

# 2017

## ACEC ANNUAL REPORT

**LOCAL  
TRUSTED  
COMMITTED**



Your Touchstone Energy® Cooperative 

**BALLOT ENCLOSED**

# PRESIDENT AND GENERAL MANAGER REPORT

## Local, Trusted, Committed



Allamakee-Clayton Electric Cooperative was incorporated on November 16, 1938. That means we have maintained a continuous presence in Northeast Iowa for 80 years. A lot has changed over those years but there are also values that we have held as constant. Among those values are keeping the trust of our members, maintaining a local presence and preserving our commitment to the economic well-being of the region and of our members. These values are among

those that are reflected in our 7 Cooperative Principles, which have been another constant held over the past 80 years. With those core values of the Cooperative business model in place, we may well be serving members for another 80 years and beyond.

2017 was a pretty good year overall. Sure, the economy was a bit on the sluggish side but our economic performance and metrics remained strong. Energy sales ended the year at about 1% below budget but revenue ended at about 1.8% above budget. Operating margins from the core electric business were over \$1 million and total margins were over \$1.4 million. These margins will be returned to our members as patronage dividends on a rotational basis. During the year we also saw the return of over \$1.4 million resulting from Dairyland Power Cooperative's Nuclear Waste Policy Act lawsuit against the U.S. Government, which stemmed from

failure of the government to provide for long-term storage of the nuclear waste from the now defunct La Crosse Area Boiling Water Reactor in Genoa, Wis. Of that total, half was returned to members of record who paid into the costs associated with temporary storage of the waste materials and the other half was retained for the benefit of all current members for use as margin stabilization over the next 3 years.

During the year, we saw some modest growth in new residential services. Growth in ag-related services was somewhat stronger, particularly in the area of livestock expansions. Electric technology is evolving as an efficient means of aiding in agricultural production, as reflected in robotic dairy equipment, power vented buildings and LED lighting. We have worked closely with many members to improve their energy efficiency by performing energy audits, assisting with grant and loan applications and even providing loans from the Cooperative's Revolving Loan Fund. On the residential side we have offered rebates and incentives for new and more efficient equipment such as ground and air source heat pumps, heat pump water heaters, large capacity electric water heaters, high efficiency air conditioners and LED lighting.

Operationally, we had a few challenges during the year, having been hit by two major weather events that resulted in some extended outage times. In one case, we even had to request assistance from some neighboring electric cooperatives; it's a rare event that we can't handle storm restoration on our own. Our outage time typically averages about 2 hours per member per year but in 2017 it ended up being more than 3 hours. We are continuously working on maintaining and rebuilding the electric system and were able to build about 40 miles of new line over the year. Maintenance programs included pole testing, circuit breaker maintenance, underground equipment inspection, vegetation management and many other day-to-day activities. These programs really help to extend the working life of the electric plant well into the future.

The slow economy did work in our favor in terms of interest costs. Over the past few years we have been able to refinance a significant portion of our debt at much lower interest rates, thus reducing our annual debt service costs. With the Clean Energy Plan now on the federal back burner, the electric industry has seen some of the anticipated cost pressures reduced. It is interesting to note that the competitive marketplace and advances in technology seem to be accomplishing much of what might have otherwise been mandated, moving utilities to adopt a higher concentration of renewable energy into their portfolios. Dairyland Power Cooperative is no exception, having increased the mix of wind and solar into their total generating capacity. Our Cooperative saw a direct result of that investment in renew-

ables with the construction of a 1.3 megawatt solar generating facility by Dairyland in Strawberry Point. Take a look at it if you're in the area; it's an impressive sight.

We have also continued to see member activity on the renewable energy front. In 2017 there were 13 new solar generation projects installed, totaling 140 kW in capacity. As of the end of the year we had 85 distributed generation accounts which totaled 1,122 kW in capacity. Additionally, the Cooperative built and commissioned our SunSource Community Solar project. This project is 100 kW in size and consists of 360 panels, with the energy output available to members on a subscription basis. Subscriptions can be for 1 or more panels for terms from 5 to 20+ years, with the cost dependent on the length of term subscribed. This is a great way to support renewable energy without the need to install and maintain a system on your own property. Subscriptions are still available and more information can be found on the Cooperative's website.



We also continue to make great strides in building out our Skyways broadband business, providing internet access to both members and non-members alike. The fixed wireless technology provides a great, cost effective solution with access to a high speed, high capacity data network. We are working hard to provide high quality service at competitive rates. Where we cannot yet provide broadband service, we can probably provide satellite service using the Viasat technology. This is an excellent product at an affordable cost. You can find additional information on our website.

The industry is not without its challenges, with one of them being concerns about cyber security. The Cooperative has taken some big steps toward addressing these concerns and we are working with industry experts to provide monitoring and protective services against these threats. Rest assured that we are doing everything possible to make sure that your data remains private and confidential.

As you can see, we aren't letting any grass grow under us. Allamakee-Clayton remains committed to meeting the needs of our members. We want to earn your **TRUST** through our **COMMITMENT** to you as your **LOCAL** energy service provider. Thank you for that privilege.

# DAIRYLAND POWER COOPERATIVE

## Director Report, Larry Lamborn

Larry Lamborn has been a director of Allamakee-Clayton Electric Cooperative for 22 years and has served as a representative on the Dairyland board of directors for eight years.

Exceeding members' expectations is Dairyland's vision. As your director, I am pleased to share that Dairyland is financially and operationally sound. Dairyland's goal is to provide Allamakee-Clayton Electric Cooperative with safe, reliable, sustainable and affordable electricity today and in the future.

Dairyland Power Cooperative is a cooperatively-owned wholesale power supplier, headquartered in La Crosse, Wis. The Dairyland system serves nearly 600,000 consumers in portions of Wisconsin, Minnesota, Iowa and Illinois.



# Dairyland delivers safe, sustainable, reliable and affordable power

Dairyland Power Cooperative, a wholesale power provider of which Allamakee-Clayton Electric Cooperative is a co-owner, is implementing a long-term plan that includes diversified resources. Fifteen solar energy projects came online throughout the Dairyland system in 2017. Together, these facilities total 20 megawatts (MW) and can produce enough renewable energy to power more than 3,000 homes. The sites also provide bee and butterfly habitat.

Wind generation is growing, too. In early 2017, Dairyland agreed to purchase energy from the Barton Wind Farm in Kensett, Iowa. Energy from the 80 MW wind farm can power more than 19,000 households. Dairyland also purchases the energy produced from the 98 MW Quilt Block Wind Farm, located near Platteville, Wis. The project can power more than 25,000 households.

In June of 2017, Dairyland and Minnesota Power/ALLETE (Duluth, Minn.) announced plans for a 525-550 MW combined cycle natural gas facility near Superior, Wis. We consider the Nemadji Trail Energy Center to be an economic and efficient long-term resource.

## COMPETITIVE AND FINANCIALLY STRONG

There is a long-term commitment among Dairyland's 24-member cooperatives to meet mutual energy needs. Ensuring rates and services are competitive is critical to the economic well-being of the region. Efficiency improvements and wise management of controllable costs and risks are priorities. Dairyland is also investing in prudent transmission opportunities that improve reliability and add value for members.

Maintaining financial strength and competitive access to capital are critical. Dairyland is working with members to support economic development opportunities that will help communities grow by adding businesses and jobs that benefit the entire system.

## SAFE AND RELIABLE

The safety of employees, members and the public is a foundational value in all operations.

Dairyland addressed some operational challenges in 2017. A planned maintenance outage was extended for the coal-fired Genoa Station #3 (G-3) early in the year due to damage that occurred to the turbine while a contractor transported it to the plant. Thankfully, there were no injuries during a coal mill explosion at the John P. Madgett Station (JPM) in July. The damage caused a 10-day plant outage and reduced the plant's maximum capability by 25 percent until late fall when repairs could be made.

Despite these challenges, both G-3 and JPM achieved "World Class Status" for their minimal forced outage rates due to boiler tube failures in 2017. As Dairyland tracks operational performance at its plants, lowering forced outage rates is a key objective. Safety is also enhanced, as a reduction in forced outage rates minimizes potential hazards.

Each year, Dairyland constructs, upgrades or rebuilds approximately 50 miles of 69-kilovolt (kV) transmission lines to improve service and reliability.

Working jointly with other utilities in regional transmission projects supports Dairyland's business strategies for operational excellence, as well as growth.

Decommissioning of the La Crosse Boiling Water Reactor (LACBWR), Alma Station and Seven Mile Creek landfill gas-to-energy facility is underway in a manner that ensures public safety and compliance with all regulatory requirements, while minimizing the cost impact on Dairyland's members and reducing future liabilities.

Respectfully submitted,

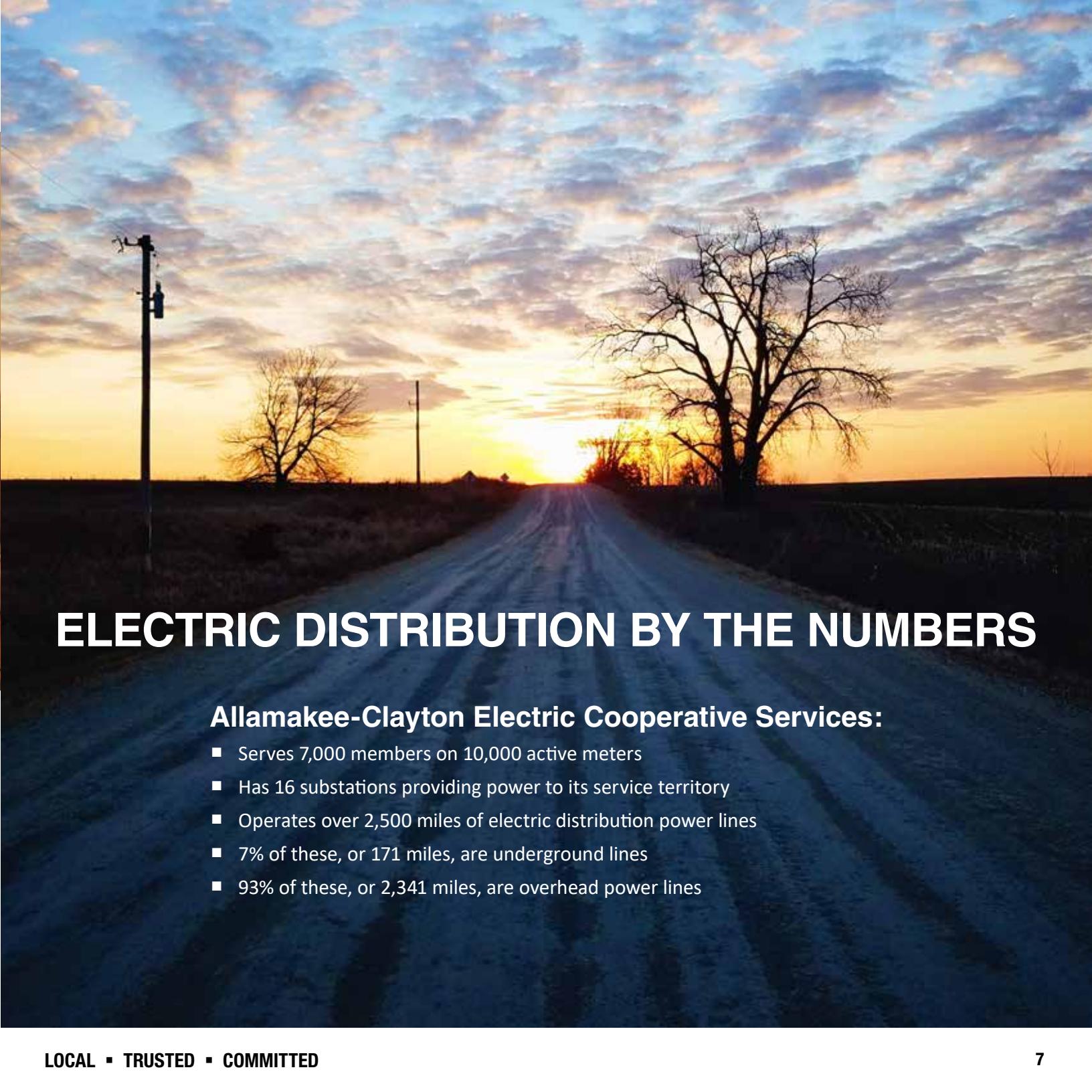
Larry Lamborn

# BOARD OF DIRECTORS



[left to right]

**ROBERT SWENSON**, secretary-treasurer, Clermont | **ROGER ARTHUR**, president, Sumner | **JOHN STORBECK**, Elkader | **CINDY HEFFERN**, Harpers Ferry | **DONALD MCCORMICK**, Harpers Ferry | **MICHAEL GIBBS**, vice president, Waterville | **JEFF BRADLEY**, Wadena | **ARLYN FOSSUM**, Waterville | **LARRY LAMBORN**, Luana



# ELECTRIC DISTRIBUTION BY THE NUMBERS

## Allamakee-Clayton Electric Cooperative Services:

- Serves 7,000 members on 10,000 active meters
- Has 16 substations providing power to its service territory
- Operates over 2,500 miles of electric distribution power lines
- 7% of these, or 171 miles, are underground lines
- 93% of these, or 2,341 miles, are overhead power lines

# DISTRICT B

## CANDIDATES

### JEFF BRADLEY

Wadena, Westfield Township

Rural resident, self-employed realtor, broker/owner of Volga River Realty. Wife, Janell. ACEC member since 1989; board member since 2017.

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

Jeff was appointed to the board in May 2017 with the retirement of Sally Lopez. His broad background in agriculture, as a grain and barge freight merchandiser, and business, as a former newspaper owner and current real estate broker, has served the board well. Jeff sees the challenges the cooperative faces as opportunities to strengthen our electric co-op. "Disruptive technologies are constantly impacting our way of business and we need to be able to adapt. But at the end of the day what's most important is the safety of our employees as we make sure we are delivering affordable, reliable and safe energy to our member owners."

The Bradleys participate in the load management interruptible heat program after investing in a geothermal system. They "own" several solar panels in the community garden. "Our property doesn't lend itself very well to solar production.

The community solar garden is a great way for us to participate in renewable clean energy while also getting credit on our bill each month."

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. "It's very important for the board to focus on our communities and use our revolving loan fund to spur growth throughout the Allamakee, Clayton and Fayette county areas."



# MIKE JACOBSON

Clermont, Dover Township

Vice President at Northeast Security Bank in Decorah, member of St. Paul Lutheran Church in Postville. 50% partner in Seitz Farms, LLC; rents out tillable ground to neighbors. Wife, Jodi, who is employed by Freedom Bank in Postville. Four sons: Isaac, Andy, Evan and Owen. ACEC member since 2005.



Currently serves on the Stewardship Committee of St. Paul Lutheran Church, has dedicated his time to the Postville basketball and football programs, served as Vice President of St. Paul Lutheran Church Council, is past Vice President and President of Postville Child Care Services, and has served on the Land O' Lakes Nominating Committee.

Renewable energy continues to get a lot of attention, and Mike supports the expansion of it, saying "it's important for our co-op to be on the cutting edge of technology so we can be better positioned for the future."

When asked why he would like to serve on the Cooperative's board, Mike says, "Energy distribution is something we all need and use, and I would like to learn more about it." He feels that his detailed background in the Cooperative world will lend itself to board leadership at ACEC. "For 23 years I was involved in the Cooperative industry as a salesman all the way up to cooperative management," adding that, "The Cooperative way of business was my way of life for many years, and I still believe it is the best corporate ownership model there is."

Allamakee-Clayton staff and board of directors are committed to its members, and Mike believes that "REC members should expect affordable and competitive rates and services, knowledgeable staff and forward-thinking leadership."

## Learn About Co-ops

# It's a Matter of PRINCIPLE

### *The Rochdale Principles*

Co-ops deliver electricity, sell produce, provide loans, and arrange for housing, health care, and more. But despite these differences, they all have one thing in common—seven cooperative principles:

- Voluntary and Open Membership
- Democratic Member Control
- Members' Economic Participation
- Autonomy and Independence
- Education, Training, Information
- Cooperation Among Cooperatives
- Concern for Community

Learn more at [www.nreca.coop](http://www.nreca.coop).

**Cooperative Enterprises  
Build a Better World**

*A message from America's Electric Cooperatives*



# DISTRICT C

## CANDIDATES

### CASEY FLACK

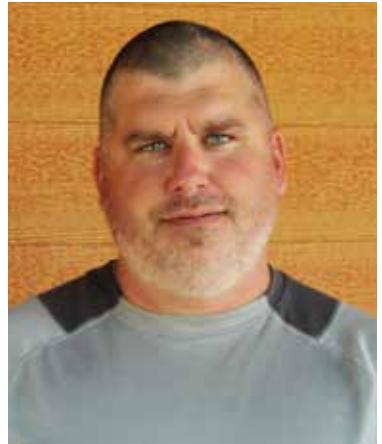
Postville, Monona Township

Owner of Flack Portable Welding and Repair business, which includes new fabrication, repair work using all types of welding; service truck for on-site welding in four counties. Lives in the village of Hardin north of Luana. Wife, Kristi, employed by NICC in Calmar, stepson Riley Brockway. ACEC member since 2000.

Casey's family has used the services provided by the Cooperative for many years and has a vested interest in the company. "I am honored to have been nominated to run for the REC's board of directors." Casey added that owning his own business affords him the flexibility to devote time to the duties and responsibilities of a co-op board member.

He supports the continued expansion of renewable energy use, saying "Renewable energy is important as everything gets bigger, we need to use less fuel and let mother nature assist us so we can all succeed."

In addition to reliable and affordable electric service, Casey believes the Cooperative members expect continued electrical safety information, expanded education on renewable energy sources and engagement of the younger generation.





## GREG FORMANEK

Farmersburg, Wagner Township

Rural resident, partner in Heying Lumber in Calmar and owner of Superior Building Center in Monona, both with son, Brent. Past board member of MFL MarMac School Board, past Tri-City board member, past treasurer of the MFL Men's Club. Member of St. Patrick Catholic Church in Monona. Wife: Julie, ACEC member since 1989.

When asked to run for the board, Greg agreed because he "would like to see the Co-op continue to grow renewable energy as it's on the minds of everyone." He believes that solar and wind energy costs will continue to decrease and would like to see the Cooperative take advantage of that. "I think ACEC members who have the land to install a renewable energy option on their own property should do the research to see if that is feasible for them, but if installation on their property is not a viable option, the Cooperative should be the large-scale choice for members to participate in renewable energy."

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

## JERRY KELEHER

Elkader, 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 as 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."

[Continued]



# DISTRICT C

## CANDIDATES

[Continued]

### DON McCORMICK

Harpers Ferry, Fairview Township

Now retired, Don lives just three miles from where he was born. His work career included time at Collins Radio, AT&T Construction, driving a mail truck and operating a locker. Past President of Crawford County Pork Producers. Member of St. Ann - St. Joseph Catholic Church. Wife: Barbara. ACEC member since 1991; board member since 2015.

Don feels his years working for a utility (AT&T) provided him with valuable experience when he was elected to the board, and serving on the board for the past three years has given him additional insight as to the needs of the members of the Cooperative. As more and more people install wind turbines and solar panels, he sees the complexities that develop regarding the issue of distributed generation. Don thinks the Co-op needs to stay on top of renewable energy and continue to explore new options. In addition to reliable electric service, Don says that members expect their electric cooperative to provide reasonable prices and use conservative management.



# CORE VALUES

Cooperatives are organized under the Cooperative, or Rochdale, Principles

## WHY MEMBERSHIP MATTERS

- Every home or business that receives power from Allamakee-Clayton Electric Cooperative owns a portion of the utility.
- Anyone who receives services is more than a customer; they are a member and they are an owner.
- Members have a voice and a vote on how the Cooperative is governed by democratically electing fellow members to represent them on the board of directors.

Any excess revenues, or margins, are returned to members as capital credits based on their patronage.

## WHY YOU SHOULD ATTEND YOUR ANNUAL MEETING

You're a member of the Cooperative, but just what does that mean?

A cooperative is different from other forms of business. It's not owned by far away investors, and it's not run by an appointed board of directors. A cooperative is run by a democratically elected board of directors, a board who is given the privilege to serve because of your vote. Your directors are members of your community; they are concerned about the same issues as you because they face them, too.

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 annual meeting – it's an opportunity to learn more about the issues we all face and become better acquainted with your representatives. We encourage you to take part in helping us improve how we serve you, our members.



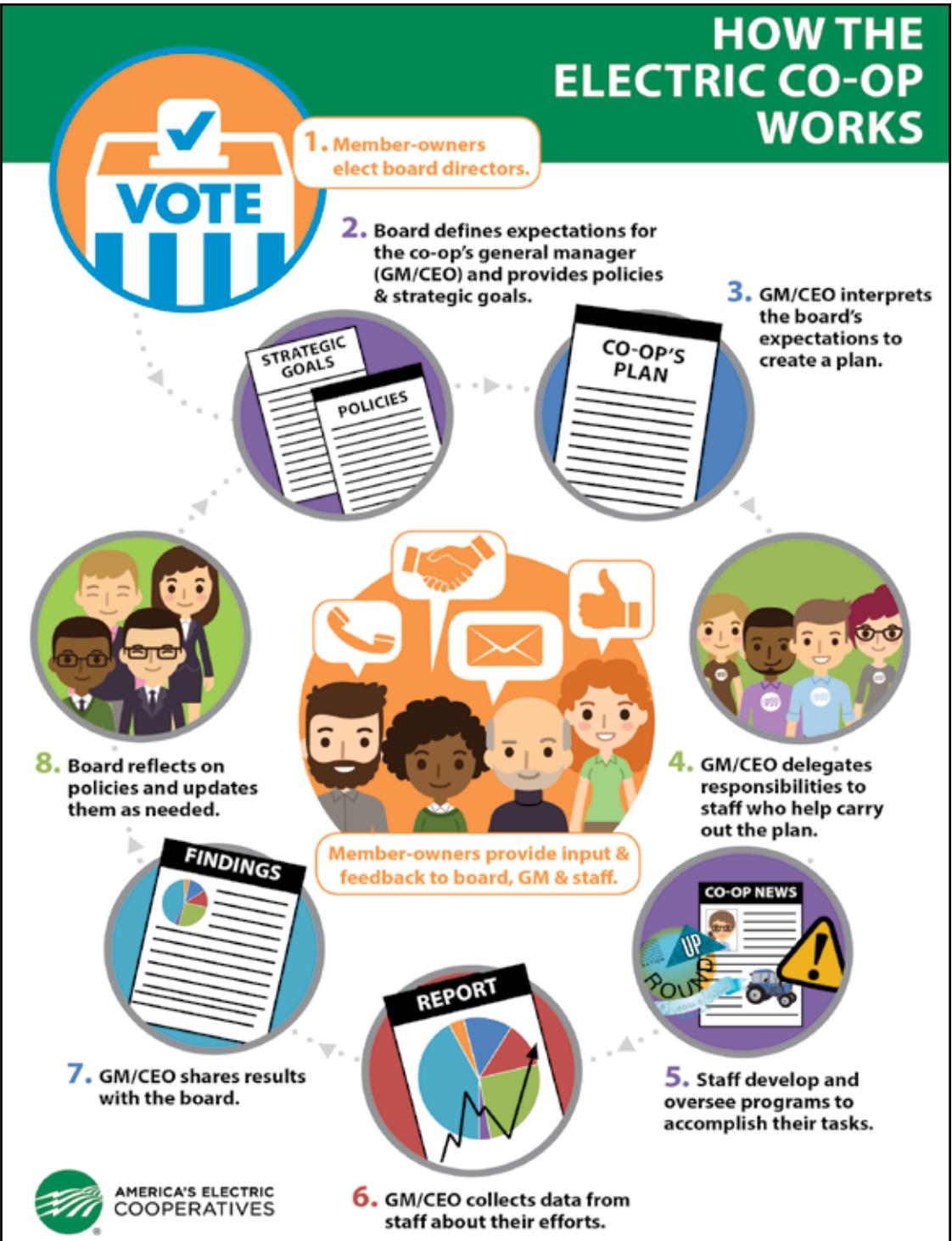


## 2018 NOMINATING COMMITTEE

The Cooperative thanks the Nominating Committee for their service this year. Serving on the 2018 committee are (front row, left to right) Patty Clark, Waukon; Gloria Hanson, Waukon; Curt Kraus, Postville; and Ardie Kuhse, Postville; (back row) Pete Tweed, chairman, Ossian; Bill Bennett, Elgin; Randy Helgerson, Elgin; Dale Scott, Elkader; and Jerry Keleher, Elkader.

# MISSION STATEMENT

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.



# CONCERN FOR

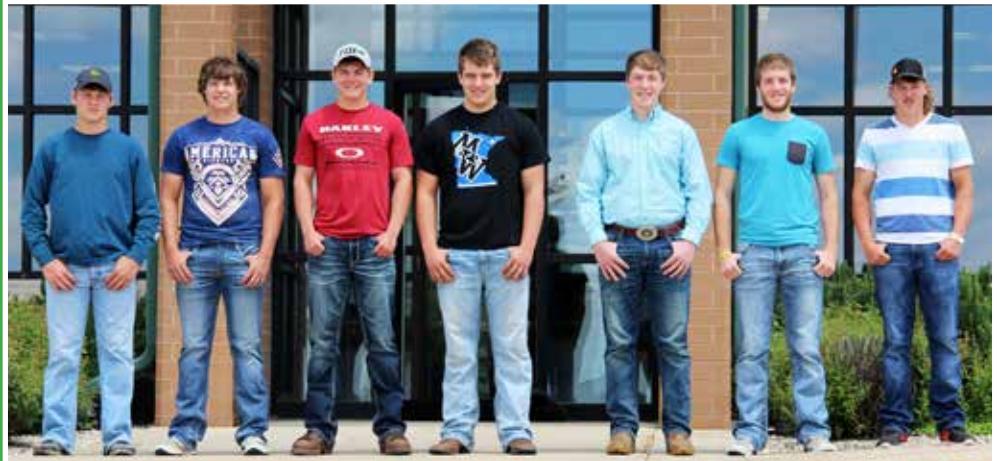


**SAFETY EDUCATION**



**CAREER FAIRS AND  
JOB SHADOWING**

**SCHOLARSHIPS**



**ECONOMIC DEVELOPMENT**



# COMMUNITY

Allamakee-Clayton Electric Cooperative is your local electricity provider. Your community is our community. We're owned and controlled by the members who use our service. Therefore, we're concerned about what happens right here where we live too.



EMPLOYEE DONATIONS



## COMMUNITY EVENTS



## YOUTH TOUR



# BALANCE SHEET

*As of December 31*

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
<b>ELECTRIC PLANT</b>		
In service	\$58,753,739	\$56,750,426
Under construction	782,211	965,985
Total electric plant	<u>59,535,950</u>	<u>57,716,411</u>
Less accumulated depreciation	22,392,042	21,008,104
Electric plant, net	<u>37,143,908</u>	<u>36,708,307</u>
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Investments in associated companies	11,184,923	10,872,163
Non-utility property, net	1,175,393	576,639
Other investments	1,119,148	1,218,776
Total other property and investments	<u>13,479,464</u>	<u>12,667,578</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	522,704	308,210
Accounts receivable, net of allowance for uncollectible accounts	1,871,099	1,802,349
Material and supplies	685,750	488,385
Prepayments	48,406	52,372
Interest receivable	22,170	22,025
Total current assets	<u>3,150,129</u>	<u>2,673,341</u>
<b>DEFERRED DEBITS</b>	<u>110,538</u>	<u>137,126</u>
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u><u>\$53,884,039</u></u>	<u><u>\$52,186,352</u></u>
<b>EQUITIES AND LIABILITIES</b>		
<b>EQUITIES</b>		
Memberships	\$46,440	\$46,150
Patronage capital	14,368,519	13,641,918
Other equities	12,306,187	12,104,790
Total equities	<u>26,721,146</u>	<u>25,792,858</u>
<b>LONG-TERM DEBT, LESS CURRENT MATURITIES</b>	21,610,874	20,657,443
<b>POST RETIREMENT BENEFITS</b>	955,690	971,395
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt	895,696	832,643
Line of credit	748,322	1,537,127
Accounts payable	1,303,012	1,388,885
Customer deposits	85,313	82,367
Taxes accrued	227,045	233,224
Post retirement benefits	10,638	20,887
Other	558,549	573,269
Total current liabilities	<u>3,828,575</u>	<u>4,668,402</u>
<b>DEFERRED CREDITS</b>	<u>767,754</u>	<u>96,254</u>
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<u><u>\$53,884,039</u></u>	<u><u>\$52,186,352</u></u>

# STATEMENT OF OPERATIONS

As of December 31

	<b>2017</b>	<b>2016</b>
OPERATING REVENUES	\$18,954,400	\$18,386,001
OPERATING EXPENSES		
Cost of power	10,951,867	10,747,189
Distribution - operations	888,866	1,084,680
Distribution - maintenance	1,423,080	1,627,988
Customer accounts	444,334	398,710
Customer service and informational	401,327	384,402
Administrative and general	1,002,309	974,803
Depreciation	1,888,359	1,779,889
Taxes	17,962	17,550
Interest on long-term debt	881,747	889,270
Other	36,918	34,744
Total operating expenses	17,936,769	17,939,225
OPERATING MARGIN BEFORE CAPITAL CREDITS	1,017,631	446,776
GENERATION AND TRANSMISSION AND OTHER COOPERATIVE CAPITAL CREDITS	662,135	571,615
NET OPERATING MARGIN	1,679,766	1,018,391
NONOPERATING MARGIN		
Interest income	104,718	95,358
Income from equity investments	(2,892)	293
Other nonoperating margin	(327,327)	(297,235)
Total nonoperating margin	(225,501)	(201,584)
NET MARGIN	\$1,454,265	\$816,807

## 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, 2017, and the related statements of operations, equities and cash flows (not presented herein) for the year then ended, and in our report, dated March 6, 2018, 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 6, 2018

Sioux Falls, South Dakota

## COMPARATIVE OPERATING STATISTICS

	<b>2017</b>	<b>2016</b>
Number of members billed	9,981	9,967
Total miles of line energized	2,512	2,508
Number of substations	16	16
Total kWhs sold	135,415,342	135,367,704
Average monthly kWhs used per member	1,131	1,132
Average monthly bill	\$156.82	\$153.20
Total cost of purchased power	\$10,951,867	\$10,747,189
Total annual operating revenue	\$18,954,400	\$18,386,001
Deferred patronage dividends refunded this year	\$532,685	\$545,584
Deferred patronage dividends refunded to date	\$15,948,630	\$15,415,945

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



# MEETING MINUTES

The annual meeting of the members of the Allamakee-Clayton Electric Cooperative, Inc. was held at the cooperative facilities, Postville, Iowa, beginning at 6:30 P.M. on Monday, September 18, 2017. Entertainment had been provided before the meeting by the musical group "GrassRun Band".

The meeting was called to order by Roger Arthur, President of the Cooperative, who presided; and Robert V. Swenson, Secretary of the Cooperative, acted as Secretary and kept the minutes.

Those present recited the Pledge of Allegiance to the United States flag. The Chairman presented Robert V. Swenson who gave the invocation.

Cooperative employee Brad Pecinovsky spoke to the members regarding directions for restrooms and other pertinent matters.

Upon motion and a second of that motion, the members voted to adopt rules of order for the official business meeting as had been printed on the back of the program presented to them at the time of registration.

Secretary Swenson had reported to the President that a quorum was present, and that notice of this meeting had been mailed to each member in accordance with the bylaws of the Cooperative. A motion was made, seconded, and passed to waive notice of this annual meeting, and reading of the publication of such notice.

Minutes of the annual meeting held September 12, 2016, 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 Arthur declared the minutes approved as submitted.

Members of the Board of Directors of the Cooperative were introduced by President Arthur.

President Arthur stated that in accordance with the by-laws of the Cooperative, the Board of Directors had appointed a Nominating Committee that had met on May 22, 2017 at Postville, Iowa. Nominations for directors to be elected at this annual meeting were made. President Arthur called upon Janet Baade, chairperson of the Nominating Committee, to present the report of her committee. Mrs. Baade read her report to the members, and her report showed that the following members had been nominated by her committee for the office of director:

DIRECTOR DISTRICT A: Lynn Anderson, Waterville, Iowa, Center Township; George Beardmore, Dorchester, Iowa, Union City Township; Michael Gibbs, Waterville, Iowa, Center Township; and Cindy Heffern, Harpers Ferry, Iowa, Taylor Township.

DIRECTOR DISTRICT C: Chad Davis, Luana, Iowa, Monona Township; and Larry P. Lamborn, Luana, Iowa, Franklin Township.

Mrs. Baade moved for the adoption of the report of the Nominating Committee, this motion was seconded and unanimously carried. The candidates were then introduced to the members. Members of the Nominating Committee were appointed Inspectors of the Election.

President Arthur called upon the Cooperative's attorney, Matthew J. Erickson, to explain the voting procedures for the election of three directors. Mr. Erickson referred to the ballot and indicated that directors would be elected for only two districts; but that all members in attendance could vote for each position without regard to the district in which they reside. The members were then directed to proceed with the marking of the ballots. The Inspectors of Election passed through the aisles and picked up all ballots from the members and took them to the counting room in the building.

President Arthur introduced former directors Oliver Larson, Robert Leppert, Duane Klink, William Moody, and Bernard Welsh. He also introduced guests from MiEnergy Cooperative, Heartland Power Cooperative, Iowa Association of Electric Cooperatives and representatives from Iowa House Districts 55 and 56.

Sheldon C. Peterson, Chief Executive Officer of National Rural Utilities Cooperative Finance Corporation was introduced by Paul Foxwell and Roger Arthur. Mr. Peterson spoke on "Our Network, Our Strength".

President Arthur stated that his report and the report of the General Manager, the financial report, and the report of the director for Dairyland Power Cooperative had all been included in the booklet mailed to the members. He asked for any questions or comments concerning these reports. The motion was made and seconded and passed to approve all of these reports.

President Arthur introduced Jenna Jansen, who was one of the participants in the Washington Youth Tour for 2017. She spoke about her experience on this tour and she thanked the Cooperative for the opportunity to be part of the Youth Tour for 2017.

After all ballots for the election of directors had been counted and tabulated, the Certificate of the Inspectors of the Election was presented by Janet Baade, Chairperson of the Nominating Committee. She certified that Michael Gibbs and Cindy Heffern had been elected as directors from District A, and that Larry P. Lamborn had been elected as director for District C. The persons elected to the board will serve terms to run for three years, or until their successors shall have been elected and shall have qualified. Said certificate was ordered by the Chairperson to be attached to the minutes of this meeting.

The Chairman thanked all for their attendance. There being no further business to come before the meeting, upon motion duly made, seconded, and carried, the meeting was adjourned.

*This is an abbreviated version of the minutes. A full version is available by request.*





# HERE FOR YOU

Allamakee-Clayton Electric Cooperative is dedicated to enhancing quality of life for our members.

## PHOTO CREDITS

(by page number)

7—LISA MOOSE, Waukon 8—SCOTT BOYLEN, Waterville

10—FRED MEIERKORD, Harpers Ferry 12—GARETT HAMILTON, Elgin

18—VON COLLINS, Waukon 19—TROY FRIEDERICH, Postville

# IMPORTANT REGISTRATION CARD

Bring this registration card with you to the

## 80<sup>TH</sup> ANNUAL MEETING Allamakee-Clayton Electric Cooperative, Inc.

**POSTVILLE HIGH SCHOOL – 7:00 PM  
MONDAY, SEPTEMBER 10, 2018  
REGISTRATION BEGINS AT 6:00 PM**

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

***PRESENT THIS CARD at the registration table for your free meal (while they last) and you will qualify for cash prize drawings (must be present to win.)***

### OFFICIAL ANNUAL MEETING NOTICE

The regular annual meeting of members of the Allamakee-Clayton Electric Cooperative, Inc. will be held at the Postville High School, Postville, Iowa at 7:00 p.m., Monday, September 10, 2018, to take action upon the following:

1. The reports of officers, directors, the general manager of the Cooperative and the Cooperative's representative on the board of directors of Dairyland Power Cooperative.
2. The election of three (3) directors of the Cooperative.
3. The transaction of all other business that may come before said meeting or any adjournment or adjournments thereof.

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

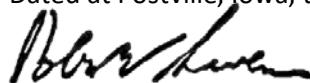
**PLEASE VOTE BY MAIL:** For directors by marking a check ✓ opposite the names of three (3) candidates you wish to vote for. After you have marked your ballot, enclose it in the self-addressed envelope provided, seal it and return it to the Cooperative's office. Any other type of envelope will be acceptable 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 10, 2018. Ballots brought to the meeting will NOT be accepted.

**PLEASE:** Return your ballot by mail to qualify for a \$25 bill credit. The senders of the ten mail ballots drawn will receive one of ten \$25 bill credits.

Dated at Postville, Iowa, this 17th day of August, 2018.

  
Robert Swenson,  
Secretary



P O Box 715  
Postville, IA 52162-0715  
Your Touchstone Energy® Cooperative

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

## 80<sup>TH</sup> ANNUAL MEETING AGENDA MONDAY, SEPTEMBER 10, 2018

- 6:00 p.m. Registration and Meal  
Entertainment by "Root River Jam"
- 7:00 p.m. Call to order – President Roger Arthur  
Pledge of Allegiance  
Invocation – Cindy Heffern  
A Minute for Safety  
Waiver of Notice / Approval of Minutes  
Report of the Nominating Committee – Pete Tweed, chairman  
Casting of Ballots  
Introduction of guest speaker – President Roger Arthur and General Manager Paul Foxwell

Enjoy music by  
"Root River Jam"  
band



**OH, WHAT A YEAR!** – Kenric Scheevel, Senior Government Relations Representative, Dairyland Power Cooperative  
**A YEAR IN THE LIFE OF YOUR ELECTRIC COOPERATIVE** – President Roger Arthur and General Manager Paul Foxwell  
Approval of Reports of Directors, Officers and Management  
Washington Youth Tour – Caleb Opfer and Luke Tuecke  
Hauschild Memorial Scholarships –

Kyle Beck, Landon Berns, Joseph Boehm, Tristan Hansmeier, Tanner Peterson, Jacob Steffans, Levi Tuecke  
Announcement of Election Results – Pete Tweed, chairman  
Adjournment  
Drawing for cash prizes and ACEC SunSurce subscriptions