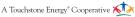
# **POWERNotes**





IIINF 2023

## VIRTUAL ANNUAL MEETING OF THE MEMBERS Resilient Roots, Sustained Commitment

Wednesday, June 28, 2023 | 11:00 a.m.

### How Do I Attend?

Visit ecirec.coop and look for the yellow button at the top of the home page, which will take you to the Annual Meeting of the Members page. Look for the green JOIN NOW button. The virtual meeting room will open at 10:30 a.m.

### Are There Prizes?

Of course! Twelve \$50 bill credits and two \$100 bill credits will be given away as grand prizes this year.

Visit the 2023 Annual Meeting page on our website for details:



### How Do I Vote?

Ballots were mailed out on May 26, and online voting is now open. All votes—online and mail-in—MUST be received by June 26.

- MAIL A ballot has been mailed to every member with a self-addressed and stamped return envelope.\*
- 2 SMART HUB Log in to SmartHub at ecirec.smarthub.coop and click VOTE NOW. Please note: SmartHub voting must be done in a web browser, not the SmartHub mobile app.
- ONLINE Click the blue VOTE NOW button located on the home page at ecirec.coop. Enter your voter number and election passcode, which were listed at the bottom of your mailed ballot. Follow online voting instructions.

### 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

\*ECI REC partnered with Diamond/OSG to administer the Annual Meeting mailing and ballot validation processes. They will tabulate all the ballots, both paper and online

# LOOK for the white bucket truck and the white tent.

### Remember to Visit Us at the Benton and Buchanan County Fairs!

Benton County Fair: Friday, June 23, 2023 1801 2nd Ave., Vinton | 4 p.m -7 p.m.

Buchanan County Fair: Thursday, July 6, 2023 204 12th St., Independence | 4 p.m.-7 p.m.

Scan to find a printable copy of the form on our website. Available

FAIR ENTRY FORM: Complete and turn in at either
county fair for the chance to win a \$50 bill credit!

   F	First & Last Name:	
,   	Service Location/Street Address:	
1	Town:	Zip:
(	Contact Phone:	
E	Email:	

2400 Bing Miller Lane | PO Box 248 | Urbana, IA 52345-0248 | Toll Free: 877-850-4343 Email: ecirec@ecirec.coop | Web: www.ecirec.coop | facebook.com/eastcentraliowarec



**CEO TERESA FLOYD** 

### **Message From the CEO:**

# What Are the Limitations on Retiring Patronage Dividends to the Membership?

Because ECI REC is a nonprofit organization, our members pay for electricity at cost. Margins left over at the end of the year after all expenses are covered are often allocated to our members in the form of patronage dividends.

Usually, these dividends are distributed as a credit on our members' June electric bills. However, this year patronage retirement will either be delayed until later in 2023 or postponed until next year. In this message, we'll give you a full picture of why this change is occurring by delving more deeply into where patronage dividends come from and the limitations on their retirement.

What are patronage dividends? Patronage dividends represent any margins left over at the end of the year after your Cooperative has covered all its expenses.

As owners of the Cooperative, you provide equity by allowing ECI REC to hold on to these margins for a certain length of time. They are used to finance operations and system improvements, cover the cost of maintaining the electric distribution system, and more.

#### How does ECI REC decide whether to retire patronage dividends?

Subject to law, ECI REC's Articles of Incorporation, and our bylaws, the Board of Directors has sole discretion over the allocation and retirement of patronage dividends.

At the May meeting, your Board reviews the feasibility of retiring patronage. The Board has a set policy to return a target amount of \$500,000 back to the membership each fiscal year, if it believes ECI REC to be in good balance financially and strategically. In the past five years, the Board has returned over \$2.7 million in patronage to our membership.

While the retirement of patronage is a fundamental principle of cooperatives, there are instances where this practice may be restricted or limited. For instance, ECI REC's poles and wires sustained approximately \$10 million in damage from a winter ice storm in 2007. That year, the Board decided to use all available funds to help pay for repairs to the distribution system, rather than retire patronage.

Regulatory requirements, the need for financial stability, debt obligations, and strategic reinvestment can all influence the allocation of patronage dividends.

What is changing this year? Your Cooperative's financial position is strong. Our equity is adequate, and margins have been improving since the March 1 rate increase. We are also meeting all our obligations for debt, the cost of purchased power, and

day-to-day expenses. But because we delayed the increase in rates as long as possible, our cash position has significantly lowered. The cost of maintaining and improving a reliable electric grid has also risen greatly over the past three years.

After working diligently to assess all these variables, your Board of Directors has decided to use our cash to fund operations, maintenance, and system improvements, rather than retire patronage dividends this June. This decision ensures that we are not limited as we work to provide reliable, quality service.

Please be assured, this is just a postponement until our cash position has improved. Any new debt will be for capital improvements only. If you have questions, please call us toll-free at 877-850-4343 or email ecirec@ecirec.coop.



#### **PARTICIPATING LOCAL BUSINESSES:**

Emmy Lou Candles | Polar Blair's Den | Cy & Charley's Tire & Appliances
E & T NAPA Auto Parts | Fabulous Fridays
Heartland Acres Agribition Center | Cameron Clothing Company
Michael & Dowd | Styles Unlimited | Berry's Lanes, Inc.
In the Country Garden & Gifts | Frazier Nursery | Henkle Creek Mercantile
Subway (Vinton) | Viking Sewing Center | The NEWS/Buchanan County Review

Remember to show your app or your Co-Op Connections card when you visit the Benton and Buchanan County Fairs!



VISIT WWW.CONNECTIONS.COOP FOR MORE INFORMATION.

### **MEMBERSHIP BENEFITS**



Your Co-op Connections® Card offers you Healthy Savings and local and national deals. Use your card to start saving today! Questions? Email coopconnections@ecirec.coop.



Use SmartHub to pay for FREE online! Visa, Discover, American Express, and MasterCard accepted. While you're there, view your monthly usage data in helpful chart formats.