

2020 Annual Report

*our future looks*

**BRIGHT**



Your Touchstone Energy® Cooperative 

EV STATION

*Ballot Enclosed*

# YOU'RE INVITED!

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

Monday, September 13, 2021  
1:30 - 6:30 p.m.

Allamakee-Clayton Electric Cooperative HEADQUARTERS

Director elections for Districts B and C will occur via mail or can be dropped off during the **drive-through** service at the Cooperative on Monday, September 13, 2021, from 1:30 p.m. to 6:30 p.m. Employees and directors will greet you and provide you with a hot to-go meal (while they last) and give you your annual meeting gift. All attendees will be entered into a drawing for a bill credit.

**We hope to see you there!**

# .....PRESIDENT AND GENERAL MANAGER REPORT.....

Did you know that 1 in 8 Americans get their power from an electric co-op and that co-ops power 56% of the nation's landscape? As an ACEC member, this is your cooperative. At its best, a cooperative does not differentiate between itself and its members. We provide more than electricity; ACEC listens to your electrical and renewable energy needs. We work with you towards the best solution for reliable power that offers you a stable foundation for your quality of life. Co-ops recognize that the evolving consumer energy expectations are built on the foundational expectations of affordability and reliability. That's why they take a strategic and methodical approach to the ongoing energy transition.

One of the most important benefits of being a co-op owner is having a voice in how the Co-op operates. Allamakee-Clayton Electric Cooperative functions most effectively with committed and informed leadership. Your board of directors is democratically elected from the membership to represent your interests and actively set policies and make long-term decisions to provide vision and direction. This local business structure has been at the heart of Allamakee-Clayton Electric Cooperative since the very beginning.

Strong leadership is essential to us, and we are also blessed to employ many hard-working people who manage the day-to-day operations of the Co-op and keep your lights on. We hold to our mission to remain 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.

We know that your overall member satisfaction is directly related to the reliability and affordability of the services we provide. Therefore, reliability is one of our top priorities at Allamakee-Clayton Electric Cooperative. Each year, maintaining a reliable system takes hundreds of hours of planning, maintenance, inspections, and system upgrades, while keeping safety a constant. Equally important is our commitment to balancing reliability and affordability with member expectations, which requires a mindset of continuous improvement and looking ahead to anticipate your future needs.

Electricity is our business; therefore, all things affecting the power landscape are worthy of our attention. We have been intrigued and paying attention to EVs for the past few years. This past spring, Allamakee-Clayton decided the time was right to add an electric vehicle to our fleet, with the purchase of a Tesla Model 3 electric vehicle in April. EV technology is constantly improving, prices have been decreasing, and after researching and comparing purchase price, range, technology, safety, and availability, Tesla rated high in criteria categories.

We know that widespread EV adoption will not occur overnight. As the EV market changes, expands, and improves, we want to be in the know. Being an "All Things Electricity" resource for our

members and surrounding communities has and always will be necessary to ACEC. We've also joined a consortium of 50 other electric co-ops to learn more about EV charging. Our group is called CHARGE, and we'll be a resource for folks in our area looking to purchase a high-quality Level 2 charger for their EV. If you're interested in an EV but want to kick the tires and look under the hood, we invite you to come to take a look at our co-op's Tesla during the Annual Meeting Drive-Through next month.



JEFF BRADLEY  
PRESIDENT



HOLLEE  
MCCORMICK  
EVP/GENERAL  
MANAGER

The pandemic challenges have put connectivity center stage as faster and reliable internet has become persistent and loud since last March of 2020. With students learning from home, parents working from home, and simply more time spent at home, "we just really need better internet" is a sentiment we have heard time and time again. Our AC Skyways division has expanded to over 1,000 subscribers and is still growing. These subscribers are served with mostly wireless broadband and some satellite too. But when it comes to high-speed internet, fiber is truly the gold standard. We know this, but up until 2020, the cost has been a prohibitive factor. With an average density of four members per mile of line in our rural areas, the economics to deploy fiber have not been there.

Since 2020, federal and state grant opportunities are becoming more readily available, and we have been paying close attention and responding. This past year, ACEC secured over \$5 million in broadband grants through the Office of the Chief Information Officer of the State of Iowa (OCIO). These grants will allow us to deploy fiber in northern Allamakee County. We know we have a big job ahead of us, and we know there are still many areas that need better service and potentially more grant dollars to secure. We intend to keep moving forward and seek opportunities to improve our area's connectivity with those ideas in mind.

At Allamakee-Clayton Electric Cooperative, we do more than provide electricity. We power lives and empower the communities we serve every day. Having access to safe, reliable, affordable, and environmentally responsible power offers a stable foundation for your quality of life, and we take that responsibility very seriously.

Our future looks bright, and we look forward to serving your energy and broadband needs in the years ahead.

# 2021 DAIRYLAND DIRECTOR REPORT

## Safe and Sustainable

The world changed in many ways during 2020. Dairyland's six strategic priorities support their overarching goal of sustainability: culture of safety, cooperative principles, "People 1st", asset reliability and diversification, financial and competitive strength, growth, and innovation. Dairyland's leadership team and the Board of Directors continue to address ongoing changes in the energy industry known as the "Four Ds": Decarbonization, Deregulation, Digitalization and Decentralization. To be sustainable, Dairyland must address these challenges and create long-term value for Dairyland's members.

### SAFETY & PEOPLE FIRST

- Without a culture of safety, nothing is sustainable, and safety remains the highest priority at Dairyland. Therefore, Dairyland is implementing human performance tools to strengthen and maintain a culture of safety as they strive for an operational goal of "zero incidents."
- One thing that hasn't changed is the value of cooperative principles and relationships. Dairyland has demonstrated a commitment to transparent governance and strong relationships with members. As a result, Dairyland positively impacts its local communities and supports organizations that assist those facing economic challenges.
- Aligned with the updated mission, vision, and core values, Dairyland's "People 1st" culture is member-focused, clarifies employee roles and goals, and enhances communication throughout the organization.

### ASSET RELIABILITY AND DIVERSIFICATION

- In 2020, Dairyland's Board of Directors approved a goal of a 50 percent reduction in the carbon dioxide intensity rate by 2030. The Sustainable Generation Plan provides a framework for energy diversification, considers the economic impact on members, technological feasibility, social implications, and environmental responsibility.

- In January 2021, the Tatanka Ridge Wind Farm (Deuel County, S.D.) began operation. Dairyland has a power purchase agreement (PPA) to receive renewable wind energy from a 52-megawatt (MW) portion of the wind farm. Dairyland also has a PPA with Ranger Solar for a future addition of 149 MW from the Badger State Solar Facility.
- Employees remained focused on the safe and reliable operation of Dairyland's coal-fired Genoa Station #3 (G-3) until it was retired on June 1, 2021.
- In 2020, they achieved a significant sustainability milestone by recycling 100 percent of the fly ash captured by precipitators at G-3 and the John P. Madgett Station (Alma, Wis.). Dairyland's fly ash is most commonly recycled as a replacement for Portland cement in concrete. Adding fly ash into concrete contributes to a stronger, less permeable product at a lower price.
- Another beneficial reuse effort underway is participation in a pilot agricultural project with UW-Extension to test the effectiveness of coal-combustion byproducts as fertilizer.



### FINANCIAL AND COMPETITIVE STRENGTH

- Dairyland balances building financial strength with ensuring competitive rates and sound operations.
- Financially, Dairyland had strong margins in 2020 due to a favorable regional energy market, a reduction in budgeted operational/divisional costs, and other factors. As a result, Dairyland provided \$6 million of rate credits to members in 2020, reduced future expenses and is evaluating business development opportunities. In addition, Dairyland increased its cash



retirement of Capital Credits to 5 percent (versus 2 percent), resulting in 2020 cash retirements of \$11.5 million.

- Dairyland is also investing in regional transmission opportunities that improve reliability and add value for members. By working with other utilities, regional transmission infrastructure has been strengthened to absorb changing generation sources while maintaining reliability.
- In 2020, Dairyland began a programmatic approach for adding middle-mile fiber optic communications to its existing transmission infrastructure, primarily for communication purposes. Fiber deployment will help enhance broadband availability in our local communities.

## GROWTH AND INNOVATION

- Dairyland and its members are also implementing strategies to support electric vehicle growth through by creating CHARGE EV, LLC. Charge EV will help to lead the installation of more EV chargers in the rural areas served by Dairyland members in Iowa, Minnesota, and Wisconsin. Additionally,

CHARGE EV will work with local businesses to help them learn more about adding EVs to their fleets.

- Dairyland staff work with members to support economic development opportunities to help communities grow by adding businesses and jobs.
- Dairyland will remain sustainable, adaptable, and competitive as the energy industry transforms by seeking innovative solutions and implementing effective project management to achieve its strategic priorities.

Dairyland has demonstrated its agility and commitment to safety while reliably providing critical power throughout this unexpected pandemic journey. As your representative on the Dairyland Board of Directors, I am confident that Dairyland will continue to provide our cooperative with reliable, affordable, and sustainable power today and for future generations.

Respectfully,

Jeff Bradley

Allamakee-Clayton's Representative  
on Dairyland Power Cooperative's Board



## A Greener Alternative



The Co-op's Tesla Model 3 is 100% electrically powered and can travel 265 miles on a full charge.



The Co-op's manager of member services, Ryan Wagner, was on site at the Clayton, Fayette and Allamakee county fairs this summer with the Co-op's Tesla to answer questions about electric vehicles.

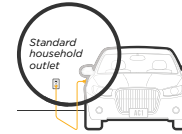
You may think that EVs are not yet a viable solution in rural areas with a lack of charging infrastructure, but that has changed over the recent years.

ACEC is one of 29 original RECs who created a regional electric vehicle charging network across Ill., Iowa, Minn., and Wisc. CHARGE EV, LLC includes over 30 Level 2 and Level 3 charging stations. You can find charger locations and other information at [charge.coop](http://charge.coop). You can also visit [plugshare.com](http://plugshare.com) to locate EV chargers throughout the US.

ACEC currently offers an \$800 rebate for a Smart e-vehicle charger. See our website for more details about this rebate, or contact our member services manager, Ryan Wagner. In addition, you can read more about electric vehicles in our June and July newsletters located at [acrec.com](http://acrec.com).

### Electric Vehicle Charging Levels

#### AC Level One



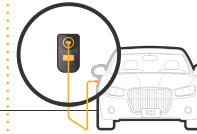
**VOLTAGE:**  
120V 1-Phase AC

**AMPS:**  
12-16 Amps

**CHARGING LOADS:**  
1.4 to 1.9 kW

**VEHICLE CHARGE TIME:**  
3-5 Miles per Hour

#### AC Level Two



**VOLTAGE:**  
208V or 240V 1-Phase AC

**AMPS:**  
12-80 Amps (typ. 32 Amps)

**CHARGING LOADS:**  
2.5 to 19.2 kW (typ. 6.6kW)

**VEHICLE CHARGE TIME:**  
10-20 Miles per Hour

20+ For some EV models

#### DC Fast Charge



**VOLTAGE:**  
208V or 480V 3-Phase AC

**AMPS:**  
<100 Amps

**CHARGING LOADS:**  
50-350 kW

**VEHICLE CHARGE TIME:**  
60-80 Miles in 20 Minutes

Sources: Advanced Energy and EPA

## Connectivity is Crucial

ACEC strongly believes that having full internet access in rural Iowa will remove a barrier for some who struggle to participate in today's economy and education system because they live in the areas with poor connectivity.



Lt. Governor Adam Gregg visited ACEC this summer and heard about our fiber projects in Allamakee County. The Co-op gave a synopsis of our current projects and future projects for which we would like to seek funding.



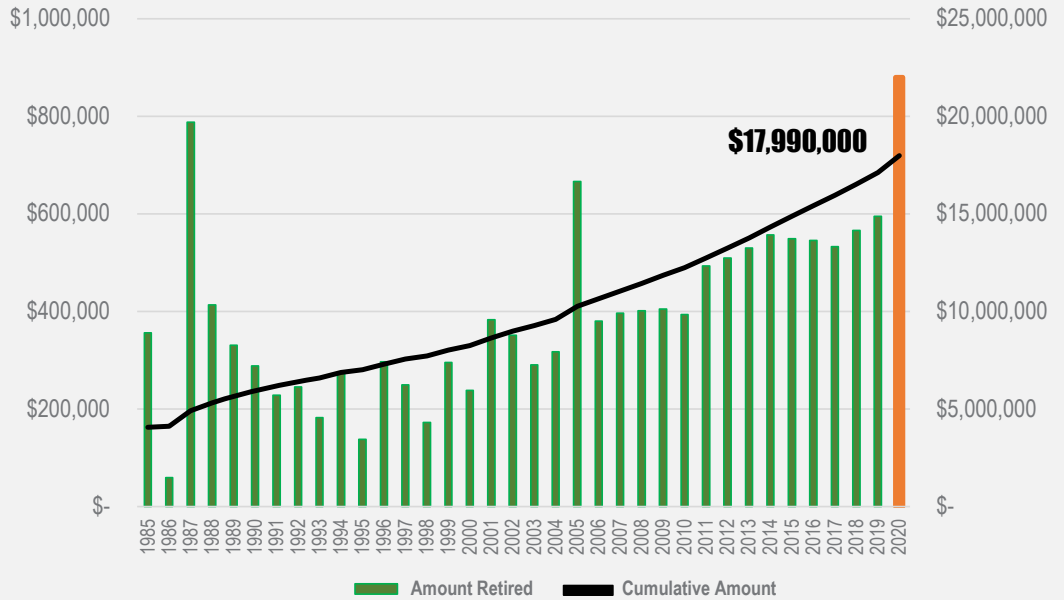
Erich Gamm, the owner of West Union Trenching, describes the fiber boring and connection process to Hollee McCormick during a visit to Allamakee County in December 2020.

# Returning your Investment

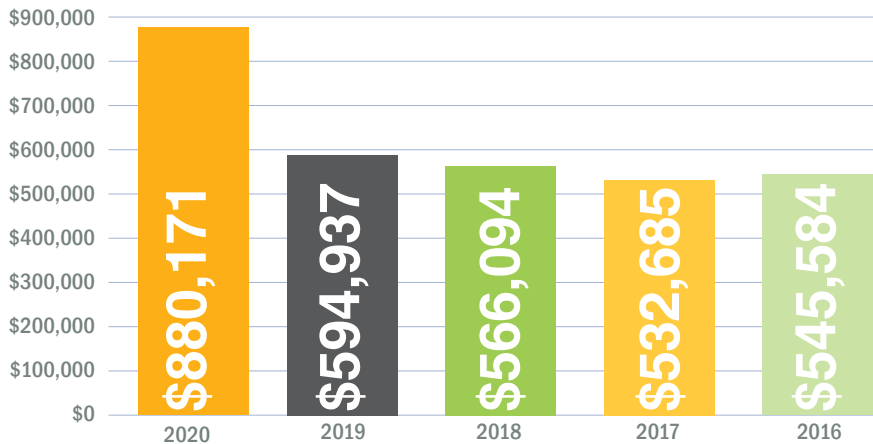
## RETURNING \$880,171 OF CAPITAL CREDITS

Patronage dividends, also known as capital credits, are a benefit of the cooperative form of doing business. Once again, 2020 was a significant year for the Cooperative as \$880,171 in capital credit payments were returned to the membership. As of 2020, a total of \$17.99 million has been returned to the membership in the form of capital credit retirements.

### SCHEDULE OF PATRONAGE RETIREMENT



## 5-Year Patronage History



As a member and owner of Allamakee-Clayton, you are building equity in the co-op as you use electricity each month. In fact, each member has a patronage capital allocation account on file which tracks the credit or equity accumulated each year.

# 2020 Notable Numbers

## Internet Customers

**1,088**

**15.04%**  
INCREASE  
FROM 2019



## Empowering Energy Savings

**\$53,673**

in energy efficiency rebates to ACEC members

**\$10,815**  
agricultural rebates



**\$41,366**  
residential rebates

**\$1,412**  
commercial rebates



**1,114,889 kWh**

energy saved by members through energy efficiency rebates



## INVESTED IN EFFICIENCY

**0.904%**

(\$0.0013 per kWh)

of 2020 revenue invested in energy efficiency programs

**23** of being a Touchstone Energy Cooperative

**YEARS**

A Touchstone Energy® Cooperative



**221**

AVERAGE MONTHLY MOBILE PAYMENTS



smart hub

**1,282**

AVERAGE MONTHLY ONLINE PAYMENTS



**1,850**

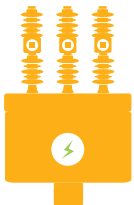
REGISTERED SMART HUB USERS

**343**

PAPERLESS BILLING ACCOUNTS

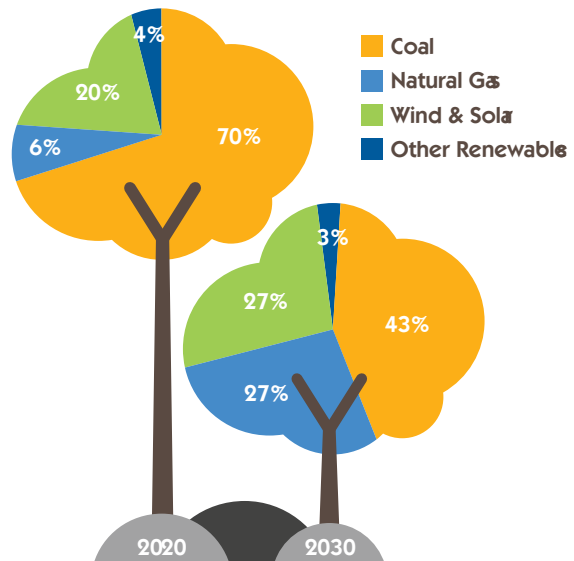
## 16 Substations

Dairyland Power Cooperative owns and maintains ACEC's 16 substations, all with advanced communication technology.




## Members Support Renewable Energy Production

75 avg. members > \$3.31 per month

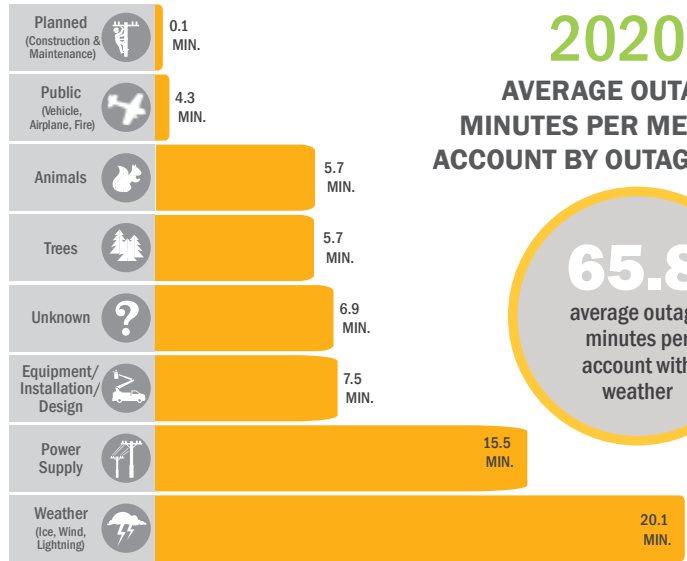




# 2020 Notable Numbers




**10,000**  
AMI meters  
at work serving  
**8,925**  
member-accounts



Helping Member  
Families in Need

**34**  
members gave  
**\$5,700**



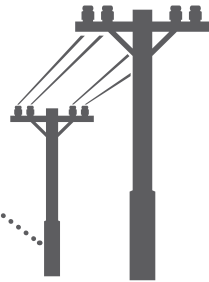

## PULLING THE PLUG

Members earned **\$995** for recycling inefficient working appliances

**34 MILES**

of overhead and  
underground line  
replaced

**3,762**  
poles  
inspected



## DONATIONS

**\$9,919.19** to  
**39** organizations

Scholarships Paid in 2020 **\$2,000**



**2020**  
Facebook Fans  
**1,284** TOTAL FANS



## 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.



# DISTRICT B

## CANDIDATES

### Jeff Bradley

Wadena, Iowa  
Westfield Township

Rural resident, self-employed realtor, broker/owner of Volga River Realty. ACEC member since 1989. Wife, Janell. Three children, Sarah, Ryan, Laura and grandson Luke. Member St. Peter Lutheran Church, Eldorado.



Treasurer for the City of Fayette. Past treasurer of Northeast Iowa Board of Realtors, former co-owner of Fayette Leader, Elgin Echo and Ossian Bee newspapers with participation in many community organizations.

Jeff's broad background in agriculture (as a grain and barge freight merchandiser) and business (newspapers and real estate) provides him with valuable experience for serving on the board. He believes renewable energy needs to be an important part of our energy mix while making sure there is baseline load when renewables aren't generating. Jeff invested in a geothermal system for his own home and participates in the load management interruptible heat program, saying "technology continues to lower the cost of renewable energy."

In addition to reliable electric service, Jeff feels members expect their co-op to be forward-thinking and plan for tomorrow's energy needs, bring high speed Internet to the service area, and spur economic development with its revolving loan fund. Jeff believes the board makes sure there is a safety 1st culture within the Co-op, and that it is fiscally conservative while keeping abreast of an ever-changing energy industry.

### Janice Koenig

Castalia, Iowa  
Bloomfield Township

Owned and operated a dairy, hog, and grain operation until 1993 with her husband, Michael. ACEC member since 1974. Retired from Luther College, where she was employed as the Athletic Department Business Manager for 30 years. Two children, Luther (Mindy) and Marcee (Mitch) Markussen, and four grandchildren.



Former member of the Sub-Committee Strategic Planning projects, Financial Director of NCAA Hosted Tournaments, and Coordinator of Transportation Usage and Bidding Review Committee at Luther. She is an active member of Zion Lutheran Church in Castalia, where she held various offices, including the president. Janice was also one of the coordinators of the Postville Craft Show for 25 years.

Recently retired, Janice feels the skills she has acquired over the past forty-seven years would be a great asset to ACEC and its Board of Directors. "Retirement offers me more time to come full circle with how important it has been to be a member of such a great cooperative and now I have the opportunity to be a part of the leadership in the ever-changing world of keeping our rural living at its best."

"Providing education and resources for safer water practices for our rural communities, providing solar and wind resources, and thus finding ways of harnessing energy security are issues of today that should be at the top of the list for the Board of Directors. For years, renewable energy was simply discussed as something we would need to be concerned about in the future. We are here!"

Janice feels that members expect their voices are heard. "It is essential to ensure members know that the coop is owned and run by them. Having representatives on the board that are honest, level-headed, and always have the members' needs [in mind] is the most important."

# DISTRICT C

## CANDIDATES

### Nelson Converse

Postville, Iowa  
Franklin Township

Owns a crop and dairy farm with his wife, Twila. Currently retired and rent out their farm. ACEC members since 1985.

Nelson has a Bachelor of Science degree from Upper Iowa in education and business and has served as a DHIA officer, 4-H Leader, and an MFL MarMac School Board Member.



"I am a good listener, and I will look at all options. I enjoy working with people, am outgoing, and I care about our environment." Nelson feels that renewable resources need to be developed because there is a limited amount of natural resources. "The world population is continuing to grow, and technology, science, and forward-thinking will help to ensure the quality of life we have become used to."

He feels that members expect good communication and reports and friendly employees to abide by federal, state, and local statutes. "Members expect our cooperative to be forthcoming about any changes that will impact the service and direction of the Cooperative."

### Jerry Keleher

Elkader, Iowa  
Boardman Township

Grain marketing manager for Viafield Cooperative, owns and leases Heritage Farm in Clayton County, third generation on the farm. Member of St. Joseph Catholic Church, Elkader. Graduated from Central Schools, bachelor's degree from the University of Wisconsin-Platteville. Two children: Madeline and Jack. ACEC member since 2011.



Currently serves on the Central Community Hospital Foundation board, is a trustee for Boardman Township and is a member of Iowa Corn Growers. Has served in the past on the following boards and committees: Mount Vernon Planning and Zoning Commission, Lisbon Economic and Community Development Committee, Mount Vernon/Lisbon Jaycees, Mt. Vernon St. John's Catholic Parish Council, Director of Mt. Vernon Golf and Country Club, and was a volunteer for Martelle Fire Department.

Jerry is honored to be nominated as a candidate for the board of directors and feels that his 37 years of Ag retail cooperative experience will offer a valued voice for the Cooperative membership. The board is faced with decisions about renewable energy as it continues to gain momentum, and Jerry offers that "developing new sources of renewable energy and advanced technologies is allowing us to produce more energy with a small blueprint of opportunities." He believes that diversity of renewable energy can lead to a balanced portfolio only if it is safe, reliable and most of all cost-effective.

Jerry believes the Cooperative member expect goods and services at a reasonable cost, adding that "teamwork, service-oriented individuals and a commitment by all will lead us into the future."

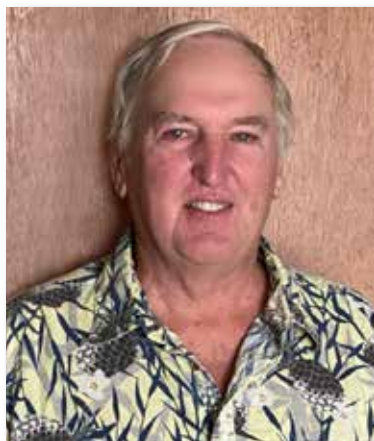
# DISTRICT C

## CANDIDATES [Continued]

### Ronald Sass

Luana, Iowa  
Wagner Township

Currently farms 350 acres of corn and beans using no-till cover crops for conservation efforts. Also does a small amount of custom planting and harvesting work. Wife, Glee of forty-six years, two children, Mike and Beth, four grandchildren. ACEC Member since 1970.



Ron serves on the Clayton County Zoning Board of Adjustment, as a Wagner Township Trustee, and a Gooding Cemetery Trustee, and serves on the Clayton County Fair Board. Previously served as the Norway Lutheran president and treasurer and chair of the building committee and was a NEITEL board member.

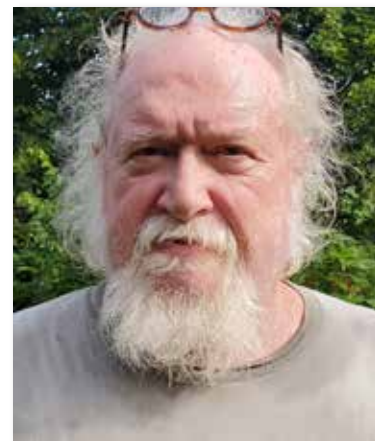
He believes that wind and solar are going to be more critical for the energy this country needs. "Going Green" is more than a catchphrase; wind and solar will keep getting more efficient as it develops, and power companies need to stay current."

When asked why Ron wishes to serve on the ACEC Board of Directors, he said, "I believe you should be a part of a community if you live in a community, and in addition, I feel that I have helped accomplish some good things in my life."

### Steve Zaruba

Colesburg, Iowa  
Jefferson Township

Retired Vocational Ag/FFA Advisor. A graduate of Iowa Central Community College and Iowa State University. Taught school at Guttenberg, Garnavillo, and Elkader and was the FFA Advisor for the Tri-Star FFA Chapter. Currently raises rabbits and poultry and is an American Rabbit Breeders official judge. Umpires softball games and officiates volleyball games.



Steve has served as president of Iowa Vocational Agricultural Teachers Association, as a District FFA Advisor for the Northeast FFA District, and as chairman of the FFA Board of Directors. In addition, he served as Vice President of the Iowa Rabbit Breeders Association, District Director of the Lop Rabbit Club of America, and currently serves as Open Rabbit Show Superintendent at the Iowa State Fair.

Steve believes that his years of teaching Vocational Agriculture and being involved in the FFA may bring a new perspective to the REC Board and thinks that everyone should be involved in the conservation of natural resources. "I believe that it is the responsibility of the REC Board to explore opportunities available in renewable resources whether it be wind, water, or solar. These resources should be explored, providing they are economically feasible and safe for the environment." In addition, he believes it is the responsibility of the ACEC board to provide the best possible product to its members, doing so in a safe, efficient manner.



# BALLOT FOR DIRECTORS

ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE, INC.

OUR FUTURE LOOKS BRIGHT

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 13, 2021**

### DIRECTOR DISTRICT "B" [Vote for one]

- JEFF BRADLEY**  
Wadena, Iowa  
Westfield Township
- JANICE KOENIG**  
Castalia Iowa  
Bloomfield Township

### DIRECTOR DISTRICT "C" [Vote for two]

- NELSON CONVERSE**  
Postville, Iowa  
Franklin Township
- JERRY KELEHER**  
Elkader, Iowa  
Boardman Township
- STEVE ZARUBA**  
Colesburg, Iowa  
Jefferson Township
- RONALD SASS**  
Luana, Iowa  
Wagner Township

*There were no nominations by petition.  
Director District Map located on page 15.*



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

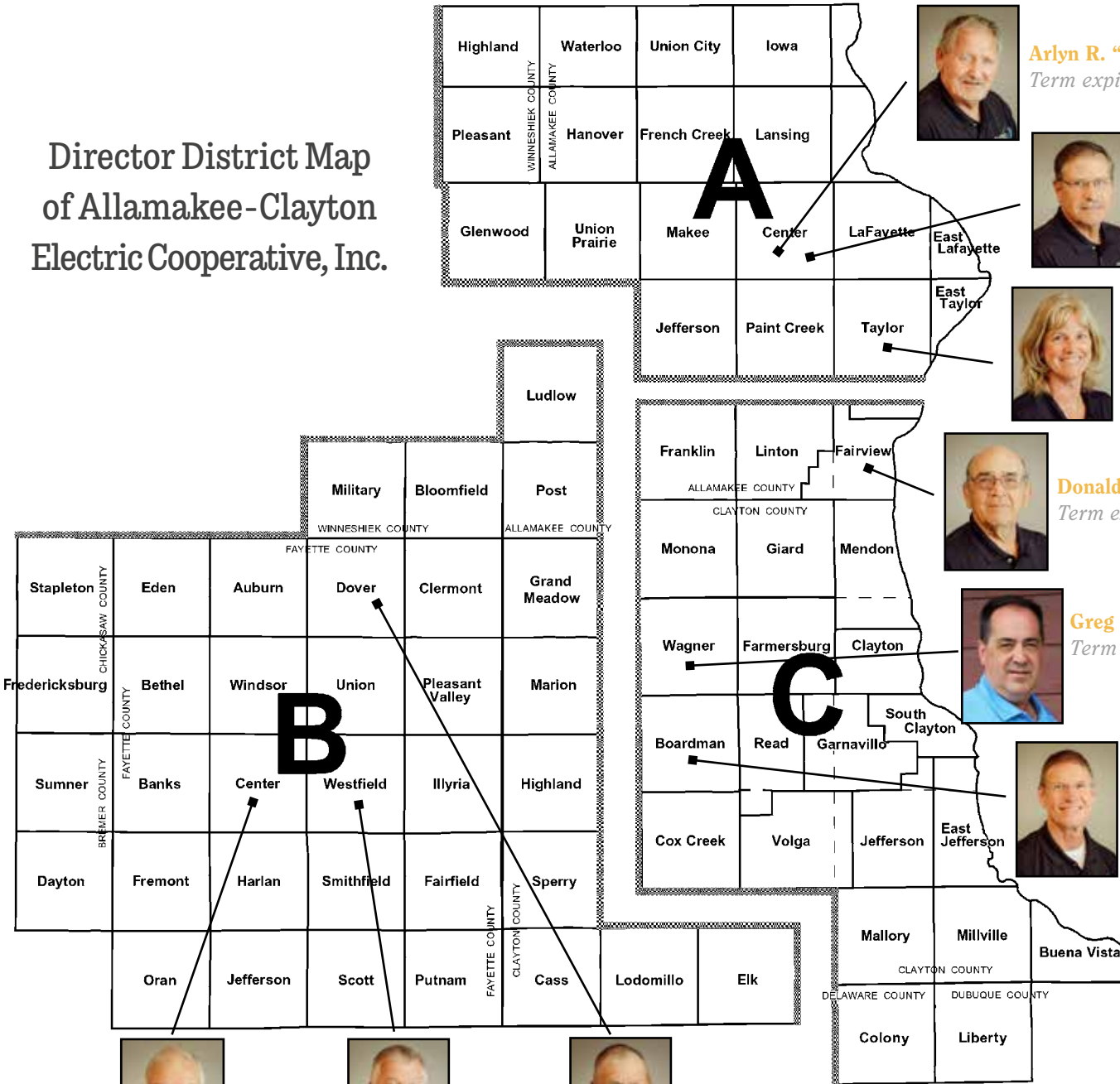
Toll Free: 888-788-1551

[www.acrec.com](http://www.acrec.com)

# BALLOT FOR DIRECTORS

ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE, INC.

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



**Arlyn R. "Butch" Fossum**  
Term expires 2022



**Michael D. Gibbs**  
vice president  
Term expires 2023



**Cindy Heffern**  
secretary/treasurer  
Term expires 2023



**Donald E. McCormick**  
Term expires 2021



**Greg Formanek**  
Term expires 2023



**Jerry Keleher**  
Term expires 2021



**Roger Arthur**  
Term expires 2022



**Jeff Bradley**  
president  
Term expires 2021



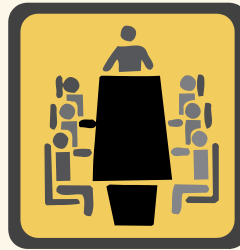
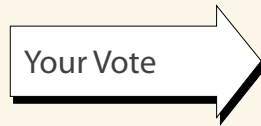
**Al Steffens**  
Term expires 2022

Do you know where your  
directors are from?

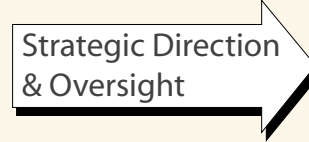
# The Role of the Cooperative's Board of Directors



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  
SKYWAYS STAFF

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: 10,151

Miles of line: 2,519

Number of substations: 16

Number of employees: 41

Total capital credits returned to members in 2020: \$880,171

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



# ENDURING AFFORDABILITY

**Electric co-op households pay**

**\$5 DAY** on average for safe, reliable electricity

**That's cheaper than most coffee drinks**



While the cost of most things (such as cars, houses, eggs, milk, stamps, and gasoline) has increased twenty-fold or more during the past 75 years, electricity has remained very affordable. Did you know - the average cost per kilowatt-hour has only doubled since the 1930s. In fact, the average American household is steadily spending less on electricity as a percentage of its income.

## HOW YOUR DOLLAR WAS SPENT



# NOMINATING COMMITTEE

ALLAMAKEE-CLAYTON THANKS THE 2020 NOMINATING COMMITTEE  
FOR THEIR TIME AND EFFORT SELECTING CANDIDATES TO RUN FOR THE BOARD THIS YEAR.



**The Nominating Committee selected candidates to run for the board at its meeting held on June 11.**

***Pictured l-r: Front Row:** Erik Helgerson, Lansing, vice chair; Dr. Jane Hasek, Harpers Ferry, secretary, and Gary Kolsrud, Waterville.*

***Back Row:** Nicholas Meyer, Monona; Stefanie Perkins, Waukon; Lana Strein, Castalia; Mike Oberbroeckling, Garnavillo; Marcia Kruse, Lansing, and Leslie Henkes, Luana, chair.*

# MANAGEMENT STAFF

**HOLLEE MCCORMICK,**  
**Executive VP/General Manager**

With guidance from Allamakee-Clayton's board of directors, is responsible for the overall development and implementation of a comprehensive and effective management program including strategic planning, annual work plans, financial management, budgeting, engineering, operations, purchasing and warehousing, wholesale power supply, billing, staffing, human resources, information technology, member services, public relations, and the Skyways division.



**DAVID DECKER,**  
**Director, Finance & Administrative Services**

Responsible for the administrative service department including, planning, developing, and implementing realistic and effective programs, budgets, and practices. Additional responsibilities include financial forecasting, electric rates, administration of energy assistance programs, development of personnel policies. Responsible for administration and compliance of all the employee benefits program.



**BRENDA HACKMAN,**  
**Manager, Economic Development  
& Community Relations**

Responsible for advancing the economic development efforts of the Cooperative. Oversees rural economic development, employee training and relation programs. Acts as a community relations and legislative affairs liaison for Allamakee-Clayton Electric.



**JENI KOLSRUD,**  
**Manager, Information Technology**

Responsible for maintaining system and network security, integrity and availability. Responsible for PCI Compliance, hardware, software, cybersecurity, end-user training and education, building access, security systems and telecommunications. Works with all departments to ensure that IT resources are implemented and maintained.



**JENNY MCINTYRE,**  
**Manager, Marketing & Communications**

Responsible for communications to engage and educate members, employees, and the public. Accountable for the Cooperative's monthly newsletter, bill inserts, the ACEC Annual Report, website, and social media. Also responsible for the marketing of the Cooperative's Skyways' internet division.



**JASON TROENDLE,**  
**Director, Operations & Engineering**


Responsible for areas of strategic planning, operations and engineering, power supply, distribution system planning, member relations, annual and long-range work plans, vegetation management, purchasing, and inventory and management.



**RYAN WAGNER,**  
**Manager, Member Services**

Responsible for the Cooperative's rebate and energy audit programs, high energy bill concerns, the sales tax exemption program, maintaining relationships with members, overseeing the load management program, assisting with energy audits and the promotion and education of electric vehicles and solar energy.



Your Touchstone Energy® Cooperative 



# ACEC EMPLOYEES



**Josh Abbott**  
*lead lineman*



**Tim Bauch**  
*line superintendent*



**Kelly Blockhus**  
*broadband  
technology specialist*



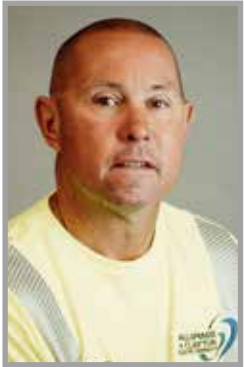
**Jeff Cox**  
*line crew foreman*



**Aandi Deering**  
*staking engineer*



**Jessica Deering**  
*member accounts  
clerk*



**Jason Donnelly**  
*first class lineman*



**Nick Dougherty**  
*journeyman lineman*



**Dave Dull**  
*custodian*



**Travis Erickson**  
*first class lineman*



**Blair Everman**  
*first class lineman*



**Steve Gehling**  
*equipment technician*



**Susan Goodman**  
*engineering  
supervisor*



**Ben Grangaard**  
*first class lineman*



**Carol Griebenow**  
*Skyways/member  
service representative*



**Luke Hackman**  
*IT/broadband  
specialist*



**Genette Halverson**  
*staff services/  
accounting assistant*



**Andrew Henderson**  
*first class lineman*



# ACEC EMPLOYEES



**Sonja Hillman**  
FirstCall senior  
customer service  
representative



**Regan Jacobson**  
accountant



**Daren Kaepfel**  
broadband equipment  
technician (part-time)



**Jason Leonhart**  
lead lineman



**Matt Marting**  
IT specialist



**Josh Mitchell**  
utility forester  
(shared employee)



**Doug Moose**  
equipment operator/  
groundman



**Jason Nefzger**  
lead lineman



**Brad Pecinovsky**  
compliance/training  
coordinator (shared  
employee)



**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



**Stacy Stock**  
operations and engi-  
neering coordinator/  
inventory clerk



**Jo Suckow**  
data processing clerk

We're proud to be locally managed, but also essential to Allamakee-Clayton Electric Cooperative is strong leadership and dedicated employees. We are blessed to employ many hard-working people who manage the day-to-day operations of the co-op and keep your lights on.

# 2020 FINANCIAL HIGHLIGHTS - BALANCE SHEET

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
ELECTRIC PLANT		
In service	\$65,178,908	\$63,415,741
Under construction	367,500	363,123
Total electric plant	65,546,408	63,778,864
Less accumulated depreciation	24,194,800	24,012,019
Electric plant, net	41,351,608	39,766,845
OTHER PROPERTY AND INVESTMENTS		
Investments in associated companies	11,417,500	11,476,303
Non-utility property, net	1,239,703	994,276
Restricted investments, net	1,096,941	1,368,483
Total other property and investments	13,754,144	13,839,062
CURRENT ASSETS		
Cash and cash equivalents	354,908	110,755
Restricted cash	599,451	367,263
Accounts receivable, net of allowances	1,838,567	1,842,858
Material and supplies	850,843	588,120
Prepayments	114,595	135,766
Interest receivable	23,967	22,163
Total current assets	3,782,331	3,066,925
DEFERRED DEBITS	40,978	46,875
<b>TOTAL ASSETS</b>	<u>\$58,929,061</u>	<u>\$56,719,707</u>
<b>EQUITIES AND LIABILITIES</b>		
EQUITIES		
Memberships	\$580	\$45,850
Patronage capital	13,806,496	13,863,855
Other equities	12,909,797	12,855,050
Total equities	26,716,873	26,764,755
LONG-TERM DEBT, LESS CURRENT MATURITIES	25,891,712	24,228,603
POST RETIREMENT BENEFITS	836,431	907,969
CURRENT LIABILITIES		
Current maturities of long-term debt	1,279,322	1,126,784
Line of credit	1,696,978	927,740
Accounts payable	1,324,650	1,345,511
Customer deposits	84,654	85,123
Taxes accrued	228,300	239,836
Post retirement benefits	55,861	25,244
Other	631,330	623,728
Total current liabilities	5,301,095	4,373,966
DEFERRED CREDITS	182,950	444,414
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u>\$58,929,061</u>	<u>\$56,719,707</u>

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

# 2020 FINANCIAL HIGHLIGHTS - STATEMENT OF OPERATIONS

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES	\$19,906,459	\$18,954,400
OPERATING EXPENSES		
Cost of power	10,932,896	11,426,497
Distribution - operations	1,295,361	1,323,582
Distribution - maintenance	2,027,450	1,868,337
Customer accounts	457,677	448,078
Customer service and informational	393,266	419,033
Administrative and general	1,121,498	1,094,538
Depreciation	2,081,124	2,061,582
Taxes	19,513	19,449
Interest on long-term debt	979,277	943,137
Other	41,553	47,147
Total operating expenses	<u>19,349,615</u>	<u>19,651,380</u>
OPERATING MARGIN BEFORE CAPITAL CREDITS	527,533	266,657
GENERATION AND TRANSMISSION AND OTHER COOPERATIVE CAPITAL CREDITS	536,667	548,858
NET OPERATING MARGIN	<u>1,064,200</u>	<u>815,515</u>
NONOPERATING MARGIN (LOSS)		
Interest income	113,710	113,641
Gain (loss) from equity investments	6,109	6,083
Other nonoperating margin (loss)	-311,207	-447,453
Total nonoperating margin (loss)	<u>-191,388</u>	<u>-327,729</u>
NET MARGIN	<u>\$872,812</u>	<u>\$487,786</u>

## Independent Auditor's Report EideBaily, 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, 2018, and the related statements of operations, equities and cash flows (not presented herein) for the year then ended, and in our report, dated March 18, 2019, 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 15, 2021  
Sioux Falls, South Dakota

## COMPARATIVE OPERATING STATISTICS

	<u>2019</u>	<u>2020</u>
Number of Members Billed	9,976	10,038
Total Miles of Line Energized	2,516	2,519
Number of Substations	16	16
Total kWhrs Purchased	150,687,778	145,970,081
Total kWhrs Used by All Members	142,918,808	138,523,347
Total kWhrs Unaccounted For	7,768,970	7,446,734
Percent of Line Loss	5.2%	5.1%
Average Monthly kWhrs Used Per Member	1,194	1,150
Average Cost Per kWhr Per Member Per Month	13.72	14.20
Average Monthly Bill	\$163.74	\$163.29
Average Cost Per kWhr of Purchased Power	7.58	7.49
Total Cost of Purchased Power	\$11,426,497	\$10,932,896
Total Annual Operating Revenue	\$19,918,037	\$19,877,148
Average Plant Investment Per Member	\$6,393	\$6,530
Deferred Patronage Dividends Refunded this Year	\$594,937	\$880,171
Deferred Patronage Dividends Refunded to Date	\$17,109,661	\$17,989,832

# ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE, INC.

## ANNUAL MEETING OF THE MEMBERS

### September 14, 2020

The 82nd 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 due to Covid-19 precautions. The Annual Meeting drive-through event began at 1:30 P.M. and lasted until 6:30 P.M. on Monday, September 14, 2020. Members entered at the main entrance of the Cooperative's headquarters and were guided around into the garage where they were greeted by ACEC employees. Members remained in their vehicles to vote, register for a prize, and receive a gift and snack. This year the prizes were awarded in the form of a bill credit on their next bill dated October 5, 2020. Two 5-year solar panel subscriptions were also awarded to two members of the Cooperative.



Due to the concerns related to the Covid-19 virus, and in order to protect the health and safety of ACEC employees, members, and guests, Allama-

kee-Clayton Electric Cooperative conducted the election of directors and the proposed amendment to the Articles of Incorporation via a drive-through event. 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 and the amendment to the Articles 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 16, 2019, 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 10, 2020, at Postville, Iowa. Nominations for Directors to be elected at this annual meeting were made. Jared Funk, Vice-Chairman of the Nominating Committee, presented the Report of his committee. Mr. Funk 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:

## UNDERSTANDING THE SEVEN 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

Membership in a cooperative is open to all persons who can reasonably use its services and stand willing to accept the responsibilities of membership, regardless of race, religion, gender or economic circumstances.



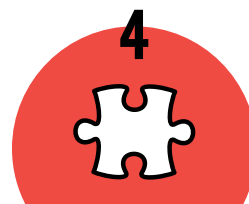
### 2 DEMOCRATIC MEMBER CONTROL

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Elected representatives (directors/trustees) are elected from among the membership and are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote); cooperatives at other levels are organized in a democratic manner.



### 3 MEMBERS' ECONOMIC PARTICIPATION

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital remains the common property of the cooperative. Members allocate surpluses for any or all of the following purposes: developing the cooperative; setting up reserves; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.



### 4 AUTONOMY AND INDEPENDENCE

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control as well as their unique identity.





**DIRECTOR DISTRICT “A”**

Michael Gibbs	Waterville, Iowa	Center Township
Cindy Heffern	Harpers Ferry, Iowa	Taylor Township
Bruce K Anderson	Waterville, Iowa	Center Township
Brand Winkie	Waukon, Iowa	Jefferson Township

**DIRECTOR DISTRICT “B”**

Larry Lamborn	Luana, Iowa	Franklin Township
Robert Camp	Elkader, Iowa	Read Township

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

The proposed amendment to the Articles of Incorporation was explained in the Annual Report sent out to members August 14, 2020. The Board of Directors proposed to amend Article VII, Sections 1, 2, and 6, and Article XIII to eliminate the membership fee requirements. The Board has determined that the agreement to purchase services from the Cooperative and comply with the Articles of Incorporation and Bylaws, and any rules and regulations adopted by the Board of Directors shall be deemed sufficient consideration for Membership. The amendment related to the membership fee would eliminate the current \$5.00 charge. Any current member who has paid this fee shall have it refunded as a credit against the member’s bill and the fee will no longer be required.

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 Jared Funk, Vice-Chairman of the Nominating Committee. He certified that Michael Gibbs and Cindy Heffern had been elected as Directors for District “A” and that Larry Lamborn had been elected as Director for District “C”. He also stated that the proposed amendment to the Articles of Incorporation had been adopted. 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 Vice-Chairman to be attached to the minutes of this meeting.



**5  
EDUCATION, TRAINING  
AND INFORMATION**

Education and training for members, elected representatives (directors/trustees), CEOs and employees help them effectively contribute to the development of their cooperatives. Communications about the nature and benefits of cooperatives, particularly with the general public and opinion leaders, helps boost cooperative understanding.



**6  
COOPERATION AMONG  
COOPERATIVES**

By working together through local, national, regional, and international structures, cooperatives improve services, bolster local economies and deal more effectively with social and community needs.



**7  
CONCERN FOR  
COMMUNITY**

Cooperatives work for the sustainable development of their communities through policies supported by the membership.

**THESE ARE  
THE WORDS  
WE LIVE BY.**



The National Rural Electric Cooperative Association (NRECA) is the national service organization for more than 900 not-for-profit rural electric cooperatives and public power districts providing retail electric service to more than 42 million consumers in 48 states and whose retail sales account for approximately 12 percent of total electricity sales in the United States. Learn more at [electric.coop](http://electric.coop)

# ACEC BOARD



**Front row**, l-r: Jeff Bradley, president, Wadena; Hollee McCormick, general manager; Mike Gibbs, vice president, Waterville.

**Back row**, l-r: Don McCormick, Harpers Ferry; Butch Fossum, Waterville; Al Steffens, Clermont; Jerry Keleher, Elkader; Cindy Heffern, Harpers Ferry, secretary-treasurer, and Roger Arthur.



**Greg Formanek**, Farmersburg, Wagner Township, was appointed by the Board of Directors to fill the vacant board seat of Larry Lamborn upon his passing last spring. According to the Cooperative's bylaws, a vacant Board seat can be filled by the remaining board members appointing a replacement for the duration of the unexpired term.

The board is given a privilege to serve  
because of your vote.

Casting your vote for the directors of your choice gives you a voice in how the Cooperative is run. Not every American has the right to vote for those who will represent their interests with their electric utility. You do have that right, so why not exercise it?

We hope to see you at the DRIVE-THROUGH event this year – it's an opportunity for you to safely see cooperative employees and an opportunity for us to see you, our members!



# IMPORTANT REGISTRATION CARD

PLEASE RETURN  
THE ENCLOSED DIRECTOR  
BALLOT BY MAIL.

*Bring this registration card with you to the*  
**DRIVE-THROUGH ANNUAL MEETING EVENT**

Allamakee-Clayton Electric Cooperative, Inc.

**ACEC HEADQUARTERS** – Enter at main entrance  
**MONDAY, SEPTEMBER 13, 2021**  
**1:30 PM – 6:30 PM**



**PRESENT THIS CARD** at the drive-through event for your free gift and hot to-go meal while supplies last. 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 SERVICE**

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 13, 2021, between the hours 1:30 p.m. – 6:30 p.m. to take action upon the following:

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

In light of the concerns related to the COVID-19 virus, and in order to protect the health and safety of our employees, members, and guests, 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](http://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 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 13, 2021.

**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 16<sup>th</sup> day of August, 2021.

Cindy Heffern,  
Secretary



P O Box 715  
Postville, IA 52162-0715

Your Touchstone Energy® Cooperative 

PRSR STD  
U.S. Postage  
**PAID**  
DPC

**DON'T FORGET!** Tear off here and bring this card to register at the annual meeting. 

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

**MONDAY, SEPTEMBER 13, 2021**

**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. Prizes will be the same amount as 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!

