



2025 ANNUAL REPORT

Always Here

Whatever the season, whatever the weather.
We are here. Always.



09.14.26
ACEC Headquarters
1:30–6:30 pm

YOU'RE INVITED!

Please join us for our

ANNUAL MEETING DRIVE- THROUGH Monday, Sept. 14, 2026 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 14, 2026, 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 supplies last), and present you with your annual meeting gift. In addition, the Co-op will enter all attendees into a drawing for a bill credit or 5-year solar panel subscription.



AL STEFFENS
PRESIDENT



HOLLEE MCCORMICK
EVP | GENERAL
MANAGER

Our Annual Report gives us an opportunity to reflect on where we've been and where we're going at Allamakee-Clayton Electric. This year, one theme stands out: growth.

For our cooperative, growth is not simply about size. It's about becoming stronger, more informed and better prepared to serve our members in a changing energy landscape. It's about learning from experience, asking thoughtful questions and making decisions that reflect not only today's needs but tomorrow's opportunities.

The electric industry is evolving rapidly. New technologies, changing member expectations and increasing demand for reliable power are shaping the future of our work. One hot topic of conversation that received significant attention this year was the development of data centers and other large-load opportunities. While these projects do have the potential to bring meaningful growth to our communities, they also introduce important questions about infrastructure, power supply, reliability, cost and long-term planning.

As cooperative leaders, our responsibility is to learn before we act. We must understand these opportunities fully, evaluate their potential impact and ensure any path forward aligns with our mission to provide safe, reliable and affordable electricity to our members, big and small.

PRESIDENT & GENERAL MANAGER REPORT

Growth and learning go hand in hand. When we take the time to understand change, we are better positioned to manage it. When we stay curious, we stay prepared. And when we grow with purpose, we honor the cooperative values that have guided us since our founding in 1938.

As we look back on the past year and ahead to the future, we are encouraged by the opportunities before us and committed to approaching them with the education, collaboration and care our members expect and deserve.

GROWING THE LOCAL ECONOMY

Every year, we want to do our part to help our communities grow and thrive. We work closely with our economic developers to help strengthen and improve Northeast Iowa.

One way we do that is we assist area businesses with securing funding for improvement projects. Using a USDA Rural Economic Development Loan (REDLG), we worked with Dairyland Power and MiEnergy Cooperative to assist WinnMed Hospital in Decorah with its remodel and expansion. We also provided a loan to the Elkader Pit Stop in downtown Elkader for an expansion and remodel using USDA Revolving Loan Fund (RLF) money.

These projects are just two examples of how we support growth in the communities we serve. Economic development is about more than buildings, expansions, or remodels — it's about investing in the people, services, and businesses that make our area strong. Whether it's helping a hospital better serve its patients, supporting a local business as it expands, or working alongside community partners to create new opportunities, we are proud to play a role in northeast Iowa's progress.

GROWTH FOR AC SKYWAYS

In the fifth full year of having a fiber internet presence in Waukon and rural Allamakee County, AC Skyways continued to expand its subscriber base.

From December 2024 to December 2025, Skyways added nearly 500 fiber customers. We are thrilled to have over 1,600 fiber customers throughout the county. Over 50% of the people who can take our services have already subscribed.

Our VoIP (Voice Over Internet Protocol) phone services have also continued to grow and provide a much needed service to both residents and local businesses. We added just over 100 telephone lines in 2025, bolstering the subscriber base to just under 400.

We are incredibly proud of the local services we are able to provide from Skyways and look forward to continuing our local internet and phone connection.

DAY OF SERVICE

Supporting our communities is a part of our foundation. Our staff has always been actively involved in the communities in which we live and serve. We have

volunteer fire firefighters and paramedics. We volunteer to coach various athletic teams. We're involved in our churches and in our local schools.

In 2025, we took that a step further. Along with the support and guidance of Dairyland Power, members of our staff hosted a Day of Service at Yellow River State Forest. After meeting with officials from the forest and from Dairyland Power, a plan was made to clean an old retention pond area that was donated to the forest, as well as provide basic cleaning and maintenance for an office building in the park.

On October 1, 14 ACEC volunteers, as well as volunteers from Dairyland and Richland Power Cooperative, met at Yellow River and spent five hours cleaning out garbage, dragging metal scraps out of the woods, cutting down dead or dangerous trees and filling dump trucks with garbage. At the end of the day, the YRSF staff hauled 14,000 pounds of scrap metal away, resulting in over \$1,100 being donated to the Friends of Yellow River State Forest group.

Projects like this are at the heart of why we serve our members.

OPERATION ROUND UP FIRST GRANT

This past year also saw our first grant being awarded from our Operation Round Up fund.

Operation Round Up (ORU) is funded by donations to ACEC and is separate from our co-op budget. The foundation of the program is the concept that small change can make a big difference. ACEC began its ORU program in 2021, with the first donations being accepted in 2022.

In the summer of 2025, ORU board members along with ACEC manager Brenda Hackman met to discuss awarding the first grant from the fund. Organizations within the ACEC service footprint were invited to submit an application. After review, the Board awarded the Northeast Iowa Wellness Center in Postville as the inaugural recipient. The grant was used to provide scholarships for the lifeguard certification course.

We look forward to growing the program and awarding more grants in the future.

ALWAYS HERE

Our membership has changed since we were founded in 1938. While the expectations remain that we provide safe and reliable electricity to each household and business in our territory, we have to be willing to adapt and change to meet what members today want.

A perfect example of this is our Annual Meeting. Historically, the meeting was held in person. However, the Covid-19 pandemic made us take a new look at the event and adapt, hosting it as a drive-through for the safety of our members. Six years later, we still host our meeting as a drive-through. Why? Because when we ask our members what they prefer now, the vast majority prefer the drive-through format.

On behalf of the ACEC staff and our Board of Directors, I'd like to personally invite you to join us at our Annual Meeting on September 14. Whether you've joined us before in the drive-through format or this will be your first year, we look forward to seeing you as we come together to reflect on our cooperative's progress, celebrate continued growth, and look ahead to the future.

2025 DAIRYLAND DIRECTOR REPORT

A 2025 Review



As your representative on the Dairyland Power Cooperative director board, I am pleased to share with you the 2025 year in review. Dairyland is our wholesale power provider. As a generation & transmission (G&T) cooperative, Dairyland is a cooperative owned by the 24 distribution cooperative members it serves – including Allamakee-Clayton Electric.

Dairyland serves its members and power supply customers with safe, reliable and cost-effective electricity to meet the needs of our local rural communities. Safety is Dairyland's top priority, as noted by President & CEO Brent Ridge, who says, if cooperative employees do not work safely, nothing else matters.

Dairyland generates and obtains electricity from solar, wind, natural gas, coal, hydroelectric and biomass facilities. Being part of the Midcontinent Independent System Operator (MISO) ensures electricity is delivered at cost-competitive rates through a balanced mix of renewable (intermittent) and traditional "baseload" resources.

In April 2025, Dairyland received confirmation from the Trump Administration that its \$595 million Empowering Rural America (New ERA) grant from September 2024 would be funded. Dairyland will use that grant to pursue 500 to 1,000 megawatts (MW) of power purchase agreements for clean energy projects.

NEW PROJECTS

By being part of one of the largest transmission buildouts in history, Dairyland is supporting regional reliability to benefit our members. MISO has named Dairyland a developer for three projects in its Long Range Transmission Plan – Tranches 1 and 2.1.

The Alma-Blair Transmission Project will be a 345-kilovolt [kV] transmission line that will span 33 miles between the Alma Substation near the Mississippi River in western Wisconsin, and the Tremval Substation near Blair, Wis.

In southeastern Minnesota, the Wabasha Relocation Project will relocate about 13 miles of 161 kV transmission lines in Wabasha County.

Also, Dairyland and GridLiance Heartland, LLC, will jointly develop and co-own the MariBell Transmission Line. One segment of MISO's larger buildout, the proposed project is for a 765 kV/161 kV double-circuit line between Marion, Minn., and Bell Center, Wis. (about 140 miles).

At the end of 2025, Dairyland acquired the Rocky Road Energy Center (East Dundee) and Elgin Energy Center (Elgin) in Illinois. The purchase of existing natural gas-fired power plants supports the Cooperative's focus on sustainability and reliability for its members while transitioning to a lower-carbon future.

Dairyland works with elected officials, regardless of party affiliation, to advocate for policies benefiting electric cooperatives, including cybersecurity policies. In January 2026, Dairyland's Vice President & Chief Information Officer Nate Melby testified at a hearing before the U.S. House of Representatives focused on solutions for energy infrastructure that would help strengthen collaboration between the government and the private/independent sector, detect cybersecurity threats and increase physical security.

COMMUNITY INVOLVEMENT

Through the Cooperative Contributions Program, Dairyland and its member cooperatives continuously strive to

DID YOU KNOW?



For every dollar you pay your electric co-op, **60% or more goes directly to wholesale power costs.** Bucket trucks, poles and wire, right-of-way trimming, payroll and other operating costs are covered by the rest.

Sources: National Rural Electric Cooperative Association;
National Rural Utilities Cooperative Finance Corporation

make a positive impact on our local communities. Annually, Dairyland donates \$1,000 to a charitable organization selected by each member cooperative. Last year, \$1,000 was donated to the Northeast Iowa Business Network (NIBN) for a video they are producing on workforce development. NIBN is a five-county business/networking organization that is focused on connecting businesses, professionals and community leaders.

ACEC also was proud to host one of five Day of Service sites on Oct. 1. On that day, about 200 volunteers from Dairyland, its member cooperatives and the Wisconsin Electric Cooperative Association traveled to five sites to offer helping hands on a variety of projects. ACEC sent 14 volunteers to Yellow River State Forest just outside of Harpers Ferry to do brush clearing and debris removal, as well as painting and general maintenance at an office in the park.

Dairyland's Economic Development team advocates for community growth and new business establishments. In 2025, member cooperatives gained more than 34 megawatts (MW) of load growth from 27 projects, which help increase local economic activity and add new jobs. Dairyland offers its member cooperatives access to the USDA's Rural Economic Development Loan and Grant Program (REDLG), as well as Dairyland's Revolving Loan Fund and cost-share program. In 2025, ACEC and neighboring co-op MiEnergy Cooperative worked with Dairyland Power on a REDLG loan application for WinnMed Hospital in Decorah for its remodel and expansion. By providing this pass-through loan to WinnMed, Dairyland, ACEC and MiEnergy contributed to the healthcare infrastructure and services in the region.

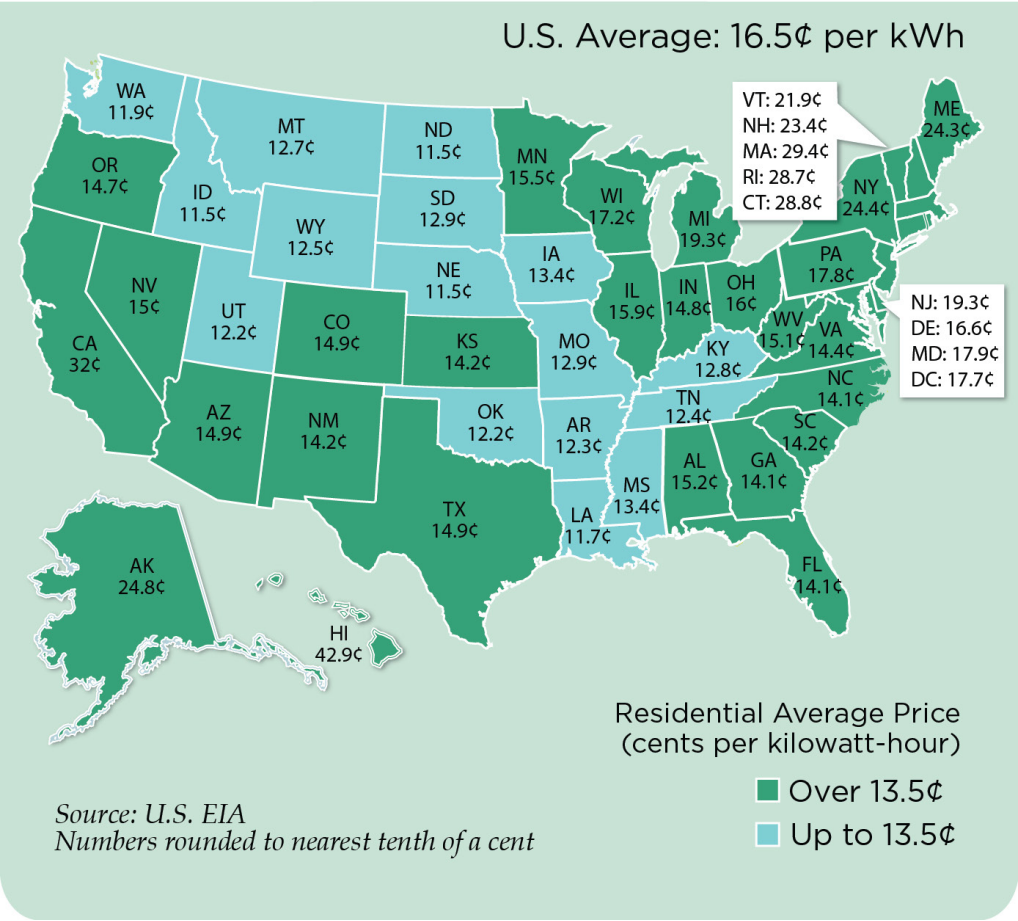
We live in dynamic times, and Dairyland's Board of Directors meets monthly to ensure our cooperatives' needs are heard, working together to achieve strong outcomes for our members. Ninety years ago, electric cooperatives were founded on the principle that collaboration improves quality of life—a value we proudly continue on your behalf.



JEFF BRADLEY
ACEC BOARD
PRESIDENT
DAIRYLAND POWER
BOARD DIRECTOR

Average Prices for Residential Electricity

2024 figures, in cents per kWh



DISTRICT A CANDIDATES

DAN BYRNES

Waukon, Iowa

Jefferson Township

Dan has been a member of ACEC since 1992. After 35 years of operating the family cattle and crop operation, Dan retired from farming this year. In addition to working on the farm, Dan has also been an agent for GF Mutual Insurance Association for 30 years, primarily serving agricultural accounts. He is currently a member of the Allamakee County Board of Supervisors and has served on several local and regional boards. Previously, Dan served on the Allamakee County Extension Council, Allamakee County Soil and Water Conversation District and the Equity Cooperative Livestock Sales Association local board. Dan and his wife, Traci, have a daughter, Natalie.

Dan said he understands the importance of working cohesively with fellow board members and management in order to deliver quality service to members. "I am willing to take the time to learn more about ACEC operations in order to be a well-informed and effective board member," he said. When it comes to the future of the Co-op, Dan believes it's important the Co-op continues to look into production and storage of renewable energy, as well as continue to communicate with members and local governmental agencies on the importance of renewable energy.



CINDY HEFFERN

Harpers Ferry, Iowa

Taylor Township

Cindy has been an ACEC electric member since 1987 and has been a director on the board since 2017. She is currently the Board secretary-treasurer. She is employed by People's State Bank, working out of the Harpers Ferry office. She and her husband, Jack, have a beef and crop operation near Yellow River State Forest, which they are in the process of transitioning ownership to their daughter and her family. Cindy has previously served on the Board of the Friends of Yellow River State Forest, Allamakee Scholarship Fund, Athletic Board and various church and school committees.

During her time on the board, Cindy said she's learned a lot about co-ops and what it takes to serve the members. "I have learned so much and have enjoyed getting to know members and staff," she said. "I keep an open mind in our decisions to do our best to offer safe, affordable, reliable electricity." Looking to the future, Cindy believes it's important to keep a broad portfolio of energy production, noting that energy that is always available is needed to meet the demands of society today. "We need renewables but we also need energy that will always show up."



KERRY TROENDLE

Waukon, Iowa

Union Prairie Township

Kerry Troendle has received electricity from ACEC since 1990. He and his wife, Tammy, live outside of Waukon. He runs a 60-herd cow/calf operation, selling show and feeder cattle. He also runs a few routes filling nitrogen semen tanks. He retired after 35 years working for the USDA FSA/ASCS. He also has volunteered with the Allamakee County 4H program, serving as the beef superintendent and in other capacities. He is on the board of the Allamakee County Cattlemen's Association. Previously, he served as the president of the Allamakee County 4H Youth Development Committee.

Kerry said he would serve on the ACEC board with "honesty and integrity, trying to help the co-op to find ways to provide cheaper, more affordable electricity for our members." He also believes it's important to keep an open mind. "Renewable energy is important so that we can keep our lights on long term but still need to keep it affordable so that everyone can afford it. With all the options that have been available and more yet to be found, we should be able to help the co-op find the options to put together and make everyone happy. A co-op is put together to make it easier and more affordable for its members to be able to succeed. So it is important that the board members be diligent in their duties to make hard decisions to put members first to help them be able to succeed."



DISTRICT C CANDIDATES

PEGGY CONNOR

Farmersburg, Iowa
Wagner Township

Peggy has been an ACEC member since 1985. She and her husband, Joseph, reside just outside of Farmersburg. They custom feed steers on three locations with electric service through ACEC. She served on the finance council for St. Patrick Catholic Church in Monona and has previously served as the secretary. After 44 years working as the office manager for the Clayton County Secondary Road department, Peggy recently retired.



When asked about the role of renewable energy and what ACEC should do in the future, Peggy said, "The Board needs to be open to opportunities that are efficient and will work for the cooperative." She noted the Board needs to be willing to look at renewable energy options and do cost-effective comparisons. "I have worked with department financial reports and budgets for Clayton County so I have a knowledge base and understanding of budgets. I also was secretary of the county safety committee for over 20 years and am concerned for all employee safety. I hope to continue the work the board has already done and be open to new ideas and moving forward in the industry."

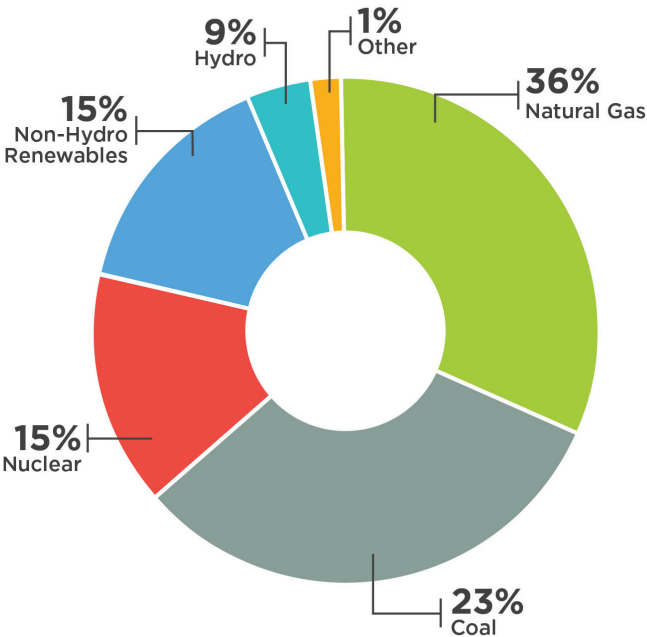
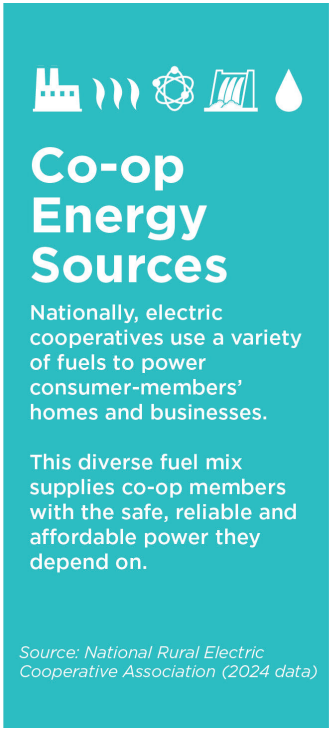
GREG FORMANEK

Farmersburg, Iowa
Wagner Township

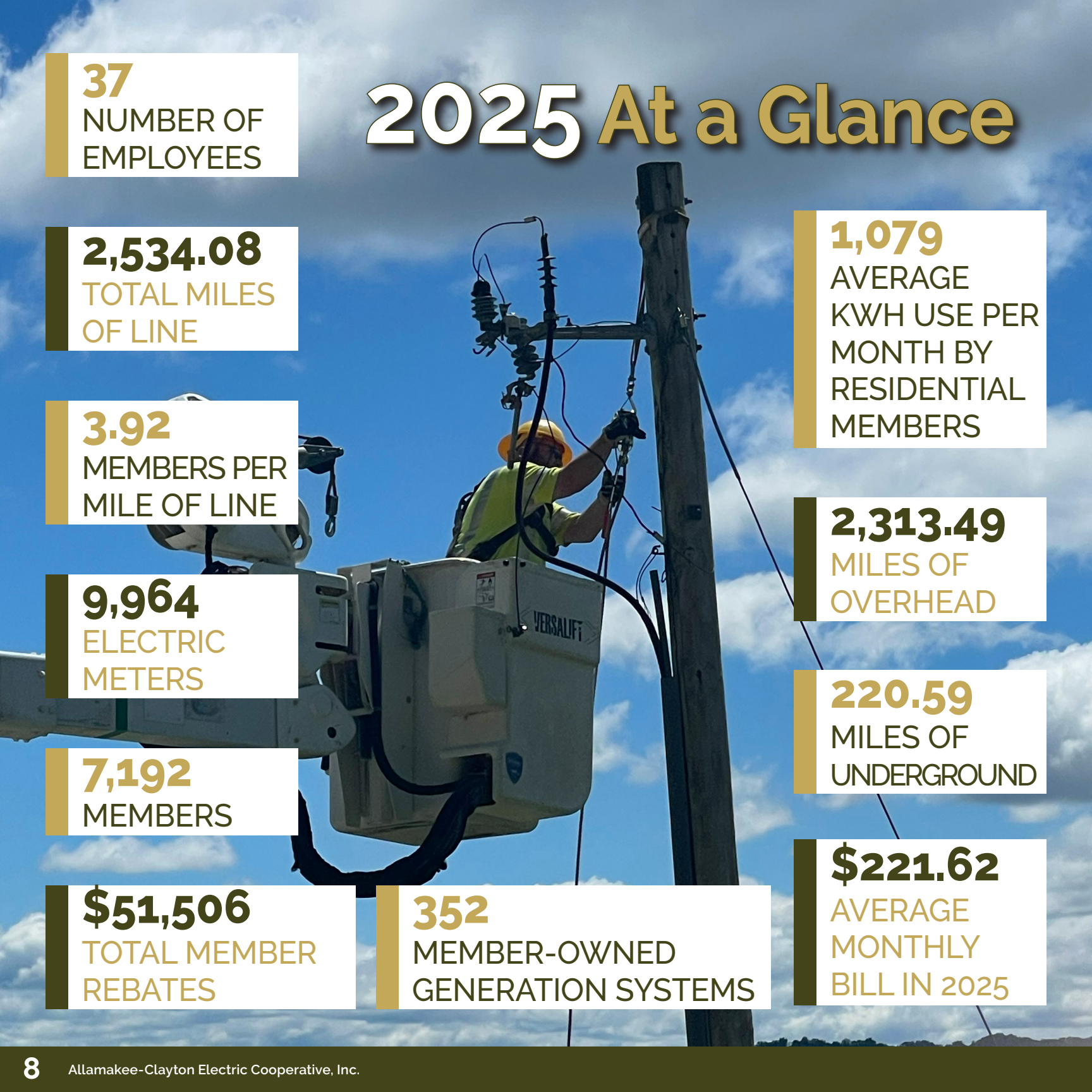
Greg has received electricity from ACEC since 1989. A rural resident of Farmersburg, Greg and his wife Julie recently sold their business, Superior Building Center in Monona, after 15 years of ownership. Greg plans to continue working at the lumberyard. He's a past member of the MFL MarMac School Board, serving as the vice president for three years, was on the Tri-City Golf Course board for six years and was a past treasurer of the MFL Men's Club.



Greg was first appointed to the ACEC Board of Directors in 2021. While he said it can be a challenge at times, Greg has enjoyed his time serving the members. "I have enjoyed working with the board members. You may not always agree but we always get along well. I've enjoyed the past five years being on the board and it has taught me a lot." When it comes to the future of the energy field, Greg believes it takes variety. "Renewable energy has its place in the energy field, but there's multiple systems that can be used and should be used to keep energy flowing to our customers. Our members are always looking at the cost. You want to try to keep costs as low as we can and still have a reliable system for our members."



2025 At a Glance



37
NUMBER OF
EMPLOYEES

2,534.08
TOTAL MILES
OF LINE

3.92
MEMBERS PER
MILE OF LINE

9,964
ELECTRIC
METERS

7,192
MEMBERS

\$51,506
TOTAL MEMBER
REBATES

352
MEMBER-OWNED
GENERATION SYSTEMS

1,079
AVERAGE
KWH USE PER
MONTH BY
RESIDENTIAL
MEMBERS

2,313.49
MILES OF
OVERHEAD

220.59
MILES OF
UNDERGROUND

\$221.62
AVERAGE
MONTHLY
BILL IN 2025

MEET YOUR CO-OP

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.

NINE MEMBER-ELECTED DIRECTORS



AL STEFFENS
PRESIDENT



BRICE WOOD
VICE
PRESIDENT



CINDY HEFFERN
SECRETARY-
TREASURER



**JEFF
BRADLEY**
DIRECTOR



**NELSON
CONVERSE**
DIRECTOR



**GREG
FORMANEK**
DIRECTOR



MICHAEL GIBBS
DIRECTOR



**RON
HARTMAN**
DIRECTOR



**JERRY
KELEHER**
DIRECTOR

ACEC EMPLOYEES

Josh Abbott
Lead Lineman

Sam Ash
Equipment Technician

Tim Bauch
Line Superintendent

Kelly Blockhus
Fiber Services Specialist

Jeff Cox
Line Crew Foreman

Kael Crawford
Apprentice Lineman

Aandi Deering
Staking Engineer

Jason Donnelly
First Class Lineman

Travis Erickson
First Class Lineman

Blair Everman
First Class Lineman

Sam Freitag
Apprentice Lineman

Steve Gehling
*Lead Equipment
Technician*

Ben Grangaard
First Class Lineman

Brennen Gunderson
Engineering Coordinator

Andrew Henderson
First Class Lineman

Regan Jacobson
Accountant

Jessica Jones
*Member Accounts Rep.
| FirstCall*

Kim Kloke
*Member Accounts Rep.
| Collections*

Jason Leonhart
Lead Lineman

Staci Malcom
*Fiber Services
Representative*

Matt Marting
*Fiber Services
Coordinator*

Josh Mitchell
Utility Forester

Doug Moose
*Custodian | Warehouse
Coordinator*

Jason Nefzger
Lead Lineman

Robin Palmer
*Member Accounts Rep.
| Data Processing*

Brad Pecinovsky
*Compliance & Training
Coordinator*

Jack Regan
Hot Line Foreman

Teri Schmitt
*Accounting Assistant
| Executive Services
Coordinator*

Ben Schulmeister
*Fleet Services &
Equipment Technician*

Brent Schutte
First Class Lineman

Darrin Smith
Fiber Services Specialist

Stacy Stock
*Operations &
Engineering
Coordinator*

**as of Aug. 1, 2026*

MANAGEMENT STAFF



HOLLEE MCCORMICK
Executive Vice
President |
General Manager



**JENNIFER
ACHENBACH**
Manager | Marketing
& Communications



DAVID DECKER
Director | Finance
& Administrative
Services



BRENDA HACKMAN
Manager | Economic
Development &
Community Relations



JENI KOLSRUD
Manager | Information
Technology



**JASON
TROENDLE**
Director |
Operations &
Engineering



RYAN WAGNER
Manager | Member
Services

Providing safe, reliable electric service remains at the center of everything we do. While our goal is to keep the power flowing for our members, outages can still occur due to factors beyond our control.

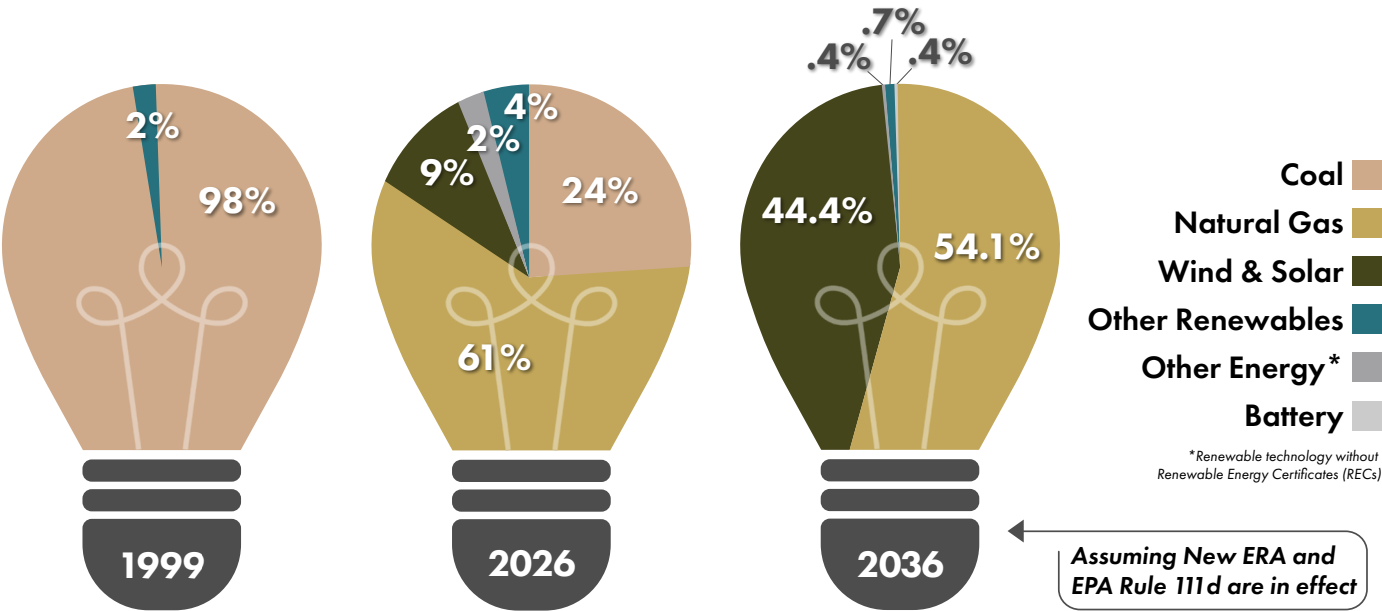
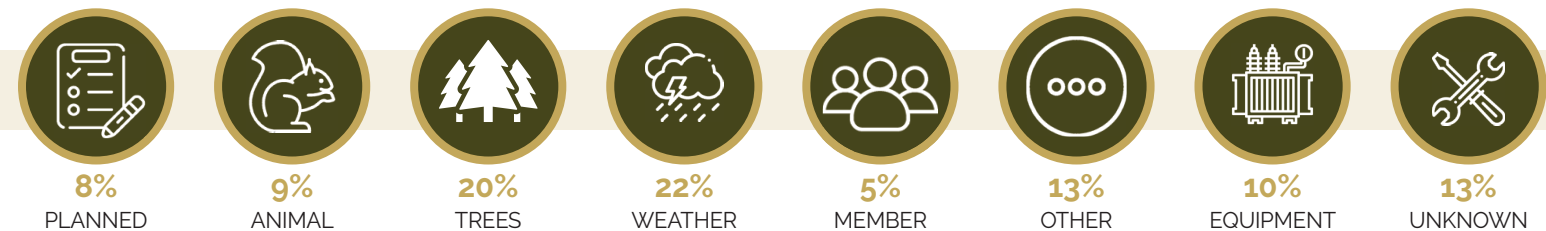
This year, weather was the leading cause of service interruptions, followed by tree-related outages. To improve reliability and reduce the impact of storms, the cooperative continues to invest in system improvements, including burying electric lines where practical. These efforts help strengthen our electric system and minimize weather-related disruptions.

Tree-related outages continue to be a significant factor, which reinforces the importance of our ongoing vegetation management program. Maintaining clear rights-of-way helps reduce outages, improve safety and support reliable service for our members year-round.

2025 OUTAGE SUMMARY

MONTH	OUTAGES	MEMBERS	MINUTES
January	5	149	10,551
February	4	38	7,992
March	52	1,006	121,759
April	14	1,755	142,737
May	19	551	63,986
June	26	858	157,722
July	38	784	121,557
August	28	495	58,483
September	13	176	20,872
October	22	378	34,795
November	11	136	17,513
December	8	108	9,317

WHAT'S CAUSING OUTAGES?



AC SKYWAYS IS ALWAYS THERE

AC Skyways continued to build momentum in 2025, ending the year with more than 1,600 fiber internet subscribers. That represents an increase of nearly 500 customers from December 2024 to December 2025 and reflects steady growth throughout the year, with new subscribers added every month.

The division's overall take rate has grown to nearly 55% of its possible subscriber base, demonstrating the strong demand for reliable, high-speed fiber internet in the communities AC Skyways serves. Voice Over Internet Protocol (VoIP) service also saw significant growth in 2025, reaching 382 lines by year-end—an increase of nearly 100 lines for the year.

As AC Skyways marks five years of offering fiber internet, we are proud of the progress made and the trust our members and customers have placed in us. More than just an internet provider, AC Skyways is local. Our technicians live and work in the area, understand the needs of our communities, and are committed to providing responsive, dependable service.

We are proud to continue growing as a local provider and to help keep our rural communities connected with the technology they need today and into the future.

Kelly Blockhus
Fiber Services Specialist



Staci Malcom
Fiber Services Representative



Matt Marting
Fiber Services Coordinator



Darrin Smith
Fiber Services Specialist



BUILDING CONNECTIONS, SERVING LOCALLY

ACEC has a strong commitment to the communities we serve. One way we show that is through our work with local economic developers. Our economic development department works closely with our communities and business leaders, as well as with the economic development department at Dairyland Power Cooperative, to help give local businesses the support they need.

ACEC was able to financially support businesses through the use of the USDA Rural Economic Development Revolving Loan program (REDLG) and USDA Revolving Loan Fund (RLF).

We are proud to be able to support the businesses in our service footprint. To learn more about how we support economic development, visit <https://acrec.com/economic-development>.

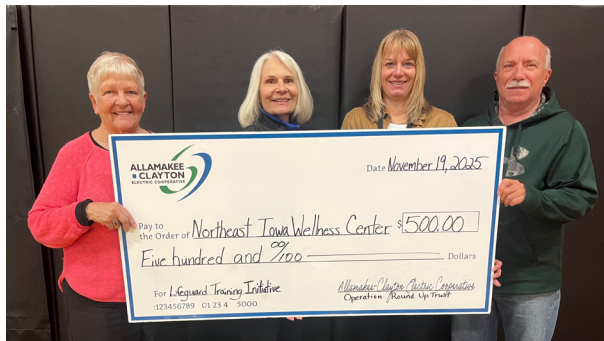


ACEC loaned \$245,358 in USDA Revolving Loan Fund (RLF) money to assist the Elkader Pit Stop with an expansion and remodel of the gas station in downtown Elkader.

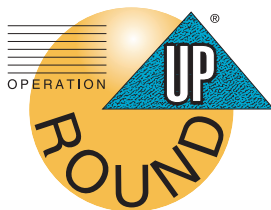


A USDA Rural Economic Development Loan (REDLG) application written by Dairyland Power and submitted by ACEC provided a \$2 million loan (along with MiEnergy-\$2 million loan) to WinnMed Hospital in Decorah for their remodel and expansion. This program is designed to promote economic development and job creation projects in rural areas. By providing this pass-through loan to WinnMed Hospital in Decorah, Dairyland Power, ACEC and MiEnergy are contributing to the healthcare infrastructure and services in the region, which can have a significant positive impact to NE Iowa such as improved healthcare services, job creation, and economic growth.

OPERATION ROUND-UP REACHES MILESTONE



ACEC's Operation Round-Up program reached an important milestone in 2025 by awarding its first grant. The volunteer trust board selected the Northeast Iowa Wellness Center in Postville to receive funding for two scholarships to cover the cost of lifeguard certification courses.



Operation Round-Up is built on the idea that small change can make a big difference. Participating members round up their monthly electric bill to the next dollar, with the extra cents donated to support local organizations and community projects. While the average member contributes about \$6 per year, those small donations add up to meaningful support for the communities ACEC serves.

The program began in 2021, with donations accepted starting in 2022. After several years of promoting the program and growing the fund, the Operation Round-Up board opened the first grant application process to organizations within ACEC's service area. Eligible recipients include nonprofits, libraries, fire departments, school support programs and other community-focused efforts.

As the program grows, ACEC is eager to see its impact expand across the communities we serve.

To learn more, visit <https://acrec.com/operationroundup>

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 —



FOR OUR MEMBERS



School Donation



Career Fair



Postville Parade



Roger Arthur Honored



Employee Appreciation



Member Appreciation Picnic



Annual Meeting



Members of the Board



Day of Service

Serving our members by selecting candidates for the Board

Each spring, the ACEC Board of Directors appoints a nominating committee to select candidates to run for the board. The nominating committee is comprised of members representing each of the three districts. This year's nominating committee met in late-May to select candidates for the director positions on the ballot. Thank you nominating committee members for your service!

Members of the 2026 nominating committee were, from left, Jeff Molitor, Dorchester; Joan Schwartz, Waterville; Cindy Berns, Postville; Roger Arthur, Sumner. Back row – Andy Moore, Waukon; Michael Anderson, Elkader; Mark Brase, Garnavillo; Eric Boehm, Wadena.



SCHOLARSHIPS

In 2025, ACEC awarded Hauschild Memorial Scholarships to Mari Delaney and Jack Scherf. Jack was a 2025 graduate of Central High School. He later attended Northeast Iowa Community College to study in the residential and commercial electrician program. Mari was a 2025 graduate of Waukon High School who continued her education at Iowa State University, pursuing a degree in civil and environmental engineering.



Jack Scherf



Mari Delaney

YOUTH TOUR



Waukon High School junior Hayden Palmer and Postville sophomore Olivia Enyart were selected by ACEC to attend the 2025 Rural Electric Cooperative Youth Tour in Washington D.C. The two were selected by a panel of three judges – Connie Euans, Shelly Elliott and Jared Funk. In June 2025, Palmer and Enyart traveled with nearly 40 delegates from Iowa to the nation's capital as a part of the National Youth Tour to learn more about the history of rural electrification and U.S. history.

2025 Financial Highlights - BALANCE SHEET

As of December 31

ASSETS

ELECTRIC PLANT

In service

Under construction

Total electric plant

Less accumulated depreciation

Electric plant, net

OTHER PROPERTY AND INVESTMENTS

Investments in associated companies

Non-utility property, net

Restricted investments, net

Total other property and investments

CURRENT ASSETS

Cash and cash equivalents

Restricted cash

Accounts receivable, net of allowances

Broadband grants receivable

Material and supplies

Prepayments

Interest receivable

Total current assets

DEFERRED DEBITS

TOTAL ASSETS

EQUITIES AND LIABILITIES

EQUITIES

Memberships

Patronage capital

Other equities

Total equities

LONG-TERM DEBT, LESS CURRENT MATURITIES

POST RETIREMENT BENEFITS

CURRENT LIABILITIES

Current maturities of long-term debt

Line of credit

Accounts payable trade

Accounts payable construction

Customer deposits

Taxes accrued

Post retirement benefits

Other

Total current liabilities

DEFERRED CREDITS

TOTAL EQUITIES AND LIABILITIES

	2025	2024
ELECTRIC PLANT		
In service	\$79,343,399	\$75,924,251
Under construction	942,945	787,538
Total electric plant	80,286,344	76,711,789
Less accumulated depreciation	32,575,730	30,765,520
Electric plant, net	47,710,614	45,946,269
OTHER PROPERTY AND INVESTMENTS		
Investments in associated companies	13,388,407	13,070,140
Non-utility property, net	11,806,174	12,365,393
Restricted investments, net	6,212,557	4,657,586
Total other property and investments	31,407,138	30,093,119
CURRENT ASSETS		
Cash and cash equivalents	55,948	142,441
Restricted cash	342,349	340,259
Accounts receivable, net of allowances	2,867,138	2,290,184
Broadband grants receivable	2,785,347	3,036,781
Material and supplies	1,077,671	1,245,780
Prepayments	158,465	194,812
Interest receivable	22,924	25,704
Total current assets	7,309,842	7,275,961
DEFERRED DEBITS	21,577	31,189
TOTAL ASSETS	\$86,449,171	\$83,346,538
EQUITIES AND LIABILITIES		
EQUITIES		
Memberships	\$490	\$490
Patronage capital	15,961,795	13,474,350
Other equities	13,494,920	13,483,880
Total equities	29,457,205	26,958,720
LONG-TERM DEBT, LESS CURRENT MATURITIES	48,055,708	46,686,421
POST RETIREMENT BENEFITS	1,013,859	972,965
CURRENT LIABILITIES		
Current maturities of long-term debt	3,032,011	2,825,330
Line of credit	2,169,135	3,292,801
Accounts payable trade	1,529,495	1,347,064
Accounts payable construction	0	0
Customer deposits	65,583	72,459
Taxes accrued	283,319	274,136
Post retirement benefits	42,698	50,958
Other	611,521	604,047
Total current liabilities	7,733,762	8,466,795
DEFERRED CREDITS	188,637	261,637
TOTAL EQUITIES AND LIABILITIES	\$86,449,171	\$83,346,538

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

2025 Financial Highlights - STATEMENT OF OPERATIONS As of December 31

	2025	2024
OPERATING REVENUES	\$26,792,470	\$22,355,072
OPERATING EXPENSES		
Cost of power	12,807,890	11,771,859
Distribution - operations	1,757,024	1,763,994
Distribution - maintenance	2,271,991	2,234,315
Customer accounts	521,795	509,266
Customer service and informational	479,970	485,054
Administrative and general	1,648,950	1,592,715
Depreciation	2,389,553	2,308,173
Taxes	0	0
Interest on long-term debt	1,507,768	1,371,366
Other	145,376	175,336
Total operating expenses	23,530,317	22,212,078
OPERATING MARGIN BEFORE CAPITAL CREDITS	3,262,153	142,994
GENERATION AND TRANSMISSION AND OTHER COOPERATIVE CAPITAL CREDITS	745,957	802,702
NET OPERATING MARGIN	4,008,110	945,696
NONOPERATING MARGIN (LOSS)		
Interest income	114,467	113,689
Gain (loss) from equity investments	-1,685	88,152
Other nonoperating margin (loss)	-1,158,605	-1,065,543
Total nonoperating margin (loss)	-1,045,823	-863,702
NET MARGIN	\$2,962,287	\$81,994

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, 2025, and the related statements of operations, equities and cash flows (not presented herein) for the year then ended, and in our report, dated February 15, 2026, 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.

March 25, 2026

Sioux Falls, South Dakota

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COMPARATIVE OPERATING STATISTICS

	2025	2024
Number of Members Billed	9,948	9,964
Total Miles of Line Energized	2,534	2,530
Number of Substations	16	16
Total kWhrs Purchased	158,845,652	147,935,244
Total kWhrs Used by All Members	150,785,557	140,519,530
Total kWhrs Unaccounted For	8,060,095	7,415,714
Percent of Line Loss	5.1%	5.0%
Average Monthly kWhrs Used Per Member	1,263	1,175
Average Cost Per kWhr Per Member Per Month	\$17.54	\$15.85
Average Monthly Bill	\$221.57	\$186.25
Average Cost Per kWhr of Purchased Power	\$8.06	\$7.96
Total Cost of Purchased Power	\$12,807,890	\$11,771,859
Total Annual Operating Revenue	\$26,792,470	\$22,355,072
Average Plant Investment Per Member	\$8,071	\$7,699
Deferred Patronage Dividends Refunded this Year	\$474,842	\$577,305
Deferred Patronage Dividends Refunded to Date	\$20,815,829	\$20,340,987

ANNUAL MEETING OF THE MEMBERS

MEETING MINUTES

September 8, 2025

The 87th Annual Meeting of the Allamakee-Clayton Electric Cooperative, Inc. members was held in a drive-through format at the Allamakee-Clayton Electric Cooperative headquarters in Postville, Iowa, from 1:30-6:30 p.m. on Monday, September 8, 2025.

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.

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 Cooperative's Articles of Incorporation permit voting for the Director election by mail. Further, the Articles of Incorporation 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 has been met, and the election was completed without an in-person meeting of the members. Members attending in person were directed to mark their Director election ballots during the drive-through event.

Minutes of the annual meeting held September 9, 2024, were included in the booklet mailed to each member of the Cooperative prior to the annual meeting. There being no objections or corrections to the minutes, President Steffens declared the minutes approved as submitted.

In accordance with the Articles of Incorporation of the Cooperative, the Notice of the Annual Meeting and Minutes of the annual meeting held on September 9, 2024, were incorporated in the Cooperative's Annual Report mailed to all members as part of the Cooperative's monthly print publication ACEC NEWS in August. The 2025 Annual Meeting Notice and 2024 Minutes and a copy can be found, which is available for reference at www.acrec.com.

In accordance with the Articles of Incorporation of the Cooperative, the Board of Directors had appointed a Nominating Committee that had met on May 22, 2025, at the Cooperative's headquarters in Postville, Iowa. Nominations for Directors to be elected at this

annual meeting were made. President Steffens called upon Matt Byrnes, Chairman of the Nominating Committee, to present his committee's Report. Mr. Byrnes read his Report to the members, and his Report showed that the following members had been nominated by his committee for the office of Director:

DIRECTOR FOR DISTRICT "A"

Eaton Cote, Waukon, Iowa, Union Prairie Township
Brice Wood, Lansing, Iowa, Lafayette Township

DIRECTOR FOR DISTRICT "B"

John Bruihler, Hawkeye, Iowa, Windsor Township
Ronald Hartman, Sumner, Iowa, Banks Township
Alan Steffens, Clermont, Iowa, Dover Township

DIRECTOR FOR DISTRICT "C"

None

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

The proposed amendments to the Articles of Incorporation were explained in the Annual Report sent out to members August 13, 2025. The Board of Directors proposed to amend Article IX, Sections 1, and 3 to state that the business and affairs of the Cooperative shall be managed by a Board of Directors consisting of no less than seven (7) nor more than ten (10) directors; and in addition to the foregoing methods of voting, the Board of Directors may authorize voting by Electric Transmissions.

Following the cut-off for election ballots, the Inspectors of Election collected 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 Matt Byrnes, Chairperson of the Nominating Committee. He certified that Brice Wood had been elected as Director for District "A" and Alan Steffens and John Bruihler had been elected as Directors for District "B". He also stated that the proposed amendments to the Articles of Incorporation had been adopted. The people elected to the Board will serve terms of three years or until their successors are elected and 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 the main (south) entrance
MONDAY, SEPTEMBER 14, 2026
1:30 – 6:30 PM

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



PRESENT THIS CARD at the drive-through event for your complimentary gift and hot to-go meal while supplies last (must be present in the vehicle for a complimentary meal). 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 ACEC 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 14, 2026, 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 Bylaws permit voting for the Director election by mail. Further, the Bylaws 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 bylaws, has nominated five 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 14, 2026.

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 2026.

Cindy Heffern,
Secretary



**ALLAMAKEE
CLAYTON**
ELECTRIC COOPERATIVE

PO Box 715
Postville, IA 52162-0715

Your Touchstone Energy® Cooperative 

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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, Sept. 14, 2026
1:30 PM – 6:30 PM**

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

You will be greeted by ACEC directors and employees while you remain in your vehicle to vote, register for prizes, and receive a complimentary gift and hot to-go meal while supplies last (must be present to receive a meal). Prizes 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!
See you at the Annual Meeting!

