



ALLAMAKEE
CLAYTON
ELECTRIC COOPERATIVE

Your Touchstone Energy Cooperative

ANNUAL REPORT

Powering Your Today; Preparing For The Future

BALLOT ENCLOSED

YOU'RE INVITED!

Please join us for our
**ANNUAL MEETING
DRIVE-THROUGH**

Monday, September 11, 2023
1:30 – 6:30 p.m.

**Allamakee-Clayton Electric
Cooperative Headquarters**

Director elections for Districts A and C will occur via mail or can be dropped off during the drive-through service at the Cooperative on Monday, September 11, 2023, from 1:30 p.m. to 6:30 p.m. Employees and directors will greet you, provide people in the vehicle with a hot to-go meal (while they last), and give you your annual meeting gift. In addition, the Co-op will enter all attendees into a drawing for a bill credit.

OUR MISSION

Allamakee-Clayton Electric Cooperative is dedicated to enhancing the quality of life for our members, partners, and neighbors by providing safe, reliable, and affordable electric services and other innovative solutions.

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PRESIDENT AND GENERAL MANAGER REPORT

Since 1938, Allamakee-Clayton Electric Cooperative has provided a much-needed service to rural residents, farmers and businesses in northeast Iowa. True to our mission statement, we strive to enhance the quality of life for our member-consumers, our partners and our neighbors by providing safe, reliable and affordable electric services and other innovative solutions. We are powering your today while preparing for the future. That nod to our history while keeping our eyes to our future is what guides us as we provide fiberoptic internet to underserved areas. It's the motivation behind meeting with local legislators and advocating for what Northeast Iowa needs. It's why we are looking at solar, electric vehicles and other energy options.

But at the root of our decisions is you. As a member of Allamakee-Clayton REC, you have a say in the way the Co-op runs. You have a share in the success of the Co-op. You vote for the members of the Co-op Board of Directors at the annual meeting. It's why we've chosen to again hold our annual meeting as a drive-through, so we can interact with every single vehicle and member that comes through our facility on September 11.

KEEPING COSTS REASONABLE

Looking back over the past year, there are a lot of reasons to be positive about



JEFF BRADLEY
PRESIDENT



HOLLEE MCCORMICK
EVP | GENERAL
MANAGER

what we accomplished. We met our goal of providing safe and reliable electrical services to our members while dealing with some challenges that were beyond our control. Perhaps the best example of this was the extreme weather conditions we experienced just days before Christmas. Despite Mother Nature, we were able to keep the lights and heat on while families began to gather for the holiday. We've also weathered supply chain interruptions, which have driven up the costs for the materials we need. Despite these challenges, we've been able to continue delivering great value. During the year, we added/upgraded 25 miles of distribution to our lines while enhancing reliability. We've implemented methods to share employee time and other specialized services and equipment with other cooperatives. We were able to stretch our rate for three years rather than the two we anticipated, all while providing the same quality service.

MEETING WITH OUR MEMBERS

At the heart of our Cooperative is our members. This year was no exception. We held our first Annual Member Appreciation Picnic in June of 2022. This event was designed to "break bread" with our members. We enjoyed our second annual picnic this past June even more. It's an opportunity to serve you a meal, sit down and chat about what's important to you. It's also a great way to

POWERING YOUR TODAY; PREPARING FOR THE FUTURE

show our younger members the benefits of the Cooperative. We had another enjoyable summer of meeting members at countless community activities like the county fairs and parades.

ASSISTING OUR COMMUNITIES

Allamakee-Clayton Electric Cooperative also supports the communities in northeast Iowa. We work closely with economic developers and the area chambers of commerce to aid local businesses and bring new businesses to the area. In 2022, we were able to assist five local entities with funding for projects. Through the use of the Revolving Loan Fund, we were able to help Rivertown Dentistry purchase new equipment, the city of West Union replace pavers in their business district, and K9 Country purchase equipment for its new dog boarding and daycare facility. The Postville Chamber purchased a sign to advertise available lots in industrial park through our Cost Share Program. Finally, ACEC was able to collaborate with Dairyland Power Cooperative and MiEnergy Cooperative to access funds through the USDA's Rural Economic Development Loan and Grant program to assist the Northeast Iowa Child Development and Discovery Center. There are more projects on the horizon for 2023 and beyond.

Our support for the communities goes beyond helping them secure funding. Our employees are integral members of Northeast Iowa. Annually, they donate over 1,000 hours of volunteer time to organizations such as their local church, youth athletics and the schools. We have several volunteer firefighters and EMTs on our staff. We are proud of their contributions.

LAYING FIBER

ACEC began supplying satellite internet services to customers in 2005. Since then, we've expanded our services to keep up with the newest and best technology. Our ACSkyways division has been endlessly

working to bring fiberoptic internet to our service area. We've been able to secure just over \$8 million in funding through the Office of the Chief Information Officer of the State of Iowa (OCIO), which has helped us build 367 miles of fiber. This year saw our office deploy fiber in the Waukon area, as well as explore options for future projects, including 169 miles of fiber scheduled for 2023. Our three-person installation crew has been able to provide services to 1,000+ (and growing) subscribers. We look forward to expanding our service area to provide even more members with the gold standard of internet service.

YOUTH

Our members aren't just those who are old enough to have a drivers license. We aim to show our youngest members the Cooperative difference. In 2022, we were thrilled to welcome back the Annual REC Youth Tour program. After being on hiatus for two years due to the pandemic, we sent two local students on a week-long tour in Washington D.C. with over 40 other students from the state of Iowa and hundreds nationally. In addition, we awarded seven scholarships to local students who are interested in pursuing a career in the electrical field. We hosted Co-Op Career Day for area high school students, and attended several career fairs. Our future with these young leaders is bright.

LOOKING AHEAD

We will continue to do all we can to be there for you, whether by offering energy-saving tips to keep your costs low or directing you to resources on energy assistance. We are committed to supporting you and our local communities and bringing the best and safest technology to our members.

We are powering your today while preparing for what the future brings. As always, stay safe, and we look forward to seeing you at our annual meeting drive-through on Monday, Sept. 11.

2022 DAIRYLAND DIRECTOR REPORT

Safety first for a sustainable future



Safe, reliable and sustainable power is a shared vision for Allamakee-Clayton Electric Cooperative, Dairyland Power Cooperative and its member Co-ops. To ensure electricity reaches your homes and businesses when you need it, Dairyland and its Board of Directors consider the economic impact on members, technological feasibility, social implications and environmental responsibility when making decisions.

Safety is Dairyland's highest priority, as well as the top priority for ACEC. To improve its safety culture, Dairyland emphasizes open communication and an environment where all employees are empowered to put safety first. In 2022, Dairyland achieved 260 days without a lost-time injury as they strive for an operational goal of "zero incidents." A **People 1st** culture supports safety. Dairyland values employee experience and engagement, and was recently certified a Great Place to Work®.

Dairyland takes a balanced and measured approach in their commitment to reduce its carbon intensity 50 percent by 2030 (from 2005 levels). **Asset reliability and diversification** are essential. To safely meet the region's energy needs, utilities must take an all-of-the-above approach for power plant fuel sources.

As one of 10 utility members of Grid North Partners, Dairyland supports the Midcontinent Independent System Operator's (MISO's) approval of the first set of projects in its Long-Range Transmission Plan. These projects will ensure reliability and resilience, deliver carbon-free energy, and help keep bills affordable for members. Projects will be located near or along existing transmission or other infrastructure corridors reducing impacts to landowners by sharing rights of way.

Construction continues on the 102-mile, 345-kilovolt (kV) Cardinal-Hickory Creek transmission line, which will connect Dubuque County, Iowa, to Dane County, Wis., of which Dairyland is a 9 percent owner. Although this project has drawn opposition from conservation groups, there are currently 115 renewable generation projects totaling 17 gigawatts (1,000,000 kilowatts = 1,000 megawatts = 1 GW) that are depending upon its construction, which would be enough to power millions of homes with clean energy.

As the utility industry lowers its carbon intensity, renewable-enabling natural gas facilities will be crucial to keep the lights on. Throughout MISO's footprint, wind and solar provided 15 percent of all the electricity generated in 2022. The balance was covered by coal (35%), natural gas (33%), nuclear (14%) and other (3% - hydro, diesel, biomass, storage, demand response resources). In 2022, both RockGen (Cambridge, Wis.) and the Elk Mound Combustion Turbines (Elk Mound, Wis.) set their second-highest generation levels, providing reliable sources of power during times of critical electricity demand.

Last May, the John P. Madgett generating station (Alma, Wis.) set a daily gross generation record of 9,625.34 megawatt-hours (MWh). The baseload generation provided by JPM is critical to regional electricity reliability, and financially beneficial to Dairyland and its members. Coal is delivered to JPM via train and Dairyland secured a second train set for coal deliveries to maintain sufficient coal levels throughout the year. On Dec. 22, 2022, the Dairyland system set a new winter peak demand of 1,038 MW, and Dairyland was grateful to

have fuel available to keep our homes warm during the pre-holiday cold snap. I am proud that Dairyland and ACEC were able to keep the lights on and heat going just days before the holiday.

The Nemadji Trail Energy Center (NTEC) will be a 625 MW combined-cycle natural gas plant in Superior, Wis. The proposed plant will be a critical-capacity, renewable-enabling resource to ramp power up and down quickly to adjust for the intermittency of renewable energy generation.

Genoa Station #3's retirement in 2021 aligned with Dairyland's Sustainable Generation Plan to diversify its energy resource mix. Safe demolition and decommissioning (D&D) at the site will continue through at least 2024. Following the completion of a redevelopment and reuse study in early 2022, Dairyland continues to explore opportunities for site reuse that align with its continued operational needs.

Fiber communications projects are underway to meet Dairyland and its members' telecommunication needs, and to help enable broadband internet service for rural areas. Dairyland is laying the foundation to pursue grant funding opportunities, including a \$15 million National Telecommunications and Information Administration (NTIA) middle-mile fiber broadband grant.

Fiber has been a big project for our ACSkyways division. This past year saw our fiber team expand service into the Waukon area and southwest Allamakee County. Overall, we've built hundreds of miles of fiber, helping bring high-speed internet to over 1,000 customers.

Growth and innovation will drive the transition to a lower-carbon future. Dairyland

signed a memorandum of understanding with NuScale Power to explore nuclear as a non-carbon emitting, 24/7 option through small modular reactor (SMR) technology.

Dairyland and its member cooperatives are national leaders in the establishment of electric vehicle (EV) charging infrastructure. Since 2018, Dairyland has supported the installation of over 150 EV chargers throughout its service territory. Dairyland funded and assisted with installation of the first EV fast chargers at Kwik Trips in Wisconsin (Holmen) and Minnesota (Stewartville) with Riverland Energy Cooperative (Wisconsin) and People's Energy Cooperative (Minnesota). The 180 kW fast chargers are more than three times faster than the average fast charger.

Dairyland's newest in-house EV investment is a Ford E-Transit cargo van. The zero emissions vehicle has a 120-mile range that covers all daily delivery needs for its Powered

Printing (formerly Publication Services) team. A rebrand in 2022 for the department visually reflects the quality graphic design, print and mail services the team provides to their growing customer base, including Allamakee-Clayton REC.

Being a member of Dairyland Power gives our cooperative's employees access to the services provided by Powered Printing (graphic design, printing and mail services), as well as the expertise of Dairyland's economic development team. This three-person team works closely with member cooperatives on business retention and expansion, attraction and community development initiatives. They collaborated with Dairyland's distribution cooperatives to secure \$5.1 million of economic development financing to support projects for local communities, including \$1.5 million Allamakee-Clayton was able to utilize for Sunflower Daycare in Decorah in their efforts to build a new facility and child development center.

department which resulted in a 30-percent reduction in spending.

Last October, the Board of Directors approved the 2022 capital credit retirement of more than \$4.9 million, and an additional \$5.2 million in revenue volatility adjustment (RVA) credits returned to Dairyland's member cooperatives, like us.

Electric cooperatives are not immune to the effects of increased fuel prices, early power plant retirements, supply chain congestion, increased equipment costs and international unrest. Dairyland implemented a 5.63 percent average wholesale rate increase in the power it sells to its member cooperatives, including ACEC, effective Jan. 1.

This year marks the 25th anniversary of Touchstone Energy. Later this year, Dairyland will be collaborating with its member cooperatives – which are all Touchstone Energy® Cooperative members – on a Day of Service, which will bring out cooperative employees to volunteer on projects around Dairyland's four-state service territory. ACEC plans to also celebrate its surrounding areas by participating in the Day of Service. Volunteer work is near and dear to our cooperative. Our employees donate over 1,000 hours of their time to volunteer work.

As your representative on the Dairyland Board of Directors, I assure you the Board meets every month with you – our members – top of mind. We bring the voices of our cooperatives to Dairyland and make sure decisions will keep the lights on for you and your community.



JEFF BRADLEY
ACEC BOARD
PRESIDENT

DAIRYLAND POWER
BOARD DIRECTOR

Value of Electricity

1 pair of new jeans = **685 hours of running the washing machine**

Based on 13 cents per kWh, a \$48 pair of jeans and a clothes washer that uses 300 kilowatt-hours.

Dairyland also takes a balanced and measured approach to its **financial and competitive strength**. Dairyland has credit ratings of "A3" with a stable outlook from Moody's and "A+" also with a stable outlook from Standard and Poor's.

In 2022, Dairyland was \$15 million under budget through fuel management and divisional cost control, which helped offset increase power market prices. Dairyland established an internal legal

DISTRICT A CANDIDATES

MICHAEL D. GIBBS

Waterville, Iowa | Center Township

Mike owns and operates a 500-cow dairy/grain farm and transport entity in partnership with his sons, Shawn and Chris. He has farmed in Allamakee and Fayette counties for nearly 50 years. He and his wife, Cindy, have four children and 15 grandchildren. Mike has been an ACEC member since 1975 and a board member since 2008.



Mike is a big advocate of employee safety. "My main focus is that every ACEC employee goes home to their family every night." He says that linemen work in a very dangerous environment and he wants them to have all the safest, best, up-to-date equipment available. Mike supports co-ops helping other co-ops in the restoration of power in case of emergency (ROPE).

Mike understands the movement towards clean air with solar, wind and renewables and is happy to see Dairyland Power Cooperative explore options into energy sources beyond coal plants.

"I take my fiduciary responsibility seriously, balancing a stable and secure bottom line with fair, affordable cost of service to our member-consumers."

CINDY HEFFERN

Harpers Ferry, Iowa | Taylor Township

Cindy is a rural resident of Allamakee County and is employed at Peoples State Bank in Harpers Ferry. She and her husband, Jack, have five children. They've been ACEC members since 1987. Cindy has been on the board since 2017.



Cindy has served on the education board and in the rosary society for St. Ann – St. Joseph Catholic Church, is past president of the Waterville Elementary parent group association and served as historian for Thrivent Financial. She also is a member of the Allamakee Scholarship Fund. Her family runs a beef and crop Century Farm near Harpers Ferry.

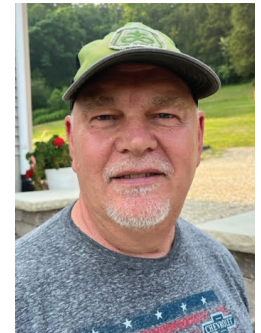
"Since being on the board at ACEC, I have learned so many things. It's an ever-changing industry and it's important to stay informed. Keeping an open mind regarding energy generation is important, as well as the other innovative solutions that the Co-op offers," she said. "Allamakee-Clayton has done a great job at meeting the needs of its members and keeping the seven principles of a cooperative."

The Co-op excels at providing safe, affordable, and reliable electric service. I hope to help carry on that tradition."

RANDY HOVER

Dorchester, Iowa | French Creek Township

Randy is the retired general manager of Waukon Harley-Davidson/Waukon Power Sports. He currently works part-time farming and delivers vehicles for FleetWash. He is a 1978 graduate of Crestwood High School and a 1982 graduate of Central College in Pella. He and his wife, Lori, have two daughters and five grandchildren. He has been a member of the Co-op since 2002.



If Randy is elected to the board, he believes he would "assist in making informed decisions that benefit the Cooperative and ensure affordable energy to all its members now and in the future. I feel I can offer good decision making, creative solutions, problem solving, teamwork, brainstorming, work ethic and leadership skills."

Having been a member for over two decades, Randy believes other members expect "competitive, consistent services as well as the newest technology available." He also believes in looking into every possible option for utilizing resources in the area.

"I think it's important that we explore clean energy sources like wind and solar to cut energy demand, reducing the need for fossil fuel power and focusing on renewable energy sources that can help in avoiding environmental impacts from air pollution," he said.

MARK KRUSE

Lansing, Iowa | Lafayette Township

Mark started his dairy farm in December, 1977 in Lafayette Township. He converted the farm to an organic production in 1987 and began selling organic milk to Organic Valley in 1994. While the dairy herd was sold in 2001, they currently raise the remaining young stock, hay and grain. He and his wife, Marcia, graduated from Loras College. They have five children and 13 grandchildren.



Mark is currently a Lafayette Township Trustee and an Immaculate Conception parish council member. He previously served on the Board of Directors of CROPP Organic Valley for 23 years, holding the offices of Vice President, Finance Committee, Personnel Committee

and Hedge Committee.

With his previous experience and expertise, Mark thinks he'd be a strong candidate to serve on the REC board. "I want to serve on the REC board to ensure that the members have access to the latest innovations at an affordable cost, that member equity is protected, and members have reliable access to environmentally-friendly energy. I think member-consumers expect their electric cooperative to research innovative ideas and share information on new sources of renewable energy. The cooperative can provide member-consumers

with information, guidance, and pros/cons of viable ways to move into future production and use of renewable energy."

Mark is also in favor of using whatever resources are available. "Energy sources are in flux, moving away from coal, which negatively impacted the environment, air quality, and public health towards sources that naturally replenish such as the sun, wind, and geothermal. The benefits of diversifying energy supply positively impacts our environment, health, and dependence on imported fuels."

DISTRICT C CANDIDATES

ROBERT CAMP

Elkader, Iowa | Read Township

Bob is a retired agronomist, having spent the majority of his career as the agronomy manager for two local Co-ops and area sales manager, covering Wisconsin, Iowa and Northwest Illinois. He currently works part-time at Camp Outdoor Service, which he founded. Bob and his wife, Debbie, have been married for 43 years and have been Co-op members since 1995. They have two adult sons and seven grandchildren. He also officiates high school softball, football and basketball.

Bob attends Grace Evangelical Free Church in Elkader, where he serves as the chairman of the elder board. He previously served as the chairman on the Elkader Golf & Country Club board.

With previous experience on various boards, Bob believes the key to success is how the board works together. "In my past work experience as a leader, I have focused on building teams. Though different, we all have talents. Putting those talents together and working on common goals is critical for a team's success," he said.

Renewable energy is also top of mind for Bob. "We need to continue working towards renewable energy sources. Wind, solar and energy we can capture from the earth all need to be looked at as viable sources. How can we make these sources more affordable? We need to help members with finding the right companies to use for solar energy sources."



GREG FORMANEK

Farmersburg, Iowa | Wagner Township


A rural resident near Farmersburg, Greg is a partner in Heying Lumber in Calmar and owner of Superior Building Center in Monona, both with son Brent. He's a past board member on the MFL MarMac School Board, a past Tri-City board member and past treasurer of the MFL Men's Club. He's a member of St. Patrick Catholic Church in Monona. He and his wife, Julie, have been ACEC members since 1989.

Having been on the board since 2021, Greg says he's learned a lot during his tenure and has enjoyed the experience. He said he appreciates that everyone on the board listens to each other and offers opinions, but once a vote is over, they move on together to the next thing. Greg also believes a key to the future is working to have a balanced energy model. "The electric grid is going to get too overloaded. It could be an issue down the road," he said. "Renewable energy sources are good but it's not going to be everything. We're still going to need to generate electricity with natural gas and coal and other methods. It's an all-the-above approach so we can continue to provide safe and reliable electricity."

Greg feels the Cooperative should continue to be a reliable source for electrical safety education and consistent reminders of energy savings programs for its members. He also believes that "engaging younger members in the Cooperative is important." While still in high school, Greg had the opportunity to participate in the REC sponsored leadership program that gave him insight into what an electric co-op is about. "The Youth Tour and scholarship programs are great programs, and I think the Cooperative should continue to promote and educate our youth about the Co-op model and careers that are available at a rural electric cooperative in order to retain them in our rural areas."

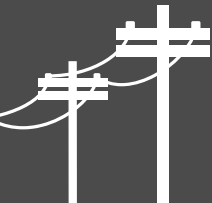


GET TO KNOW ALLAMAKEE-CLAYTON ELECTRIC



9,949
ELECTRIC
METERS

7,120
MEMBERS

TOTAL MILES
of LINE:
2,523

256 PRIVATE
Generation
Systems




13,093
Average kwh
use per month by
RESIDENTIAL MEMBERS

39
NUMBER OF
EMPLOYEES



MEMBERS/ MILE OF LINE



NINE
MEMBER-ELECTED
DIRECTORS



Jeff Bradley,
president



Michael Gibbs,
vice president



Cindy Heffern,
secretary-
treasurer



Roger Arthur,
director



Nelson
Converse,
director



Greg
Formanek,
director



Jerry Keleher,
director



Al Steffens,
director



Brice Wood,
director

ENERGY EFFICIENCY
DOLLARS

(commercial versus residential)

\$100,419



UNDERSTANDING

THE **7** COOPERATIVE PRINCIPLES

Cooperatives around the world operate according to the same set of core principles and values, adopted by the International Co-operative Alliance.

These principles are a key reason why America's electric cooperatives operate differently from other electric utilities, putting the needs of our members first.



1
VOLUNTARY AND
OPEN MEMBERSHIP



2
DEMOCRATIC
MEMBER CONTROL



3
MEMBERS' ECONOMIC
PARTICIPATION



4
AUTONOMY AND
INDEPENDENCE



5
EDUCATION, TRAINING
AND INFORMATION



6
COOPERATION AMONG
COOPERATIVES



7
CONCERN FOR
COMMUNITY

NOMINATING COMMITTEE

COOPERATIVE MEMBERS SELECT CANDIDATES FOR THEIR BOARD

Each year, the ACEC Board of Directors appoints a nominating committee to select candidates to run for the board of directors. This year's Nominating Committee gathered in May to select director candidates to run for the Board of Directors election. We thank them for their time!



The following ACEC member served on the 2023 nominating committee, from left: **Shelly Elliott**, Waukon; **Paul Bodensteiner**, West Union, Vice-Chair; **Dennis Soride** (back), Postville; **Bob Swenson**, Clermont; **George Beardmore**, Dorchester, Chair; **Dave Einck** (back), Waukon, Secretary; **Doug Zieman**, Postville; **Jared Funk** (back), Elkader.

ACEC EMPLOYEES

Josh Abbott

Lead Lineman

Tim Bauch

Line Superintendent

Kelly Blockhus

Broadband Technology Specialist

Jeff Cox

Line Crew Foreman

Aandi Deering

Staking Engineer

Jason Donnelly

First Class Lineman

Nick Dougherty

Journeyman Lineman

Travis Erickson

First Class Lineman

Blair Everman

First Class Lineman

Sam Freitag

Apprentice Lineman

Steve Gehling

Equipment Technician

Susan Goodman

Engineering Supervisor

Ben Grangaard

First Class Lineman

Andrew Henderson

First Class Lineman

Regan Jacobson

Accountant

Jason Leonhart

Lead Lineman

Staci Malcom

Skyways | Member Service Representative

Matt Marting

IT Specialist

Josh Mitchell

Utility Forester

Doug Moose

Custodian | Warehouse Coordinator

Jason Nefzger

Lead Lineman

Brad Pecinovsky

Compliance & Training Coordinator

Derrick Peters

Lead Equipment Technician

Jack Regan

Hot Line Foreman

Ben Schulmeister

Fleet Services & Equipment Technician

Donna Schultz

Cashier | Collections Representative

Brent Schutte

First Class Lineman

Darrin Smith

IT | Broadband Specialist

Stacy Stock

Operations & Engineering Coordinator

Jo Suckow

Data Processing Clerk

Teri Wagner

Staff Services | Accounting Assistant

Sandy Williams

Consumer Accounts Representative

MANAGEMENT STAFF



Hollee McCormick
Executive Vice President | General Manager



Brenda Hackman
Manager | Economic Development & Community Relations



Ryan Wagner
Manager | Member Services



Jennifer Achenbach
Manager | Marketing & Communications



Jeni Kolsrud
Manager | Information Technology



David Decker
Director | Finance & Administrative Services



Jason Troendle
Director | Operations & Engineering

Follow our social media for the latest updates and outages.



/AllamakeeClaytonElecCoop



/AllamakeeClaytonCoop



/AllClayElectric

POWERING YOUR TODAY; PREPARING FOR THE FUTURE



AC SKYWAYS

INTERNET SOLUTIONS

BY: ALLAMAKEE - CLAYTON
ELECTRIC COOPERATIVE

315 Fiber Customers
1,155 Internet Customers
\$8M in Grant Funding

367 Miles of Fiber
169 Miles of Fiber Scheduled for 2023

PLUGGED IN: Electric Vehicle Update

Number of miles driven in 2022:
4975



Helping EV Drivers Tackle Electric Vehicle Range Anxiety

WHERE CAN I CHARGE?

Visit www.CHARGE.coop for locations of our CHARGE EV stations



CHARGETM
POWERED BY CO-OPS



ACEC strives to provide its members with safe, reliable electric service. However, events do happen that are out of the cooperative's control.

Each year, the Co-op buries electric lines, which will help to reduce weather-caused outages in the future. Tree-related outages are the leading cause of interruptions for members. ACEC makes every effort to mitigate tree-related outages.

2022 OUTAGE SUMMARY

MONTH	OUTAGES	MEMBERS	MINUTES
January	4	4	507
February	2	86	137
March	10	175	1,409
April	16	297	1,736
May	22	468	2,579
June	21	341	3,056
July	43	1,904	11,959
August	27	916	3,103
September	7	75	1,029
October	18	497	1,566
November	12	1,259	1,861
December	10	96	1,328

Every year, our cooperative spends considerable time and energy managing trees along the right of way. This work is necessary to help reduce tree-related outages and the dangerous conditions that can exist when a tree falls into a power line. Our cooperative maintains an overall reliability of 99.98%, which equates to roughly 3.54 minutes/year/per member of outage time.

WHAT'S CAUSING OUTAGES?



PLANNED
6%



ANIMALS
14%



TREES
25%



WEATHER
9%



PUBLIC
4%



OTHER
10%



EQUIPMENT
13%



UNKNOWN
13%

We're pleased to report ACEC's overall reliability rate is 99.98%

ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE, INC.

BALLOT FOR DIRECTORS

ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE, INC.

POWERING YOUR TODAY; PREPARING FOR THE FUTURE

Detach ballot here

**QUALIFY FOR
A CHANCE
TO WIN A \$25
BILL CREDIT!**

Detach and return
your ballot by
mail and it may be
one of ten ballots
drawn for a \$25
electric bill credit.

Come to the
drive-through to
vote on business
of your ELECTRIC
COOPERATIVE,
and be eligible for
an additional bill
credit or an ACEC
SunSource solar
panel subscription.

Detach ballot here

BALLOT FOR DIRECTORS

ALLAMAKEE-CLAYTON
ELECTRIC COOPERATIVE, INC.
Postville, Iowa

DRIVE-THROUGH
September 11, 2023

DIRECTOR DISTRICT "A"

[Vote for two]

- MICHAEL D. GIBBS**
Waterville, Iowa
Center Township
- CINDY HEFFERN**
Harpers Ferry, Iowa
Taylor Township
- RANDY HOVER**
Dorchester, Iowa
French Creek Township
- MARK KRUSE**
Lansing, Iowa
Lafayette Township

DIRECTOR DISTRICT "C"

[Vote for one]

- ROBERT CAMP**
Elkader, Iowa
Read Township
- GREG FORMANEK**
Farmersburg, Iowa
Wagner Township

There were no nominations by petition.
Director District Map located on page 13.



FIND YOUR VOTING
BALLOT ON BACK

QUALIFY FOR A CHANCE TO WIN A \$25 BILL CREDIT!

Detach and return your ballot
by mail and it may be one of
ten ballots drawn for a \$25
electric bill credit.

Come to the drive-through
to vote on business of your
ELECTRIC COOPERATIVE, and
be eligible for an additional bill
credit or an ACEC SunSource
solar panel subscription.



Your Touchstone Energy® Cooperative 

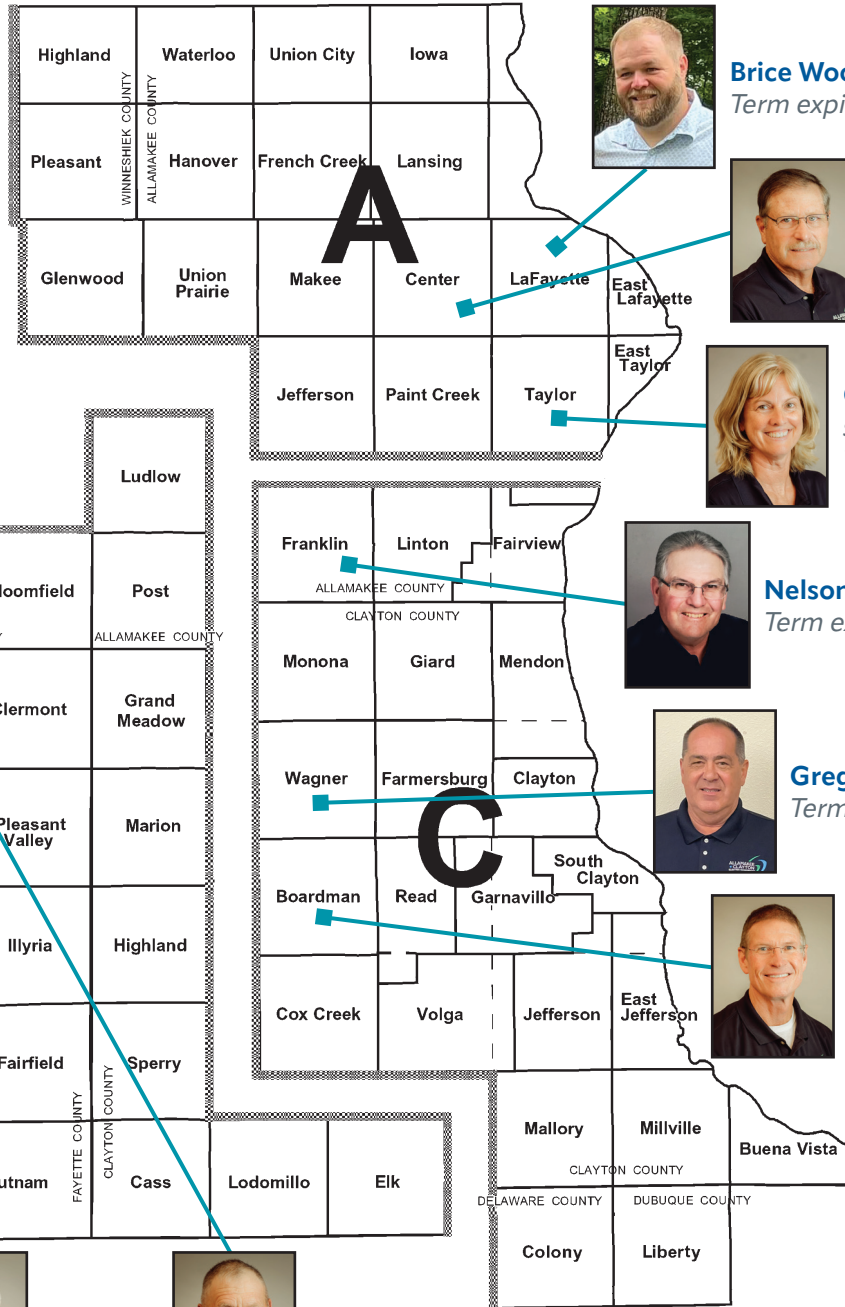
PO Box 715 ■ Postville, IA 52162
Telephone: 563-864-7611
Toll Free: 888-788-1551
www.acrec.com

BALLOT FOR DIRECTORS

ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE, INC.

ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE, INC.

Director District Map of
**Allamakee-Clayton
 Electric
 Cooperative, Inc.**



Brice Wood
Term expires 2025



Michael D. Gibbs
*vice president
 Term expires 2023*



Cindy Heffern
*secretary/treasurer
 Term expires 2023*



Nelson Converse
Term expires 2024



Greg Formanek
Term expires 2023



Jerry Keleher
Term expires 2024



Roger Arthur
Term expires 2025



Jeff Bradley
*President
 Term expires 2024*



Al Steffens
Term expires 2025

**Do you know where your
 directors are from?**

The Role of the Cooperative's Board of Directors



7,000 ACEC
MEMBER-OWNERS
- JUST LIKE YOU



9-MEMBER BOARD
OF DIRECTORS
"DIRECT" THE STAFF



GENERAL MANAGER/EVP



ADMINISTRATIVE, BILLING, FINANCE, MEMBER
SERVICE, ENGINEERING, OPERATIONS AND
AC SKYWAYS

Co-op member-owners influence the way in which a cooperative is governed and operated by electing a board of directors to act on their behalf.

The co-op board of directors sets the overall direction for the cooperative. The co-op's general manager and staff are responsible for the day-to-day operation of the co-op.

Did you know?

Allamakee-Clayton Electric Cooperative is part of another cooperative system called Touchstone Energy®. More than 750 local, member-owned electric co-ops spanning 46 states are members of Touchstone Energy, creating a very strong alliance that works for you.



Touchstone Energy®
The power of human connections

Statistics:

Service area: Portions of Allamakee, Clayton, Fayette, Winneshiek, Chickasaw, Bremer, Delaware and Dubuque counties.

Number of electric services: 9,949

Miles of line: 2,523

Number of substations: 16

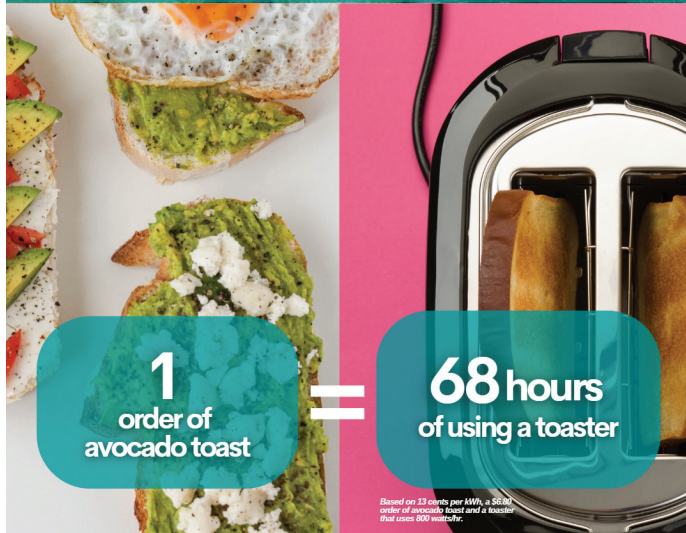
Number of employees: 39

Total capital credits returned to members in 2022: \$594,449

Wholesale power provider: Dairyland Power Cooperative,
La Crosse, Wisconsin

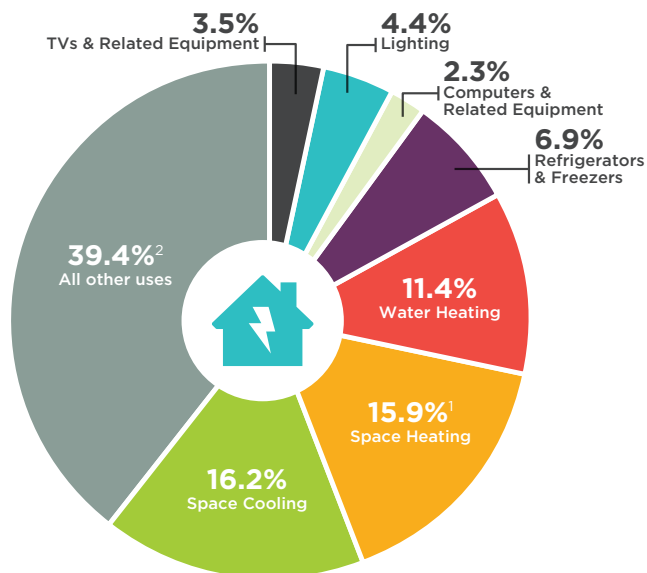
ENDURING
AFFORDABILITY

Value of Electricity



How Americans Use Electricity

The latest data from the U.S. Energy Information Administration shows the combined use of clothes washers and dryers, dishwashers, small appliances and other electrical equipment (noted as "all other uses" below) accounts for the largest percentage of electricity consumption in American homes.



Source: Energy Information Administration 2022

¹Includes consumption for heat and operating furnace fans and boiler pumps.

²Includes miscellaneous electronics, clothes washers and dryers, cooking equipment, dishwashers, heating elements, and motors.

POWERING YOUR TODAY; PREPARING FOR THE FUTURE

JOIN TODAY!

OPERATION ROUND UP

WHAT IS OPERATION ROUND UP?

Operation Round Up supports local organizations by collecting money from members who sign up to have their electrical bill rounded up to the next dollar.

EXAMPLES OF ORGANIZATIONS THAT COULD RECEIVE FUNDS

- Fire Departments
- Libraries
- Community Projects
- Student Programs
- Community & School Support Programs



HOW MUCH IS COLLECTED?

The average account contributes \$6 a year. The most a member could contribute is \$11.88 (99¢ a month).



To round up your electric bill and support your local communities, complete the form at www.acrec.com/OperationRoundUp.



SMALL CHANGE
THAT CHANGES LIVES

— OPERATION ROUND UP —



15

2022 ECONOMIC DEVELOPMENT PROJECTS



ACEC accessed funds through the USDA's Rural Economic Development Loan and Grant (REDLG) program to present to the Northeast Iowa Child Development and Discovery Center. The new facility will include classrooms and outdoor playgrounds.



ACEC was able to assist the Postville Chamber in the process of getting a sign to advertise two available lots in the Postville Industrial Park.



ACEC approved a Revolving Loan Fund to assist K9 Country to purchase equipment for its new dog boarding and dog daycare facility outside of Colesburg.



Our Revolving Loan Fund was used to assist Rivertown Dentistry in the purchase of building equipment.



Our Revolving Loan Fund was used to assist the city of West Union in the replacement of pavers for concrete in their business district.

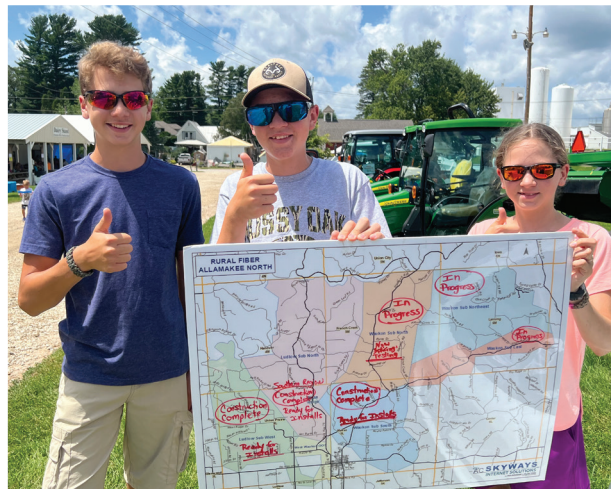
Small businesses are at the heart of local communities. There are numerous resources available to help businesses. Along with helping businesses, economic development in the state of Iowa also focuses on workforce, childcare, and housing.

To learn more about how Allamakee-Clayton Electric Cooperative assists area businesses, visit acrec.com/economic-development.



ACEC IN THE COMMUNITY

From county fairs to school supply drives, we enjoyed chatting with our members in 2022





Behind Every Lineworker

IS A FAMILY WAITING FOR THEM TO COME HOME SAFE

#ThankALineworker

Value of Electricity



1
new video game

=
1,000
hours of gaming

Based on 13 cents per kWh, a \$30 video game and a gaming console that runs 300 hours.

4 GRAND KIDS 2 YEARS FROM RETIREMENT | **35 FEET IN THE AIR**

BUT RIGHT NOW IT'S YOU I'M WORRIED ABOUT.

HIS JOB IS DANGEROUS ENOUGH. The last thing he needs is for you to drive into his utility truck because you ignored the flashing lights, cones and signs. When you see utility crews at work, slow down and move over. You have the power to protect a life.

MOVE OVER SLOW DOWN

CONSTANT CARE
Even When You're Not There

FIRSTCALL
Medical Monitoring

Call Sandy to learn more
888-788-1551

As of December 31

2022 FINANCIAL HIGHLIGHTS-BALANCE SHEET

	2022	2021
ASSETS		
ELECTRIC PLANT		
In service	\$69,142,531	\$67,380,596
Under construction	1,188,767	371,998
Total electric plant	70,331,298	67,752,594
Less accumulated depreciation	27,346,579	25,555,882
Electric plant, net	42,984,719	42,196,712
OTHER PROPERTY AND INVESTMENTS		
Investments in associated companies	12,063,209	11,737,267
Non-utility property, net	6,644,058	4,593,687
Restricted investments, net	1,163,673	950,181
Total other property and investments	19,870,940	17,281,135
CURRENT ASSETS		
Cash and cash equivalents	73,200	68,906
Restricted cash	501,405	727,956
Accounts receivable, net of allowances	2,195,363	1,732,034
Broadband grants receivable	41,744	4,801,628
Material and supplies	1,405,830	735,049
Prepayments	391,107	127,207
Interest receivable	23,534	21,846
Total current assets	4,632,183	8,214,626
DEFERRED DEBITS	8,337	27,188
TOTAL ASSETS	\$67,496,179	\$67,719,661
EQUITIES AND LIABILITIES		
EQUITIES		
Memberships	\$490	\$490
Patronage capital	14,175,302	14,255,594
Other equities	13,168,119	12,912,846
Total equities	27,343,911	27,168,930
LONG-TERM DEBT, LESS CURRENT MATURITIES		
POST RETIREMENT BENEFITS	32,463,447	29,502,383
	906,948	870,001
CURRENT LIABILITIES		
Current maturities of long-term debt	2,037,369	1,658,057
Line of credit	2,038,957	4,582,149
Accounts payable trade	1,277,818	1,134,823
Accounts payable construction	0	1,728,924
Customer deposits	76,782	89,943
Taxes accrued	243,327	229,429
Post retirement benefits	32,256	35,786
Other	561,580	544,996
Total current liabilities	6,268,089	10,004,107
DEFERRED CREDITS	513,784	174,240
TOTAL EQUITIES AND LIABILITIES	\$67,496,179	\$67,719,661

Reprinting or use of any information in this report is strictly forbidden without permission of the Cooperative.



ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE, INC.

2022 FINANCIAL HIGHLIGHTS-STATEMENT OF OPERATIONS

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES	\$21,568,929	\$19,814,304
OPERATING EXPENSES		
Cost of power	11,930,774	10,578,226
Distribution - operations	1,428,096	1,312,998
Distribution - maintenance	2,068,018	2,071,274
Customer accounts	469,717	472,281
Customer service and informational	457,865	411,327
Administrative and general	1,379,090	1,168,885
Depreciation	2,142,639	2,086,743
Taxes	0	19,493
Interest on long-term debt	982,883	995,839
Other	89,433	57,195
Total operating expenses	<u>20,948,515</u>	<u>19,174,261</u>
OPERATING MARGIN BEFORE CAPITAL CREDITS	620,414	640,043
GENERATION AND TRANSMISSION AND OTHER COOPERATIVE CAPITAL CREDITS	616,333	641,254
NET OPERATING MARGIN	<u>1,236,747</u>	<u>1,281,297</u>
NONOPERATING MARGIN (LOSS)		
Interest income	110,487	110,176
Gain (loss) from equity investments	34,209	8,516
Other nonoperating margin (loss)	-617,286	-358,527
Total nonoperating margin (loss)	<u>-472,590</u>	<u>-239,835</u>
NET MARGIN	<u>\$764,157</u>	<u>\$1,041,462</u>

Independent Auditor's Report

EideBailly, LLP

Certified Public Accountants & Consultants

The Members

Allamakee-Clayton Electric Cooperative, Inc.
Postville, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheets of Allamakee-Clayton Electric Cooperative, Inc. as of December 31, 2022, and the related statements of operations, equities and cash flows (not presented herein) for the year then ended, and in our report, dated February 20, 2023, we expressed an unmodified opinion on those financial statements. In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated in all material respects in relation to the financial statements from which it has been derived. Complete financial statements are on file at the Cooperative's office.

February 20, 2023
Sioux Falls, South Dakota

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COMPARATIVE OPERATING STATISTICS

	<u>2022</u>	<u>2021</u>
Number of Members Billed	9,933	9,980
Total Miles of Line Energized	2,523	2,524
Number of Substations	16	16
Total kWhrs Purchased	155,238,436	147,686,250
Total kWhrs Used by All Members	148,356,361	140,053,791
Total kWhrs Unaccounted For	6,882,075	7,632,459
Percent of Line Loss	4.4%	5.2%
Average Monthly kWhrs Used Per Member	1,245	1,169
Average Cost Per kWhr Per Member Per Month	\$14.35	\$14.10
Average Monthly Bill	\$178.63	\$164.85
Average Cost Per kWhr of Purchased Power	\$7.69	\$7.16
Total Cost of Purchased Power	\$11,930,774	\$10,578,226
Total Annual Operating Revenue	\$21,568,929	\$19,814,304
Average Plant Investment Per Member	\$7,081	\$6,789
Deferred Patronage Dividends Refunded this Year	\$594,449	\$592,363
Deferred Patronage Dividends Refunded to Date	\$19,176,682	\$18,582,195

ANNUAL MEETING OF THE MEMBERS MEETING MINUTES

September 12, 2022

The 84th Annual Meeting of the members of the Allamakee-Clayton Electric Cooperative, Inc. was held at Allamakee Clayton Electric Cooperative headquarters, Postville, Iowa, as a drive-through event. The Annual Meeting drive-through event began at 1:30 P.M. and lasted until 6:30 P.M. on Monday, September 12, 2022. Members entered at the main entrance of the Cooperative's headquarters where they were greeted by members of ACEC's Board of Directors and were guided around into the garage where they were then greeted by ACEC employees. Members remained in their vehicles to vote, register for a prize, and receive a gift and hot-to-go meal. This year the prizes were awarded in the form of a bill credit on their next bill dated October 5, 2022. Two 5-year solar panel subscriptions were also awarded to two members of the Cooperative. Allamakee-Clayton Electric

Cooperative conducted the election of directors via a drive-through event where they could vote in person from their vehicle or vote ahead of time through mail ballot vote. All reports were videotaped and available on the Cooperative's website at acrec.com.

The By-Laws permit voting for the Director election by mail. Further, the By-Laws provide that to the extent members vote by mail, such votes count toward the quorum requirement for the election. Thus, the Board determined that the quorum had been met and the election was completed without an in-person meeting.

Minutes of the annual meeting held September 13, 2021, were included in the booklet mailed to each member of the Cooperative prior to the annual meeting.

In accordance with the By-laws of the Cooperative, the Board of Directors had appointed a Nominating Committee that

had met on June 2, 2022, Postville, Iowa. Nominations for Directors to be elected at this annual meeting were made. Jean Pape, Chairperson of the Nominating Committee, presented the Report of the committee. Mrs. Pape read the Report to the members, and the Report showed that the following members had been nominated by the committee for the office of Director:

DIRECTOR DISTRICT "A"

Dan Bechtel, Waukon, IA, Jefferson Township

Brice Wood, Lansing, IA, Lafayette Township

DIRECTOR DISTRICT "B"

Roger Arthur, Sumner, IA, Center Township

Robert Kleve, Castalia, IA, Clermont Township

Damien Matt, Clermont, IA, Clermont Township

Al Steffens, Clermont, IA, Dover Township

Members of the Nominating Committee were appointed Inspectors of the Election.

The Inspectors of Election picked up all ballots from the members who participated in the Annual Meeting drive-through event and took them to the counting room in the building.

After all ballots for the election of Directors had been counted and tabulated, the Certificate of the Inspectors of the Election was presented by Jean Pape, Chairperson of the Nominating Committee. She certified that Brice Wood had been elected as Director for District "A" and that Roger Arthur and Al Steffens had been elected as Directors for District "B". The persons elected to the board will serve terms to run for three years, or until their successors shall have been elected and shall have qualified. Said Certificate was ordered by the Chairperson to be attached to the minutes of this meeting.



IMPORTANT REGISTRATION CARD

Bring this registration card with you to the
ANNUAL MEETING DRIVE-THROUGH
Allamakee-Clayton Electric Cooperative, Inc.

ACEC HEADQUARTERS – Enter at main entrance
MONDAY, SEPTEMBER 11, 2023
1:30 PM – 6:30 PM

**PLEASE RETURN THE
ENCLOSED DIRECTOR
BALLOT BY MAIL.**



PRESENT THIS CARD at the drive-through event for your free gift and hot to-go meal while supplies last (must be present). By doing so, you will automatically qualify for a bill credit or a five-year solar panel subscription. Winners will be announced in the October Energy Update bill insert and the October newsletter.

OFFICIAL ANNUAL MEETING NOTICE

Note: MEETING TO BE CONDUCTED VIA A DRIVE-THROUGH

The regular annual meeting of members of the Allamakee-Clayton Electric Cooperative, Inc., will be held via a drive-through event at the Cooperative's headquarters, Postville, Iowa on Monday, September 11, 2023, between the hours of 1:30 p.m. – 6:30 p.m. to act upon the following:

1. The election of three (3) directors of the Cooperative.

Allamakee-Clayton Electric Cooperative intends to conduct the election of directors via a drive-through event. All reports will be videotaped and available on the cooperative's website at acrec.com.

The By-laws permit voting for the Director election by mail. Further, the By-laws provide that to the extent members vote by mail, such votes count toward the quorum requirement for the election. Thus, the Board has determined that the election can be completed without an in-person meeting.

For your information in connection with the election of three (3) directors scheduled for this drive-through event, the committee on nominations, appointed by the board of directors of the Cooperative, according to the by-laws, has nominated six members of the Cooperative as indicated on the enclosed ballot.

PLEASE VOTE BY MAIL: For directors by marking a check ✓ opposite the names of three (3) candidates you wish to vote for. After you have marked your ballot, enclose it in the self-addressed envelope provided, seal it and return it to the Cooperative's office. Any other type of envelope will be accepted if the member's name is in the upper left corner of the envelope, **BUT TO BE VALID IT MUST BE ADDRESSED TO:**

SECRETARY: Allamakee-Clayton Electric Cooperative
PO Box 715
Postville, IA 52162

CAUTION: Ballots are not valid if mailed in an envelope without your name and return address on same. Mail your ballot so it reaches the Cooperative office before September 11, 2023.

PLEASE: Return your ballot by mail to qualify for a \$25 bill credit. The senders of the 10 mail ballots drawn will receive one of ten \$25 bill credits. If you have any questions, please contact Allamakee-Clayton Electric Cooperative at 888-788-1551 and let them know you have a question about the annual meeting.

Dated at Postville, Iowa, this 12th day of August 2023.

Cindy Heffern,
Secretary



PO Box 715
Postville, IA 52162-0715

Your Touchstone Energy® Cooperative 

PRSR STD
U.S. Postage
PAID
DPC

DON'T FORGET to tear off here and
bring this card to register at the drive-through. 

JOIN US FOR OUR
**ANNUAL MEETING
DRIVE-THROUGH**

MONDAY, September 11, 2023
1:30 PM – 6:30 PM

Members will enter at the main entrance of the Cooperative's headquarters at 229 Highway 51, Postville, and be guided around into the garage.

You will be greeted by ACEC employees while you remain in your vehicle to vote, register for prizes, and receive a gift and hot to-go meal while supplies last (must be present for a meal). Prizes will be the same amount as in prior years but will be awarded in the form of a credit on your next bill. We will also draw for two 5-year solar panel subscriptions.

Please bring your registration card to be eligible for the drawing!

We hope to see you there!

