



BOARD BULLETIN

2014 Budget Approved With No Rate Increase

by Steve Rau, Board president

Your Board of Directors is happy to report that 2013 ended on a strong note. So strong, in fact, that no rate increase was budgeted for 2014. The last rate increase was in 2012 and was 2.5%.

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.

The management team worked hard to propose a budget that decreases expenses for 2014 from 2013. Using technology and realigning job duties cut down costs without compromising service or reliability.

As always, keeping your lights on at an affordable rate is your Cooperative's top priority. We are providing a breakdown of the 2014 budget for you so that you may see where your dollars are invested.

The budget includes \$3,630,000 in system improvements. Some of the improvements include:

- \$125,000 in new services construction
- \$1,700,000 to replace old lines
- \$400,000 in substation upgrades
- \$434,000 in new transformers, meters, and special equipment
- \$162,000 in member services upgrades
- \$275,000 in sectionalizing equipment
- \$290,000 in pole replacements
- \$150,000 in miscellaneous line replacements

These system upgrades are part of our 2013-2016 Construction Work Plan and make it possible to accommodate new growth and improve reliability of your electric service.

The budget includes \$2,600,000 in preventative and ongoing line maintenance programs including pole testing and meter testing, tree trimming, and transformer and breaker maintenance.

Also budgeted is \$526,000 in member account expenses such as meter reading and billing.

Member informational expenses account for \$355,000 in the budget, covering energy efficiency assistance, social media, the website, newsletters, and advertising.

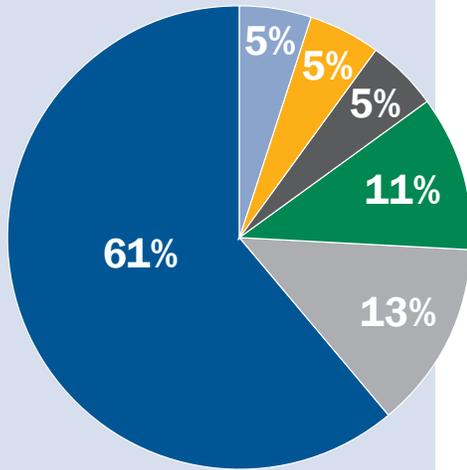
There are \$95,000 in sales expenses: economic development and promotional items.

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Finally, we budgeted \$1,300,000 for administrative and general expenses.

In closing, your Board also wanted to share a brief summary of the 2013 budget now that the year has concluded. 

How Your REC Dollars Were Spent in 2013



-  Cost of power
-  Depreciation, taxes, administrative and general expense
-  Operations and maintenance
-  Interest
-  Consumer accounts, service, and information
-  Operating margins

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.



Photo credit Lisa Franck

Operations Department Reviews Construction Work Plan for 2014

a Keeping the Lights On update

MEMBERS OF THE ECI REC OPERATIONS TEAM, including Foremen Tom Schmitt and Kevin Walton, Operations Manager Gary Marlow, Engineering Design Technicians Sam Garwood and Dave Henkes, Operations Assistant Teresa Schremser, Engineering Technician Scott McLaughlin, and Cost Records Administrator Jennifer Schmitz, recently met to review the current Construction Work Plan. One main area of focus from the Work Plan that will be in progress in the coming months are the line rebuilds throughout the service territory as well as the ongoing upgrades to 69 kV systems at the Walker, BECCA, Lindahl, and Shellsburg substations.

Every four years, the Cooperative revises its Work Plan, which outlines the distribution system construction program. Working with an outside consultant, recommendations are made for upgrading the system as necessary to provide adequate service to both new and existing consumers in accordance with criteria established by Rural Utilities Service and ECI REC. The Work Plan is essential to secure loans to finance the proposed construction projects. 



Photo credit Larissa Kolas

Nominating Committee Works Toward 2014 Election

Members of the Nominating Committee, which was responsible for collecting the names of potential Board of Directors candidates for the 2014 Board elections, gathered at a meeting at Urbana headquarters on January 17. Candidates were confirmed at a February 27 meeting. Thank you for helping to make one of the benefits of cooperative membership—democratic governance—a reality! Pictured from left to right: David Peck, Steven Kromminga, Joel Schmitz, Richard Booth, John Breuer, John Lemert, Marvin Grimm, and Jerry Paul. Not pictured: Robert Hanson and Shawn Kreutner.