and the expansion of property tax exemptions for geothermal heating and cooling systems. 


## Board Proposes Change to Articles of Incorporation

*a Cooperative Difference update*

**THE ECI REC BOARD OF DIRECTORS** has the responsibility of periodically reviewing the Articles of Incorporation of the Cooperative to determine if any modifications are in order. At the March 21, 2018, Board meeting, the Board identified an area where it felt the Articles should be modified. Cooperative members will be asked to cast a ballot, either by mail or at the Annual Meeting scheduled for June 21, 2018, for two proposed amendments to the Articles of Incorporation. Ballots will be mailed to all members with the official Notice of the Annual Meeting of Members.

Amendment (1.) is to modify text of said sections; amendment (2.) would add a new Article setting forth dispute resolution provisions. This will apply to disputes between the Cooperative and a member, former member, or customer who has received electric service from the Cooperative. The text would direct the parties to attempt to resolve the dispute in good faith. In the event the matter is unable to be resolved by the parties, the applicable regulatory body would then handle those disputes over which it has jurisdiction (such as the Iowa Utilities Board). If no regulatory body has jurisdiction over the matter, then the text of the proposed Article sets forth a procedure for mediation of the dispute. If mediation is not successful, then arbitration is available to the parties. The dispute resolution provisions would not be applicable to the Cooperative’s collection of past due accounts or to matters where the amount in dispute could be handled in small claims court.

The Board certainly does not anticipate any disputes with the membership; however, the Board deems it to be in the best interest of the Cooperative and the members to establish a process for resolving disputes that is efficient, fair, and cost-effective in the event a dispute should arise. Many of the contracts to which the Cooperative is a party include dispute resolution provisions, and this amendment would provide such a process for dealings between the Cooperative and its members.

You are encouraged to vote in favor of the two proposed amendments to the Articles of Incorporation. The full text of the proposed amendments is printed on the next page. It will be mailed to members with the ballot, or stop by our office for a larger-print copy. We also welcome any questions you may have. Call us toll free at 877-850-4343. 



# East-Central Iowa Rural Electric Cooperative Proposed Amendments to Articles of Incorporation - Annual Meeting - June 21, 2018

1. Amend the Articles of Incorporation by modifying the text of sections 1, 2, 3, 4, 5, and 6 of Article VII concerning the Board of Directors as follows: (strike through—deleted; underlined—added)

## ARTICLE VII. Board of Directors

**Section 1.** The business and affairs of the Cooperative shall be managed by a Board of Directors initially consisting of the following ~~sixteen (16) individuals listed in the~~ who are the present directors of the two cooperatives, and who shall also serve as the incorporators of East-Central Iowa Rural Electric Cooperative:

Name	Address	Occupation
Eldo Meyer	4661 59th St., Garrison, IA 52229-9675	Farmer
Alvin Lindahl	6081 28th Ave., Vinton, IA 52349-9219	Farmer
William Frazier	1997 67th St., Van Horn, IA 52346-9866	Farmer
Allen Albers	RR, Box 55, Norway, IA 52318-9605	Farmer
H. Bruce Hannen	7945 20th Ave., Blairtown, IA 52209	Ret. Farmer
William Harrison	RR2, Box 97, Walker, IA 52352-9305	Farmer
Edward Wilhelm	St. 7074 31st Ave., Atkins, IA 52206-9794	Farmer
Frank Gallup	2234 220th St., Independence, IA 50644	Farmer
James Thedens	2097 310th St., Rowley, IA 52329-9709	Farmer
James Arnold	2661 190th St., Aurora, IA 50607-9731	Farmer
Jerald Recker	3032 130th St., Lamont, IA 50650	Farmer
Melvin Neil	RR2, Box 88, Fairbank, IA 50629-9112	Farmer
James Orr	2151 280th St., Rowley, IA 52329-9758	Farmer
Lloyd Bathen	42228 Purdy Road, LaPorte City, IA 50651	Farmer

Subject to the right of members to remove a director, the initial directors shall serve, and any vacancies on the Board of Directors may be filled as set out in the Plan of Consolidation for East-Central Iowa Rural Electric Cooperative; ~~until the Annual Meeting of members to be held in 1996. After the Annual Meeting of members to be held in 1996, the business and affairs of the Cooperative shall be initially managed by a Board of Directors consisting of sixteen (16) directors. The number of directors will eventually be reduced to fourteen (14) with said reduction to occur through retirement, resignation, and ineligibility, or in any manner determined by the Board of Directors to be in the best interest of the consolidated cooperative and in accordance with the Plan of Consolidation for East-Central Iowa Rural Electric Cooperative and these Articles of Incorporation.~~

Following the Annual Meeting held in the year 2001, the size of the Board of Directors shall be reduced from fourteen (14) Directors to ten (10) Directors, with five (5) directors elected from District I and five (5) directors elected from District II. The reduction may occur through resignations, retirement, or such other means as deemed appropriate to the Board of Directors. The reduction shall be coordinated so as to provide for the elimination of two director positions within each of the existing two geographic districts; however, the downsizing of each district need not occur simultaneously.

Following the Annual Meeting of members to be held in the year 2018, and prior to the Annual Meeting of members to be held in the year 2019, the size of the Board of Directors shall be reduced from ten (10) Directors to eight (8) Directors. The reduction will occur through resignations, retirement, or such other means as deemed appropriate to the Board of Directors. The reduction shall be coordinated so as to provide for the elimination of two (2) director positions prior to or concurrent with the Annual meeting of members to be held in 2019, and the service area of the Cooperative shall be divided into eight (8) districts by the Board of Directors, with each of the eight (8) remaining Directors being assigned to the district within which they reside.

**Section 2.** ~~There shall be two (2) numbered geographic districts for the Cooperative, and, commencing with the Annual Meeting of members to be held in 1996/2019, election of directors shall be by such districts, with nine (9) directors: one (1) Director representing District I and seven (7) directors representing District II each district. Directors must, each of whom shall reside within the district they are elected to represent. The geographic area of each district shall initially be as set forth in the Plan of Consolidation for East-Central Iowa Rural Electric Cooperative by the Board of Directors, and revised as necessary by the Board of Directors in order to maintain an approximately equal number of members in each District. The district boundaries shall be described in the Bylaws of the Cooperative and shown on a map of the cooperative service area, with such descriptions and maps maintained at all offices of the Cooperative and kept available to members.~~

Candidates for election to the Board of Directors shall be nominated by a Nominating Committee, which Committee shall be appointed by the Board of Directors. Said Nominating Committee members so elected shall nominate candidates from the districts in which they reside for election to the Board of Directors at the Annual Meeting of members following the meeting at which said Nominating Committee members are elected.

Thirty-five (35) or more of the members may make other nominations in writing over their signatures not less than one hundred (100) days prior to the meeting which directors are to be elected, and the Secretary shall post the same at the same place where the list of nominations by the Committee is posted; such nominations so made by such members to be subject to the same district and residence requirements as nominations by the Nominating Committee heretofore prescribed.

Members voting at the Annual Meeting of members shall vote only for candidates from the district in which they reside. The election of the directors shall be by ballot, and each voting member shall be entitled to cast one ballot for each director to be elected from that member's district. Members may vote by mail-in ballot or such other electronic means as may be approved by the Board of Directors, to the extent that the same is consistent with the Bylaws of the Cooperative. The election of directors shall be subject to ratification by a majority of all members present at the Annual Meeting of members, and directors elected shall qualify and take office immediately following the Annual Meeting of Members.

**Section 3.** For purposes of nominating, electing, and filling vacancies to the Board of Directors, and to be eligible to remain a director, the following eligibility requirements shall apply: the individual (1) must be a bona fide resident of the ~~subdistrict~~ for which he or she is nominated, (2) must hold membership in the Cooperative, (3) must be receiving electric service from the Cooperative at the location where he or she resides, (4) must not be in any way employed by or extensively financially interested in a competing enterprise or business selling electric energy or electrical supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures, or supplies to the members of the Cooperative, (5) must not be so closely related to any employee so as to violate the Cooperative's nepotism policy, and (6) in the case of a joint membership, any of the joint members, but not more than one may serve as a director at any given time, and all joint members must meet all of the other qualifications set forth above. Any questions regarding qualifications or eligibility of directors or director nominees shall be decided by the Board of Directors, and no sitting director shall participate in any vote of directors regarding his or her qualifications or eligibility to serve as a director. Notwithstanding the eligibility requirements set forth above, nothing in this Section shall, or shall be construed to, affect in any matter whatsoever the validity of any action taken at any meeting of the Board of Directors.

**Section 4.** Beginning with the Annual Meeting to be held in ~~1996/2019~~, a number of directors equal to the number of directors whose terms expire shall be elected to a term of three (3) years, or until their successors are elected and qualified. The term for a particular directorship at a particular election can be set by the Board of Directors for a term of less than three (3) years if deemed necessary to balance the number of directors to be elected at each Annual Meeting of members.

Subject to the provisions of Section 5 of this Article, vacancies on the Board of Directors which occur after the Annual Meeting of members to be held in ~~1996-2018~~ may be filled by a majority vote of the remaining directors. The director so elected shall serve the remainder of the term of the director whose departure created the vacancy. Such vacancy shall only be required to be filled if the number of remaining Directors will be less than eight (8) or a district shall otherwise be unrepresented.

**Section 5.** At any regular meeting of members, or any meeting called for that purpose, where proper notice to all members has been given, any officer or director may be removed by vote of a majority of all voting members of the Cooperative. ~~A director likewise may be removed by vote of a majority of all members in the director's district.~~ Any vacancy in the Board of Directors for reason of removal or any other reason shall be filled by the Board of Directors at a subsequent meeting of the Board of Directors in the manner and for the term specified in Section 4 of this Article VII. The director so chosen shall hold office until the expiration of the term and until his successor shall have been elected and qualified.

**Section 6.** Any member may bring charges against a director by filing them in writing with the Secretary of the Cooperative, together with a petition signed by ten percent (10%) of the members, requesting the removal of the director in question. The removal shall be voted upon at the next regular meeting or special meeting of the members, and the director may be removed by a vote of ~~(1) a majority of all voting members of the Cooperative, or (2) a majority of all members in the director's district.~~ The director against whom such charges have been brought shall be informed in writing of the charges prior to the meeting and shall have an opportunity at the meeting to be heard, in person or by counsel, and to present witnesses; and the person or persons bringing the charges against him shall have the same opportunity.

2. Amend the Articles of Incorporation by renumbering the existing Article XIII to Article XIV and by adopting a new Article XIII providing for the process to resolve disputes, including mediation and arbitration as follows: (strike through—deleted; underlined—added)

## ARTICLE XIII, Dispute Resolution

The Cooperative shall attempt to resolve any claim or dispute which may arise between the Cooperative and a member, former member, or customer who has received electric service in a good faith manner. In resolving such disputes, the Cooperative shall give consideration to: (1) applicable laws; (2) rules and regulations imposed by state and federal agencies; (3) these Articles of Incorporation; (4) the Cooperative's bylaws, policies, practices, plans, and procedures; (5) industry standards; and (6) the individual facts and circumstances regarding the claim or dispute.

If a member, former member, or customer who has received electric service is not satisfied with the Cooperative's resolution of the claim or dispute, all matters subject to the jurisdiction of the Iowa Utilities Board shall be resolved by the Iowa Utilities Board or, if and when appropriate, the applicable regulatory body with jurisdiction over the Cooperative and the matter.

All other claims and disputes shall, at the request of either the Cooperative or the member, former member, or customer who has received electric service, first be submitted to mediation conducted by an impartial mediator agreed to by the parties. In the event the claim or dispute is not resolved through mediation, then such claims and disputes shall, at the request of either the Cooperative or the member, former member, or customer who has received electric service, be submitted to binding arbitration to be conducted in accordance with the policies adopted by the Board of Directors of the Cooperative. In absence of such policies, or in the event such policies are incomplete, the provisions of Iowa Code 679A (Arbitration), as it may be amended from time to time, shall apply to the extent it is not inconsistent with the policies adopted by the Cooperative.

Notwithstanding the foregoing, the Cooperative reserves the right to pursue collection of a debt owed by any member, former member, or customer who has received electric service through other means, including but not limited to use of a collection agency, small claims court, and other applicable courts. Further, any claim where the amount in controversy is less than the small claims jurisdictional amount may be resolved without utilizing the alternate dispute resolution procedures set forth in this Article.

Every member, by becoming or continuing to be a member, agrees to the foregoing, and agrees to be bound by the Bylaws of the Cooperative. The Bylaws and these Articles of Incorporation constitute an agreement between the Cooperative and the members.



# ECI REC Undergoes Annual Financial Audit

*a Looking Out for You update*

photo by ???????

Andrew Moen, Luke Greden, Justin Fahse, and Alli Lake of CliftonLarsonAllen LLP recently conducted ECI REC's 2017 financial audit.

The audit went very well. Due to thorough preliminary work, the on-site audit was completed within two days. "We were very pleased with how smoothly and efficiently the process went," said CEO Steve Marlow.

## STATEMENT OF REVENUE AND EXPENSE

REVENUE .....	2017	2016
Operating Revenue and Patronage Capital.....	\$22,099,544	\$22,143,144
<b>EXPENSE</b>		
Purchased Power .....	\$12,943,346	\$13,292,348
Distribution Expenses - Operations .....	\$1,853,939	\$1,799,415
Distribution Expenses - Maintenance.....	\$534,393	\$579,862
Customer Accounts Expense .....	\$497,528	\$499,623
Customer Service & Informational Expense .....	\$314,529	\$321,768
Administrative & General Expense .....	\$1,296,467	\$1,534,911
Depreciation.....	\$1,867,469	\$1,857,673
Taxes - Property & Other .....	\$22,093	\$22,123
Interest on Long-Term Debt.....	\$1,015,599	\$1,002,386
Other Deductions & Interest Expense.....	\$52,506	\$39,890
<b>TOTAL EXPENSE.....</b>	<b>\$20,397,869</b>	<b>\$20,949,998</b>
Operating Margins .....	\$1,701,675	\$1,193,146
Non-Operating Margins.....	\$ (779,772)	\$62,343
Generation & Transmission Capital Credits.....	\$1,014,757	\$1,016,545
Other Capital Credits & Patronage Dividends .....	\$163,188	\$150,351
<b>Total Operating &amp; Non-Operating Margins.....</b>	<b>\$2,099,848</b>	<b>\$2,422,384</b>

## BALANCE SHEET

ASSETS.....	2017	2016
Current Assets & Other Debits.....	\$13,653,313	\$14,169,424
Fixed Assets (Net Utility Plant) .....	\$50,531,042	\$47,435,842
<b>Total Assets &amp; Other Debits .....</b>	<b>\$64,184,355</b>	<b>\$61,605,266</b>
<b>LIABILITIES</b>		
Total Current & Accrued Liabilities .....	\$4,070,454	\$3,920,992
Total Fixed Long-Term Debt & Deferred Credits.....	\$27,323,993	\$26,434,870
Total Margins & Equities .....	\$32,789,908	\$31,249,404
<b>Total Liabilities &amp; Other Credits .....</b>	<b>\$64,184,355</b>	<b>\$61,605,266</b>

## COMPARATIVE OPERATING STATISTICS

Miles of Line Energized .....	2,279	2,273
New Services Connected.....	109	80
Total Services in Place.....	9,442	9,394
kWh's Purchased From CIPCO .....	218,367,811	218,180,704
Cost Power Purchased .....	\$12,922,574	\$13,272,255
Percent Line Loss.....	4.85%	5.12%
<b>OPERATING REVENUE.....</b>	<b>\$22,059,925</b>	<b>\$22,089,569</b>
Average kWh's Used per Month per Consumer .....	1,981	1,984
Average Monthly Bill.....	\$210.19	\$211.54
Average Cost per kWh to Consumer .....	\$0.1061	\$0.1066
<b>LOAN FUNDS</b>		
CFC .....	\$26,439,038	\$25,603,568
Other.....	\$400,000	\$400,000
<b>Total Loan Funds.....</b>	<b>\$26,839,038</b>	<b>\$26,003,568</b>

# Co-op Connections Program Puts Value in Your Wallet



Use your Co-op Connections® Card online and at the participating businesses below and discover the value of being a co-op member at ECI REC!

### DYSART

Emmy Lou Candles  
Polar Blair's Den

### INDEPENDENCE

BEST WESTERN PLUS  
Independence Inn & Suites  
Bill's Pizza & Smokehouse  
Cy & Charley's Tire & Appliances  
E & T NAPA Auto Parts  
Fabulous Fridays  
Heartland Acres Agribition Center  
In The Country Garden & Gifts  
Office Towne, Inc.  
Okoboji Grill  
Styles Unlimited

### VINTON

Berry's Lanes, Inc.  
Cameron Clothing Company  
Clingman Pharmacy, Inc.  
Frazier Nursery  
Henkle Creek Mercantile  
Michael & Dowd  
Modern Motel  
Subway  
Viking Sewing Center

### WINTHROP

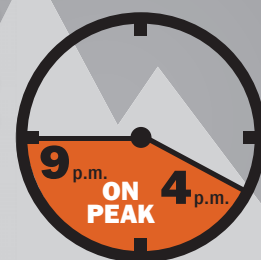
The NEWS/Buchanan County Review

No need to carry the card everywhere you go! Download the mobile app to use your card via your smartphone.



Switch your thinking and

# TAKE A LOAD OFF THE PEAK



### STAY OFF THE PEAK.

Electricity demand peaks from 4:00 p.m. to 9:00 p.m. on weekdays. It's tough to ask members to cut back during this time—you're home from work, starting dinner, watching television, and doing laundry. However, 45% of the ECI REC wholesale power bill is related to the demand you create during this time. ECI REC could pay up to \$15.31 per kilowatt (kW) for the power we draw during peak hours. When you choose to delay using electricity from 4:00 p.m. to 9:00 p.m., you can help your Cooperative save a great deal of money.

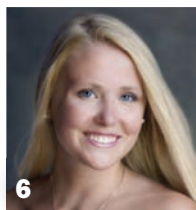
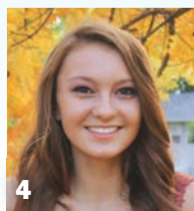
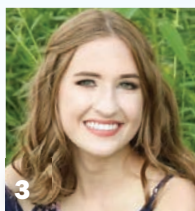




# 10 Students Win \$1,000 Scholarships From ECI REC

*a Community Connected feature*

**EAST-CENTRAL IOWA REC** is proud to announce it has awarded \$1,000 scholarships to ten graduating seniors who plan to further their education in a diverse range of programs. Congratulations to these deserving students!



- 1. Will Ferguson**, son of Karen Ferguson, Vinton (Center Point-Urbana High School)
- 2. Brandis Gerber**, daughter of Shawn & Tom Gerber, Vinton (Vinton-Shellsburg High School)
- 3. Lydia Hamilton**, daughter of Lisa Hamilton, Oelwein (Oelwein High School)
- 4. Veronica Jons**, daughter of Kimberly Jons, Walker (North Linn High School)
- 5. Carter Keppler**, son of Kent Keppler, Lamont (Starmont High School)
- 6. Anna Miller**, daughter of Kurt & Deb Miller, Independence (Independence High School)
- 7. Braydon Nunemaker**, son of Johnna Nunemaker, Rowley (East Buchanan High School)
- 8. Clayton Smith**, son of Karen Smith, Arlington (Starmont High School)
- 9. Brandon Venneman**, son of Joe Venneman, Blainstown (Benton Community High School)
- 10. Benjamin Weepie**, son of Brian Weepie, Fairbank (Wapsie Valley High School)

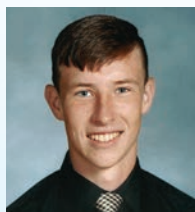
## Students Chosen for Youth Tour to Washington, D.C.

*a Community Connected feature*

**IOWA'S 2018 YOUTH TOUR** participants hail from all corners of the state, including two high school juniors from ECI REC's service area: Sarah Collison and Brock Ortner.



**SARAH COLLISON** attends East Buchanan High School and is the daughter of Ronald and Pamela Collison of Rowley. Sarah is a National Honor Society member, and her school activities include concert and jazz band, concert and chamber choir, large group speech, FFA, softball, basketball, volleyball, and golf. Her activities outside of school include 4-H, church youth group, Lady Bucs Club volleyball, and volunteering at the concession stands during the Rowley Days celebrations.



**BROCK ORTNER** attends Vinton-Shellsburg High School and is the son Michael and Laurie Ann Ortner of Shellsburg. Brock is a member of the National Honor Society. Some of his other school activities include participating in five honor bands, jazz band, football, soccer, and FFA, where he has been awarded Outstanding FFA Member for his grade. His activities outside of school include 4-H, church youth group, Operation Backpack, and an annual bingo fundraiser for breast cancer awareness. Brock also operates a small of herd of cattle.




## Electric Cooperatives Advocate for Fairness, Down the Lines and Regulatory Parity and Clarity

*a Looking Out for You article*

**THE SUN WAS SHINING BRIGHTLY** as more than 200 rural electric cooperative (REC) employees and directors, representing 38 co-ops, traveled to the Iowa State Capitol on Wednesday, March 14, to advocate on behalf of their members during the annual REC Day on the Hill event. Among the cooperative representatives in attendance were ECI REC Directors Jim Alberts, Burt Byers, and Jeff Elliott.

With the proposed Energy Omnibus Bill working its way through the House, co-op representatives met with legislators to discuss regulatory parity and clarity, in addition to maintaining fair and affordable rates. Iowa's electric cooperatives support efficiency programs that are cost-effective. The cooperatives also strongly support a utility's ability to recover fixed costs associated with providing safe, reliable service, ensuring all cooperative members pay equitably to use and maintain the electric grid.

The electric cooperative advocates first gathered for a briefing on state legislative issues, then met with their local elected officials during a dessert social on the first-floor rotunda of the Capitol. Slices of pie were served in celebration of Pi Day, which is observed annually on March 14. Legislators and visitors were able to view dozens of booths on display around the rotunda, which shared the various ways Iowa's electric cooperatives work to keep electricity safe, reliable, affordable, and environmentally responsible for the members they serve. 

## Plug Into Safety


*a Safety feature*

**IN MAY, ELECTRIC COOPERATIVES** across the country promote safety awareness to coincide with National Electrical Safety Month. Every year, thousands of accidents occur due to shock hazards, and ECI REC, a not-for-profit electric utility, is committed to educating the public about potential electrical dangers in the home.

In 2016, 475,500 structure fires (including residential fires) were reported in the U.S., causing 2,950 deaths, 12,775 injuries, and \$7.9 billion in property damage. According to the National Fire Protection Association, a residential fire was reported every 90 seconds. Many home fires occur when electrical equipment is outdated or improperly used.

"It is critical that the public understands their home's electrical system and the safety concerns associated with the latest residential technologies before bringing them into their homes," explained CEO Steve Marlow. "With newer technologies, such as solar panels, electric vehicles, and more electrical gadgets in the home, people need to ensure they have an electrical system that's compatible with the increased load."

To raise awareness of the importance of electrical safety, ECI REC will share a series of safety tips on our Facebook page during May.

Through electrical safety awareness and education, we can all play a part in preventing electrical hazards and injuries in the future. Together, let's plug into safety this May. 



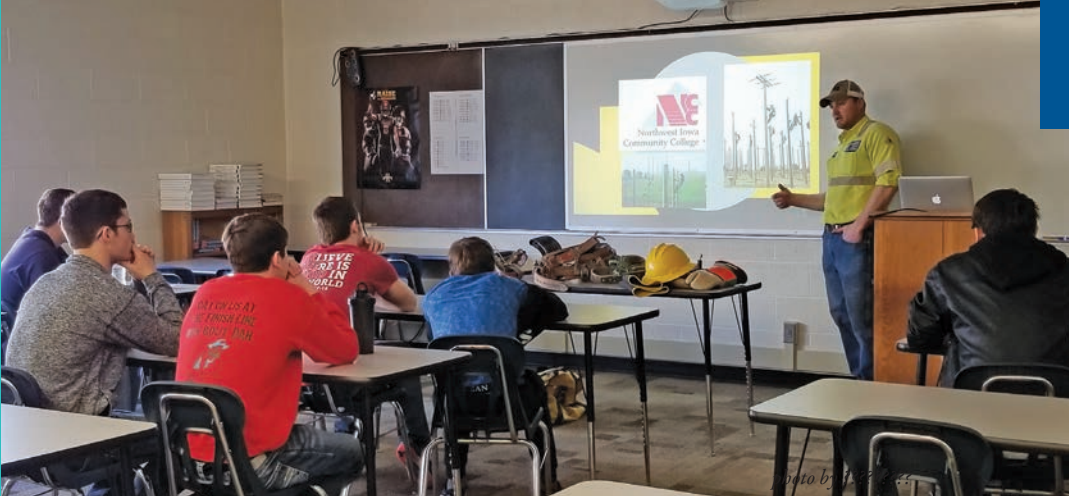
**#ElectricalSafetyMonth**

## ECI REC Promotes New Line Superintendent



Congratulations to Tom Schmitt on his promotion to the position of ECI REC line superintendent! Tom brings 27 years of experience as a lineman at ECI REC. For five of those years, he served in the supervisory role of foreman. He has also completed the NRECA Management Essentials Program. Tom is working out of the Urbana Headquarters and began his new position in mid-April.





## YOUR BOARD




- Board District 11** - Jeff Elliott  
(2017/2018 Vice President)
- Board District 12** - Chris Sackett  
(2017/2018 Asst. Secretary/Treasurer)
- Board District 13** - Allen Albers
- Board District 15** - Gary McKenna
- Board District 17** - Burt S. Byers
- Board District 21** - Don Shonka
- Board District 23** - Jim V. Alberts
- Board District 24** - Jim Barz
- Board District 26** - Steve Rau  
(2017/2018 President)
- Board District 27** - Ryan Kress  
(2017/2018 Secretary/Treasurer)

# ECI REC Represented at Annual Career Fair Day

*a Community Connected update*

**IN MARCH, ECI REC** Lineman Jared Grover and Director of Member Service Adam Albertsen spoke at the annual Career Fair Day at East Buchanan High School in Winthrop. Jared talked to students about the type of education and equipment lineworkers need, as well as the various day-to-day work and environmental elements he encounters on the job. Adam shared the same kinds of details, including information about the many career paths available to electricians.

Adam and Jared both presented two sessions, reaching nearly 30 students interested in careers in the energy industry. Overall, there were six breakout sessions covering 20 different career presentations that students could choose to sit in on throughout the day. 


# Geothermal Federal Tax Credit Reinstated

*an Energy Wise notice*

**AT THE END OF 2016**, the federal tax credits for geothermal heat pumps were left to expire. Since then, those in the geothermal industry have worked tirelessly to get the credits reinstated.

On February 9, 2018, a bill was passed and signed by President Trump to reinstate the tax credits retroactive to January 1, 2017; the bill also extends the credits to December 31, 2021. Homeowners who bought a geothermal heating, cooling, and hot water system between January 1, 2017, and the present now qualify for a 30% tax credit.

To save the most on installation, homeowners will want to act fast. The credit is set to decrease each year, dropping to 26% in 2020 and 22% in 2021. Please contact your tax advisor or visit [www.energy.gov/savings/residential-renewable-energy-tax-credit](http://www.energy.gov/savings/residential-renewable-energy-tax-credit) to learn more about the federal tax credit.

ECI REC also offers rebates and incentives on geothermal systems. Please contact us for more information on how to save on geothermal system installation. 

## CLASSIFIEDS: Free to members only

**FOR SALE:** 2013 Forest River Cherokee Grey Wolf 28BH Bunkhouse Travel Trailer. Like new. This RV has one slide and sleeps nine comfortably. Only used two times per summer the last four summers. Winterized yearly by dealer. Towed approximately 500 miles with Ford F150 since purchased new. Weight: 5,339 lbs. Located in Independence, Iowa. \$13,000. For questions and photos, please contact 319-231-8823.

**FOR SALE:** 10'x10' black, portable awning/canopy. Large enough to shade several people. Has local horse club and local area sponsors on the canopy/tarp. Never been used. \$55.00. Cane-style horse measure, still in original packaging. \$40.00, cash preferred. Call 319-721-2829 and leave a voicemail.

**Please email your ad to [classifieds@ecirec.coop](mailto:classifieds@ecirec.coop). Ads for the July/August Heartland Link must be received by June 1, 2018.**

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.



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Editor: Lisa Franck

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CLIP AND MAIL

See page 2 for the Member Challenge questions.

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

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

## Members get connected at [www.ecirec.coop](http://www.ecirec.coop)



### 24-Hour Bill Pay With SmartHub

See account information at [ecirec.coop](http://ecirec.coop) or download the app.



### Outage Center & Map

View current outages via SmartHub or at [outages.ecirec.coop](http://outages.ecirec.coop):81.



### Online Forms

Access rebate, service request, and program sign-up forms.



### Call Before You Dig

Notify utilities before you dig at [www.iowaonecall.com](http://www.iowaonecall.com) or call 811.



### Facebook

Find news and updates at [facebook.com/eastcentraliowarec](http://facebook.com/eastcentraliowarec).



### Co-op Connections®

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### Heartland Link E-Newsletter

Email [ecirec@ecirec.coop](mailto:ecirec@ecirec.coop) and ask to receive our newsletter via email.



### Energy Resource Center

Break down monthly energy costs. Click the Energy Resource Center icon at [ecirec.coop](http://ecirec.coop).



### Iowa Rural Power

Join grassroots advocates for Iowa's electric cooperatives. Visit [www.iaruralpower.org](http://www.iaruralpower.org).

## Smart Meter Installation Update

*a Keeping the Lights On notice*

Installation of approximately 1,300 smart meters on approximately 1,100 member accounts in the Lindahl and Shellsburg substation areas was completed in mid-April. Postcards were sent notifying 582 members in the BECCA substation area that their meter installations would begin in mid-April.

**REMEMBER** to please keep your meter area(s) clear and accessible so Chapman Metering technicians can easily access it.

The ECI REC team is here to address any questions you may have about the new meters. Please feel free to call 877-850-4343 or email [ecirec@ecirec.coop](mailto:ecirec@ecirec.coop) if you have any questions.



**BUILDING A  
SMARTER  
COOPERATIVE**