

Annual Meeting of the Members to Be Held June 19

by Steve Marlow, ECI REC CEO |
a Cooperative Difference article

AS A MEMBER AND OWNER OF ECI REC, you play an important role in the Cooperative. You choose people to represent you on our Board of Directors, and these leaders make critical business decisions throughout their terms.

This year members will have the opportunity to vote for four positions on the Board. There are three positions from district 1, the Benton County area, up for election this year, and there is one position from district 2, the Buchanan County area. You can review the territory maps and names of the candidates on page 4.

We encourage you to come and take part in this important part of being a member of ECI REC. In addition to elections, we will share highlights from the past year and our plans for the future. You'll enjoy a free meal, a gift of an insulated grocery tote, and the chance to win some great prizes. We appreciate our members and look forward to seeing you at the Annual Meeting!

>>> Turn to page 4 for Board Nominees and district maps

2014 your cooperative advantage

MARK YOUR CALENDARS!

ANNUAL MEETING

Thursday, June 19, 2014

Independence High School,
1207 1st Street West

Registration: 10:30 a.m.

Business meeting: 11:00 a.m.



BOARD BULLETIN

President and CEO Report

by Steve Rau, Board president and Steve Marlow, CEO

2013 RESULTS

Last year ended on a strong note. Due to a large demand for electricity during fall crop drying and colder-than-normal temperatures, ECI REC had the strongest final quarter in its history. The Cooperative also experienced existing member upgrades and the addition of new members which allowed us to meet our short and long-term financial targets. Kilowatt hour sales for 2013 were 2.4% above budget and 7.9% over 2012. Margins were \$2,018,488, which is \$1,017,286 over the budgeted amount of \$1,001,202. These were among the factors that contributed to the Board's decision to not budget a rate increase for 2014. The last rate increase was in 2012 and was 2.5%. Also last year, the management team worked hard to propose a budget that would decrease expenses for 2014 from 2013. Using technology and realigning job duties cut down costs without compromising service or reliability.

In 2013, your Board continued to invest in the distribution system to keep the lights on and accommodate future increase in demand for electric power. Our contractor is rebuilding 246 miles of old distribution lines, completing another 150 miles in 2013 for a total of 191 miles. This work is financed in part by a federal FEMA grant; ECI REC will pay only 15% of the total cost. We also completed construction of a new wireless communications network so that we can better monitor conditions on our lines.

We also upgraded another 5 substations in 2013, bringing the total completed to 10; 18 substations upgrades are planned. These upgrades are necessary because the owner of the transmission system, ITC Midwest, is changing the voltage of the electricity serving these sites from 34,500 volts (34.5 kV) to 69,000 volts (69 kV). We are taking the opportunity to install larger transformers and new circuit breakers controlled by state-of-the-art electronics. These investments will last for 50 years and will result in fewer and shorter outages and greater reliability.


2014 EXPECTATIONS

Regarding the distribution system, we are planning on investing \$3.63 million in system improvements and \$2.6 million in preventative and ongoing line maintenance programs. Our contractor will finish rebuilding the remainder of the 246 miles and complete the FEMA mitigation project. We have scheduled two additional substation upgrades in 2014 and two in early 2015. We are also planning to rebuild another 22 miles of line that was targeted in our four-year Construction Work Plan. Both our website (www.ecirec.coop) and our Facebook page will keep you informed of where

Continued on page 4

the crews are working. Our entire system should be connected to the new communications network by the end of this year.

If you pay your electric bill online, you are already using our new payment system. It is part of a new communications platform called SmartHub. You can access this site from your desktop computer or with an app from your mobile device. From SmartHub you can see your past usage, past bills, or e-mail us. Last spring, you saw a new look to your monthly bill—it has additional information on it. Please let us know what you think of it. If you do not want to receive a paper bill, we can now send your monthly bill to you electronically. Call our Urbana office for more information.

Additionally, we have introduced a new online tool to help you use electricity and other fuels more efficiently in order to keep your energy costs under control: the HomeEnergyCalculator. This software is accessible from your computer, and with it you can download your actual usage from our billing system and learn inexpensive ways to cut your energy bill. It will also suggest energy-saving investments you can make to your home to save money. 

YOUR BOARD

- Board District 11 - Jeff Elliott
- Board District 12 - Chris Sackett
- Board District 13 - Allen Albers
- Board District 15 - Bill Frazier
- Board District 17 - Burt S. Byers
(2013/2014 Vice President)
- Board District 21 - Don Shonka
(2013/2014 Asst. Secretary/Treasurer)
- Board District 23 - Jim V. Alberts
(2013/2014 Secretary/Treasurer)
- Board District 24 - Lloyd Bathen
- Board District 26 - Steve Rau
(2013/2014 President)
- Board District 27 - Ryan Kress

Scan with your smartphone to see the director map online.

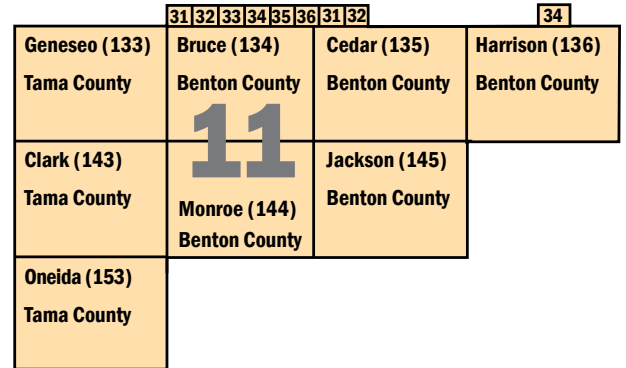


2014 Board Election Nominees and District Maps

DISTRICT 1 – BOARD DISTRICT #11

Running: Jeff Elliott (incumbent) and Mark Kotouc

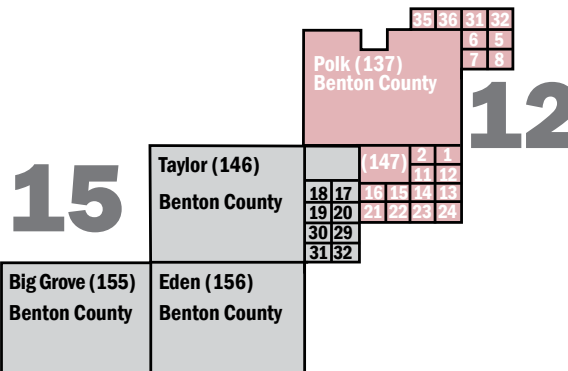
Serving: Big Creek (Sections 31-36) and Spring Creek (Sections 31-32) Townships in Black Hawk County; Jefferson (Section 34) Township in Buchanan County; Geneseo, Clark, and Oneida Townships in Tama County; Bruce, Cedar, Harrison, Monroe, and Jackson Townships in Benton County.



DISTRICT 1 – BOARD DISTRICT #12

Running: Chris Sackett (unopposed)

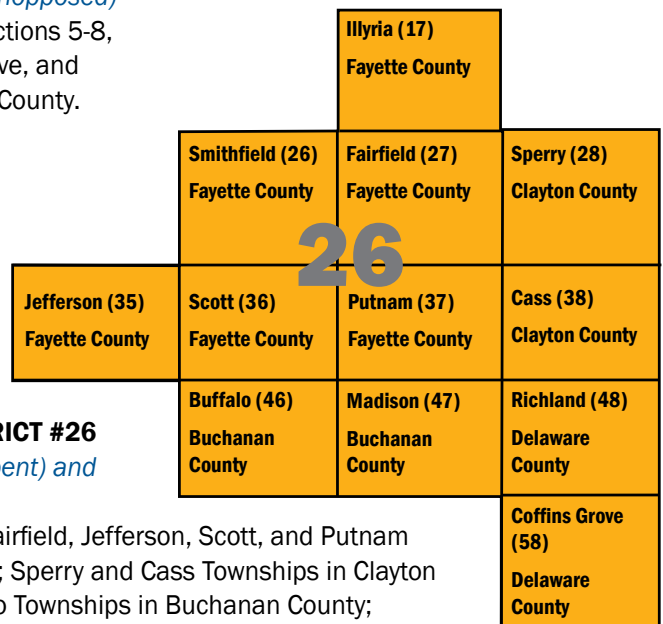
Serving: Cono (Sections 31-32) and Homer (Sections 35-36) Townships in Buchanan County; Polk (all Sections less Section 4) and Benton (Sections 1-4, 9-16, and 21-24) Townships in Benton County; Grant (Sections 5-8) Township in Linn County.



DISTRICT 1 – BOARD DISTRICT #15

Running: William Frazier (unopposed)

Serving: Taylor, Benton (Sections 5-8, 17-20, and 29-32), Big Grove, and Eden Townships in Benton County.



DISTRICT 2 – BOARD DISTRICT #26

Running: Steve Rau (incumbent) and Harlan Peterson

Serving: Illyria, Smithfield, Fairfield, Jefferson, Scott, and Putnam Townships in Fayette County; Sperry and Cass Townships in Clayton County; Madison and Buffalo Townships in Buchanan County; Richland and Coffins Grove Townships in Delaware County.