



Current News

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A monthly publication for the members of Eastern Iowa Light & Power Cooperative

Board officers elected and new directors join board



Following the 89th Eastern Iowa REC annual meeting Sept. 5, the board met in a re-organizational session and elected the five board officers. Three new directors, elected during this summer's district meetings, Aubrey "Lee" Cartwright, Charlotte, District 1, Denise Timmerman, New Liberty, District 2 and Gary Bruns, Wilton, District 3, began their three-year terms of office. The officers and current board include, front from left: Gary Kester, Assistant Secretary Henry Bentley, Secretary Kurt Olson, President Kathy Wunderlich, Vice President Ken Purdy, Treasurer Mike Bixler, and Cartwright. Back row from left: Allan Duffe, Bruns, Robert Schneider Jr., Joel Carstensen, Bradley Weiss, Timmerman, Tom Hotz, and Mike Shuger.

Director nomination process starts Jan. 2

During the Eastern Iowa REC district meetings each summer, elections are held for positions on the Cooperative's board of directors. For those thinking about serving on the board, the first step is to complete the nomination process which starts next month.

Potential director candidates are asked to submit an address verification form. This will enable the Cooperative to ensure the potential candidate is eligible to run within the district they indicate on the form.

More ELECTIONS see page 2.



Defined electric service areas protect rural Iowans

By Leslie Kaufman, executive vice president and general manager of the Iowa Association of Electric Cooperatives

At the Iowa Association of Electric Cooperatives, we are constantly monitoring issues that could impact the people and rural communities served by Iowa's electric cooperatives. Our state's 2025 Legislative Session will begin on January 13 and IAEC will prioritize efforts to ensure Iowa's law regarding defined service areas is not undermined. I'd like to explain why this **More SERVICE AREA** see page 3.



Leslie Kaufman

Director nomination material available Jan. 2

ELECTIONS from Page 1.

Information regarding the district boundary map, qualifications to seek election, director compensation, director duties, responsibilities, Standards of Conduct and characteristics of a director can be found on the Cooperative's website, www.easterniowa.com/my-coop/ or call 1-855-938-3616 to request the information.

Potential candidates should return a petition signed by at least 15 members of their district to the Cooperative by April 1.

All candidates submitting qualifying petitions will be asked to fill out a brief biographical form and return it to the Cooperative by May 15. This information will be used for the candidate profiles which will be published prior to the elections. All profiles will be published verbatim, as submitted.

The nomination process puts no limit on the number of candidates in a given district.

To serve on the board:

- A candidate must hold an active membership and be a bonafide resident in the district he or she is to represent.
- A candidate cannot be in any way employed by or financially interested in a competing enterprise or business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative.
- No close relative of a candidate, as defined by board policy, can be employed by the Cooperative.

This nomination process in no way screens or filters potential candidates for seats on the Cooperative's board. Anyone who successfully completes the nomination papers and meets the qualifications

as described will be placed on the ballot.

All candidates should note the time requirements of a director are more than the 12 monthly meetings. Directors should be prepared to devote an average of 25-30 days to Cooperative business-related activities each year.

At this time, one board seat is up for election in each of the five Cooperative districts. The elections will be held during the 2025 district meetings.

The incumbent directors whose terms expire in 2025 are: Kurt Olson, Grand Mound, district 1; Allan Duffe, Wilton, district 2; Henry Bentley, Durant, district 3; Tom Hotz, Lone Tree, district 4; and Kathy Wunderlich, Danville, district 5.

Director nomination packets will be available Jan. 2, 2025 online at www.easterniowa.com/my-coop/ or call 1-800-855-938-3616 to request a packet.

Cooperative drone being used for line patrol

The Cooperative is now using drones for line patrol. Earlier this month, Chad Ruden, member service lead staking technician and one of the Cooperative's three licensed drone pilots, flew the drone along a section of line north of Durant.

Using the drone allows Cooperative personnel to inspect sections of line faster, especially sections that aren't adjacent to a roadway.

The drone can reach hard-to-access areas and provide a bird's-eye view of power lines and equipment. The drone can also provide clear, close-up views of the condition of a pole and any hardware mounted on a pole.

Line inspections can identify potential problems before they can cause outages is an important part of keeping the Cooperative's system as reliable as possible.



Tanner Gardner, journey person line-worker (right), accompanied Chad Ruden during a recent drone line patrol flight to input the information obtained from the flight into the Cooperative's distribution inspection database.



From the controller, Chad Ruden can guide the drone as it flies and he can take pictures and video of what he observes using the camera mounted on the drone.



This is one of the views the drone camera captured of a poletop during a recent line patrol flight.



Chad Ruden (above left) prepares the drone for takeoff during a line patrol flight earlier this month. The drone was flown along a section of line north of Durant.



Comments from the CEO

Cost of service study is key to establishing new rates

As we bring 2024 to a close and look forward to 2025, we see a world and industry that is in a state of change. Among those changes, for Eastern Iowa REC, will be a rate adjustment some time during the new year.

Inflation has triggered price pressures among all industries and has impacted our ability to cover costs with our current rates. Our key financial ratios show a declining ability for our revenues to meet our minimum targets. As was mentioned at both the District and Annual meetings this year, the price we pay for new vehicles, equipment and hardware has risen sharply over the past few years. In some cases, these costs have increased more than 50%. These cost pressures have affected our financial ratios and indicate a rate adjustment is needed.

Everything you buy has a basic cost to provide the service or item, whether it is gasoline, groceries, a new home or car. Most purchases have a margin

above cost, or profit, the sellers want in order to make the effort of selling worth it. With an not-for-profit electric cooperative, our electric rates are only designed to cover the cost of providing electricity to members. In order to figure out the appropriate rates, a cost of service study (COSS) is done.

One of the first tasks of a COSS is to group members based on similar usage patterns. These groups are typically called rate classes. Your Cooperative has residential, commercial, irrigation and large power rate classes plus a few smaller classes. The next step in a COSS is to divide costs into three groups: purchased power costs, distribution costs and customer costs. This process is called "functional assignment."

Power costs include purchasing electric power, which for Eastern Iowa REC comes from Central Iowa Power Cooperative. Distribution costs include costs to install, operate and maintain the Cooperative's electric system. Member costs include preparing, sending and collecting monthly bills, meter expenses and member service costs.

Once the functional assignment is

complete, costs in each of those groups are separated into fixed costs and variable costs, a process called "classification." Fixed costs are those that are needed to transmit and deliver electricity from generation sources to the end user—Cooperative members—which include distribution lines, transformers and wires. Variable costs are the costs involved with the actual production of electricity, but also include things like wire losses. As electricity is transmitted through wires, some of the electricity is lost which happens as current flows through wires. Some fixed costs are divided between distribution costs and member costs.

The final and third step is referred to "allocation" where costs from the classification process are allocated to each rate class. Once the costs are allocated, the design of electric rates in each class are once again separated into fixed costs, variable costs and customer costs.

We last adjusted rates in the spring of 2022 and will continue to work with our consultant to establish our new rates. Details on this process will be shared as soon as they are finalized.

As we turn our focus to 2025, Eastern Iowa REC will continue working to provide the reliable, affordable electricity you expect and deserve—for today and tomorrow.



Kirk Trede
CEO

From the Boardroom, October, 2024

- Approved an update to the Cooperative's Revolving Loan Fund program.
- Approved SCADA and IT system improvement projects.
- Received a presentation on the Cooperative's net metering program.

The next board meeting will be held on December 19, 2024.

We are working to secure defined electric service areas in Iowa

SERVICE AREA from page 1.

law has been so crucial to our mission to serve co-op member-consumers.

What are defined service areas?

In Iowa, your location determines which electric utility will serve you. This regulatory protection is called defined electric service territory and the State of Iowa wrote Senate File 1258 into law almost 50 years ago to efficiently ensure that every square foot of our state has an electric utility obligated to provide service upon request.

Why do Iowa's electric cooperatives support defined service areas?

Electric co-ops are committed to safeguarding defined service areas because they protect rural Iowans by supporting affordable electric rates, fostering a resilient electric grid and encouraging economic development.

Defined service areas provide a high degree of certainty to Iowa's electric cooperatives which allows us to confidently make long-term investments in power generation to maintain affordable rates, finance major grid upgrades to ensure resiliency and utilize

new technologies to enhance service. Electric co-ops can also be proactive in maintenance and vegetation management to improve reliability for the homes, farms and businesses we serve every day. Additionally, defined service areas allow electric co-ops to robustly support economic development efforts in the communities we serve, which retain and create local jobs and provide needed services and tax revenue.

Any efforts to remove or weaken Iowa's defined service areas could result in higher electric bills and decreased reliability for Iowans. This issue is non-negotiable for Iowa's not-for-profit electric cooperatives, which are mission driven to power lives and empower communities by providing electricity that is safe, reliable and affordable.

Since the 1990s, several states have deregulated their electric utilities, but the hopes that competition would result in lower rates and improved reliability have not materialized. In fact, according to a 2023 New York Times investigation, "Deregulation has resulted in increased rates/fees in every state where it has been introduced." The report

goes on to conclude that "On average, residents living in a deregulated market pay \$40 more per month for electricity..." This outcome is unacceptable for the Iowans we serve.

We invite you to learn more about this issue at www.ProtectRuralIowa.com where you will also find links to research and studies on deregulation. Your locally owned electric cooperatives are working hard to safeguard defined service area protections that have benefitted Iowans since 1976.

Cooperative bylaws can be obtained online

In compliance with Title VI of the Civil Rights Act of 1964, copies of the bylaws of Eastern Iowa REC are available to anyone interested, either members of the Cooperative or the general public, at the reception counter of the headquarters office at Wilton, Iowa. The Bylaws are available online at www.easterniowa.com under the My Coop tab or you may call 1-855-938-3616 to request a copy.

2024 Shine The Light nominees recognized for volunteer work



Becky Hansen and Director Mike Shuger.



Director Kurt Olson and Marjorie Rock.



From left: Claudia Putnam, Dan Putnam, Director Ken Purdy, Hank Mann and Connie Jo Toyney

The Shine the Light contest, sponsored by the Iowa Association of Electric Cooperatives (IAEC), celebrates local volunteers who are making a positive impact on their communities here in Iowa.

This year 75 Iowans from across the state were nominated and the IAEC selected three grand prize winners.

Eastern Iowa REC members nominated four individuals, and while none were selected for the grand prize, Eastern Iowa REC and our power supplier, Central Iowa Power Cooperative, each made \$250 donations to the nominee's charities.

The 2024 Cooperative nominees included Marjorie Rock of Grand Mound, Dan Putnam of Letts, Becky Hansen of Wilton, and Janet Hesler of Danville.

Rock was nominated by Eunice Grell of Donahue for Rock's work with the Linus Project which makes quilts and blankets for children who are seriously ill or in crisis. For more on Project



From left: Janet Hesler, Joanne Beckman and Director Kathy Wunderlich.

Linus go to www.projectlinus.org.

Putnam was nominated by his wife, Claudia, for his work with the St. Malachy of Ardon Preservation Society. This group is working to restore and maintain this historic church near Letts. Visit the St. Malachys of Ardon Historic Church Facebook page for more information.

Hansen was nominated by Terri Becker for her work to support local veterans through the Wilton American Legion Auxiliary. Visit the Wilton American Legion Facebook page for details.

Hesler was nominated by Joanne Beckman for her work with the Danville Station Museum. The museum is part of the Danville Public Library and details the relationship a Danville girl developed with Anne Frank as a pen pal just prior to World War II. The museum includes many exhibits about Frank, the war and the Holocaust. For more information about the museum go to www.danvillestation.net.

Current News Monthly Quiz

Quiz Winners:

Ronald Fick,
Durant

Roselie Dunnegan,
DeWitt

David Young,
Tipton

Scott Starkweather,
Letts

Mail your answers to Current News, P.O. Box 3003, Wilton, IA 52778 or email answers to info@easterniowa.com. Be sure to include your name, address and Eastern Iowa REC account number on all quiz answer entries.

Four winners will be drawn from all submissions with the correct answers. The winners will receive a \$25 bill credit.

Question 1

When are the 2024 director nomination petitions due?

Question 2

Who was flying the Cooperative's drone on a recent line patrol flight?

Question 3

Name one of the Cooperative's "Shine The Light" contest nominees.

Name

Address

REC Account

Current News



BOARD OF DIRECTORS: Kathrine Wunderlich, president; Ken Purdy, vice president; Kurt Olson, secretary; Michael Bixler, treasurer; Henry Bentley, assistant secretary; Gary Bruns, Joel Carstensen, Aubrey "Lee" Cartwright, Allan Duffe, Tom Hotz, Gary Kester, Robert Schnieder Jr., Mike Shuger, Denise Timmerman, Bradley Weiss.

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