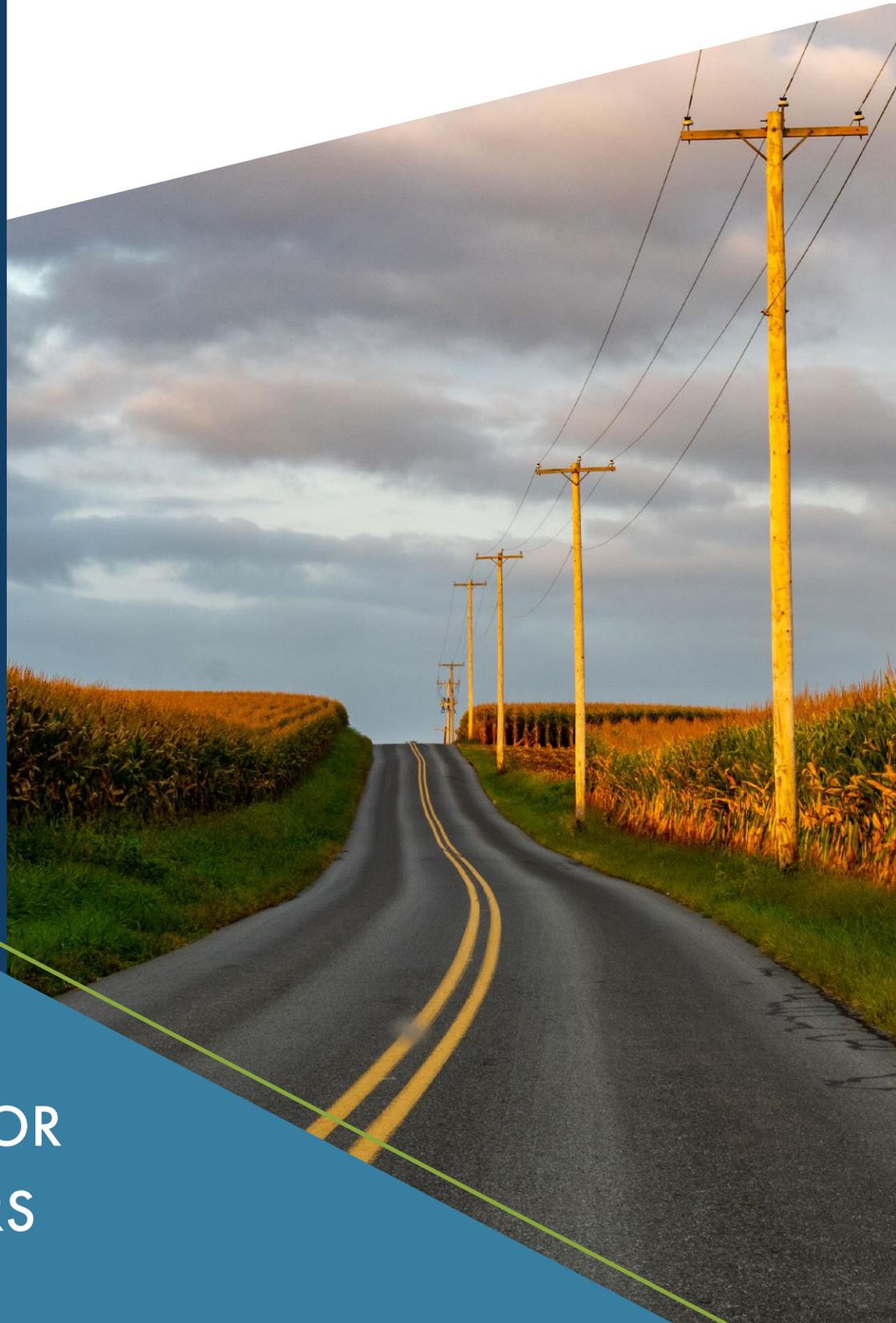


# ANNUAL REPORT 2022



**Clark Electric Cooperative**

A Touchstone Energy® Cooperative 



GOING THE  
EXTRA MILE FOR  
OUR MEMBERS

# Notice of the Annual Meeting of the Membership of Clark Electric Cooperative

## Wednesday, May 10, 2023

The 86th annual meeting of the members of Clark Electric Cooperative will be held at the **Neillsville American Legion, 6 Boon Blvd., Neillsville, Wisconsin on Wednesday, May 10, 2023, beginning at 9:30 a.m.**

Action will be taken on the following items of business:

1. Report of Officers, Directors, Employees and Guests.
2. Election of two (2) board members
3. Bylaw Amendments (page 12)
4. Such other business that may come before the meeting.

Dated this 11th day of April, 2023.



/S/Herman Seebandt  
President

**NOTE: Election**

**Voting can be either in person or by absentee ballot.  
See page 13 for complete voting details.**

## RULES OF ORDER FOR

## OFFICIAL BUSINESS MEETING

1. The meeting will be conducted in accordance with the current edition of Robert's Rules of Order and under the following Special Rules of Order.
2. Members wishing to speak are to give their name(s) and Town location in which they are members.
3. During election proceedings for director, candidates will be allowed to speak for up to four minutes; and one member supporting his/her candidacy will also be allowed to speak for up to four minutes.
4. Advisory resolutions must be submitted to the Rules Committee, c/o the CEO/GM, at least fifteen (15) days prior to the Annual Meeting to give the Committee and the Board of Directors an opportunity to make a recommendation to the membership.
5. Other than individuals on the Annual Meeting program, only members will be allowed to speak for four minutes on each issue and for one time only except that an additional two minutes may be granted by  $\frac{2}{3}$  majority of the vote at the meeting.
6. No signs or handouts will be permitted within the building of the place of the meeting, except such handouts as required for the official conduct of the Annual Meeting.
7. No demonstrations shall be held within the building of the place of the meeting.

# ABBREVIATED MINUTES OF THE 2022 ANNUAL MEETING

The 85th Annual Meeting of Clark Electric Cooperative was held at the Loyal Legion Hall, Loyal, Wisconsin, on June 15, 2022. President, Herman H. Seebandt called the meeting to order at 9:30 a.m.

Drew for early bird prizes.

Scott Johnson gave the Invocation.

Herman Seebandt led the recital of the Pledge of Allegiance.

A National Anthem video was presented.

The roll call was dispensed with as members had registered at the door and a quorum of more than 25 members was present. The listing of Member Registrations is appended to these minutes to be placed in the official minute book. There were 67 members registered in person and 67 mail-in ballots.

Herman Seebandt reported that pursuant to the Bylaws, the Rules of Order, as adopted by the Rules Committee, were printed in the Annual Report.

A motion was made and seconded to approve the agenda as printed in the 2021 Annual Report. Motion carried.

A motion was made and seconded to approve the minutes of the 2021 Annual Meeting as published in the annual meeting notice. Motion carried.

Special guests, Cooperative Dignitaries and Former Directors were introduced.

Current Directors were introduced.

Board President Herman Seebandt gave a short report. A motion was made and seconded to accept the President's report as printed in the Annual Report. Motion carried.

Attorney Niles Berman reviewed the qualifications of directors. President Herman Seebandt appointed Niles Berman to conduct the elections.

Attorney Berman reviewed the new nomination and election process for Districts with open Director Seats that was approved at the last annual meeting.

Districts 2 & 3 have seats open for election.

Candidate Charles Lindner was the only candidate for the District 2 seat. He is eligible for re-election. Attorney Berman reported that the tellers have counted the absentee ballots and the ballots cast at the meeting, and Charles Lindner was re-elected for the District 2 seat.

Candidate Allen Jicinsky was the only candidate for the District 3 seat. He is eligible for re-election. Attorney Berman reported that the tellers have counted the absentee ballots and the ballots cast at the meeting, and Allen Jicinsky was re-elected for the District 3 seat.

Tim Stewart, CEO/General Manager reviewed the 2021 financial performance and reviewed the history of the Cooperative. A motion was made and seconded to accept the report as given. Motion carried.

Brent Ridge, Dairyland Power Cooperative's President & CEO, provided an update on the electric industry.

Director Thomas Odeen gave a short report on the Cooperative's involvement in Farm Technology Days.

Unfinished Business.

There was no unfinished business.

New business.

There was no new business.

Moved and seconded to adjourn at 11:15 a.m. Motion carried.

Thomas Odeen, Acting Secretary



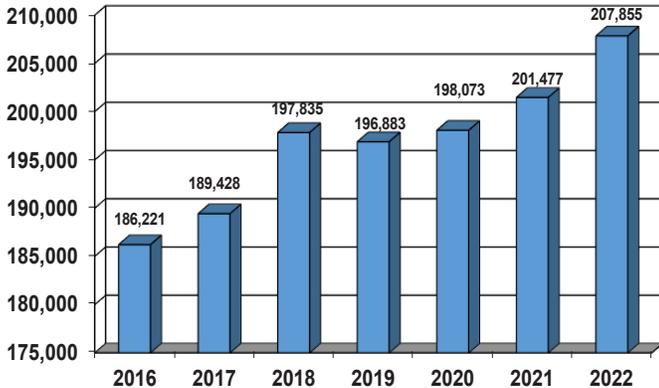
# PRESIDENT AND GENERAL MANAGER'S REPORT

It is our privilege, on behalf of the Board of Directors, Management, and Employees of Clark Electric Cooperative to provide this annual report for year ended December 31, 2022. The Cooperative's financial report for year-end 2022 & 2021 is contained in this booklet. Please take a few minutes to review the information contained herein.

## FINANCIAL PERFORMANCE

Clark Electric Cooperative continues to report solid financial performance. The Board of Directors is committed to maintaining Clark Electric Cooperative in a strong financial position for our membership. The positive performance for 2022 continues the trend of maintaining a sound organization. Clark Electric Cooperative's equity position remains one of the strongest in Wisconsin while electric rates remain among the most competitive in the Cooperative segment of the Wisconsin electric industry. The result of this sound financial positioning has allowed the Cooperative to once again retire allocated capital credits to our membership. During 2022, the Board of Directors approved total retirements of \$1,170,182. This brings the total dividends retired to our members to \$29,297,230 as of the end of 2022. In January 2023, the cooperative returned an additional \$1,544,055 to the membership. This is comprised of \$964,445 in capital credits and \$579,609 in the Nuclear Waste Policy Act refund.

### 2022 kWh Sales



Total kWh sales set a new all-time high in 2022 at 207,854,739 kWh sold eclipsing the previous high set in 2021 by 3.17%. Operating revenue per kWh increased 4.90% (This is the average price per kWh sold). The total cost of providing electric service increased 8.97% over last year resulting in a positive operation margin \$1,196,924 as compared to \$1,255,794 in 2021. The Operating Times Interest Earned Ratio (OTIER) was 3.84 compared to 4.03 in 2021. The Equity Ratio decreased slightly from last year's of 67.56% of total assets to the 2022 year-end level of 66.35% of total assets.

Finally, it is important to note that Clark Electric Cooperative has met or exceeded vital statistical tests as required by our lenders, the Rural Utilities Service and the National Rural Utilities Cooperative Finance Corporation. In addition, our financial condition is audited every year by an independent auditing firm. The audit confirms and reports on the financial condition, controls, and procedures used by Clark Electric Cooperative.

## RISING ENERGY COSTS, SUPPLY CHAIN, AND INFLATIONARY PRESSURES

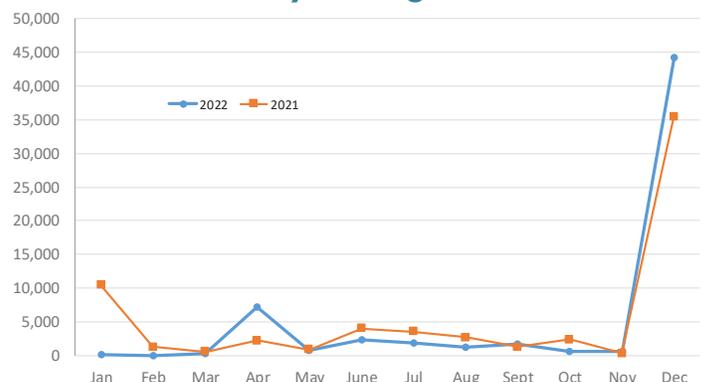
Rising energy costs, supply chain, and inflationary pressures have affected almost every segment of the electric industry. We are seeing lead times extend and prices escalate. What used to take weeks now may take 18-24 months. We have seen dramatic increases in material costs that include some items doubling in costs, 30% increases in cable, and 57% increase in pole costs. In addition, we have seen wholesale power costs increase, due in a large part to wholesale power markets. In 2022 we saw our power cost increase 6.6% from 2021. We are anticipating a continued increase in 2023.

**Clark Electric Cooperative has been successful in keeping our base rate charged for electricity stable for the past six years as there has not been a change in base rates since March 1, 2017. This is an accomplishment that we are extremely proud of.** Unfortunately, the effects of inflation, supply chain issues, and wholesale power costs have put pressure on our operations. The Cooperative must keep up with the market forces that are impacting us. The Cooperative raised the facility charge for each rate class by \$ 6.00 per month. This equates to 20 cents per day. In aggregate, this increase is approximately 2.81% to overall revenues. The kWh charge will remain at the current base rate. The cooperative will continue to have a power cost adjustment on the bill. This adjustment can either be an addition to or a subtraction from, your billing statement. This tracks the fluctuations in wholesale power costs. The price adjustment is effective April 1, 2023.

## OPERATIONS

Each year the Cooperative performs a host of maintenance programs designed to help maintain our continuity of service and keep the electric system operating efficiently. Major maintenance programs include pole testing, reclosure maintenance, regulator maintenance, vegetation management, tree trimming, and overhead/underground line inspection. Even with all of the preparations taken mother nature contributes mightily to power interruptions. The outages for 2022 was characterized by two primary events that occurred in December. The cooperative exercised our mutual aid protocols and received assistance from Oconto Electric Cooperative. Power was restored to all members within three days. Driven primarily by these two events the (SAIDI) index, a system reliability measure was 6.37 compared to 6.89 last year.

### Monthly Outage Hours



The Cooperative invested in excess of \$1.93 million in new distribution plant in 2022. This represents new construction/replacement of electric lines, pole replacements, new service extensions, and member service upgrades. A total of 77 new services were added as compared to 117 new services in 2021.

## ▶ 2 MEGA-WATT UTILITY SCALE SOLAR

We are very pleased to announce that Clark Electric Cooperative has entered into a purchase power agreement to purchase the output from a 2 mega-watt solar project located in the Town of Green Grove. The project developer, One Energy Renewables is a leading solar energy company that is experienced in site development, engineering, equipment purchasing, construction, and operations of solar. The Madison-based team has developed 15 projects across Wisconsin, and another 11 in adjacent states. The site should be operational by the end of 2023.



## DAIRYLAND POWER COOPERATIVE

Dairyland Power Cooperative is our wholesale power supplier located in La Crosse, WI. As purchased power represents approximately 70 percent of our total cost of providing electric service, it is the major cost driver of your electric bill.

In 2022, we saw our power cost increase 6.6% from 2021. We are expecting a continued increase in 2023.

## ▶ CARBON REDUCTION, RELIABILITY, AND COST MANAGEMENT

With an overarching goal of Sustainability, Dairyland Power Cooperative's leadership team and the Board of Directors are focused on providing safe and reliable electricity for Dairyland's 24 member cooperatives while transitioning to a low-carbon future.

Dairyland Power Cooperative has taken a balanced and measured approach in its commitment to reducing its carbon intensity 50% by 2030 (from 2005 levels). Asset reliability and diversification are essential. To safely meet the region's energy needs, utilities must take an all-of-the-above approach for power plant fuel sources. One fuel type, alone, cannot meet our nation's energy demands. For example, in 2021, solar represented almost 3 percent of total U.S. electrical generation; wind was 9.2 percent.

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

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

Last May, the John P. Madgett generating station (Alma, Wis.) set a daily gross generation record of 9,265.34 megawatt-hours (MWh), which surpassed the previous record of 9,622.47 MWh set on Feb. 17, 2021, toward the end of a polar vortex. The baseload generation provided by JPM is critical to regional electricity reliability, and financially beneficial to Dairyland and its members.

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

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

The planned 149-MW Badger State Solar array, located in the towns of Jefferson and Oakland in Jefferson County, Wis., is expected to become operational in 2025. Growth and innovation will drive the transition to a lower-carbon future.

Dairyland signed a memorandum of understanding with NuScale Power to explore nuclear as a non-carbon emitting, 24/7 option through small modular reactor (SMR) technology. NuScale's SMR design is the first approved by the U.S. Nuclear Regulatory Commission for use in the United States. While this is a step in the right direction, building and bringing such a plant into operation in the Midwest will take at least another decade.

## ▶ LOOKING FORWARD

In closing, be assured that the Board of Directors, management, and employees of your Cooperative will continue to pursue and improve methods to bring you safe, dependable power and other related services. Clark Electric Cooperative is your organization, and we are dedicated to serving our membership in the most practical, cost-effective manner. We approach the future with confidence and the knowledge that the commitment and dedication to service, membership-owned, and not-for-profit operation will enable us to focus on you, our customer and the owner. Our only goal is to meet the needs of our member-owners, both today and tomorrow. It is an honor and a privilege to be of service to you.

Handwritten signature of Herman Seebandt in black ink.

**Herman Seebandt**  
President

Handwritten signature of Timothy E. Stewart in black ink.

**Timothy E. Stewart**  
CEO/GM

# Statement of Cash Flows

## Increase (Decrease) in Cash and Equivalents

### Cash Flows From Operating Activities

	2022	2021
Net Margins	\$2,189,608	\$2,273,957
Adjustments to reconcile net margin to net cash provided by operating activities		
Depreciation and Amortization	1,830,879	1,773,029
G&T Capital Credits	(696,879)	(737,223)
Gain on Equity in Subsidiary/Sale of Investments	(171,796)	(156,104)
Change in Deferred Debits/Credits	42,465	274,883
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(194,691)	121,402
Materials and Supplies	(398,732)	(70,446)
Other Current and Accrued Assets	4,040	(4,064)
Accounts Payable	158,135	76,165
Other Current and Accrued Liabilities	546,354	50,031
Net Cash Provided by Operating Activities	3,309,383	3,601,630

### Cash Flows From Investing Activities

Capital Expenditures	(2,160,880)	(2,820,213)
Investments in Associated Organizations and Other Assets	321,132	170,018
Dividend Received	100,000	150,000
Notes Receivable	100,008	81,982
Net Cash Provided by (used in) Investing Activities	(1,639,740)	(2,418,213)

### Cash Flows From Financing Activities

Long-Term Borrowing	1,100,000	1,000,000
Payments on Long-Term Debt	(663,220)	(698,237)
Advance Payments on Long-Term Debt	0	0
Notes Payable	0	0
Capital Credits Retired	(442,557)	(1,318,140)
Changes in Other Equities and Consumer Deposits	(141,432)	57,740
Net Cash Provided by (used in) Financing Activities	(147,209)	(958,637)

### NET INCREASES IN CASH AND CASH EQUIVALENTS

1,522,434      224,780

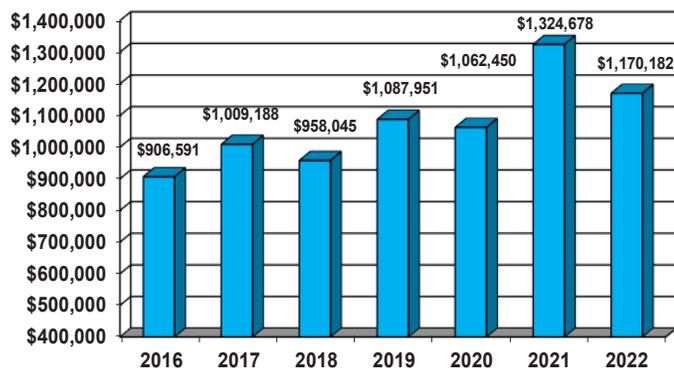
### CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

3,971,415      3,746,635

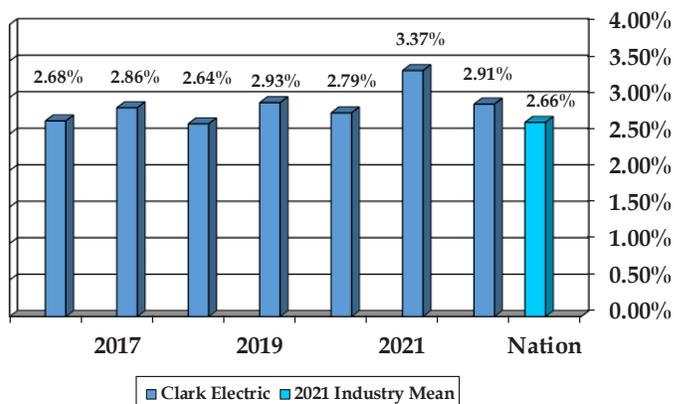
### CASH AND CASH EQUIVALENTS, END OF YEAR

\$5,493,849      \$3,971,415

## Capital Credits Retired



## Capital Credits Retired per Total Equity



# Balance Sheet

## Assets and Other Debits

	Dec 2022	Dec 2021
Total Plant in Service	\$54,496,125	\$52,951,493
Construction Work in Progress	2,854	18,369
Total Utility Plant	54,498,979	52,969,862
Accumulated Depreciation & Amortization	17,448,582	16,249,458
<b>Net Utility Plant</b>	<b>37,050,397</b>	<b>36,720,404</b>
Investments in Subsidiary Companies	3,307,951	3,302,293
Investments Associated Organizations - Patronage Capital	10,889,882	10,475,126
Investments Associated Organizations - Other General Funds	494,442	494,442
Other Funds	264,001	247,036
Special Funds	10	215,000
Available for Sale Securities	-	-
<b>Total - Other Property and Investments</b>	<b>14,956,286</b>	<b>14,733,897</b>
Cash - General Funds	1,131,699	759,777
Temporary Investments	4,362,150	2,996,638
Notes Receivable - Net	(6,746)	93,262
Accounts Receivable - Net Sales of Energy	2,192,883	1,997,311
Accounts Receivable - Net Other	37,639	38,521
Materials and Supplies Electric and Other	886,040	487,308
Prepayments	142,891	136,767
Interest & Dividends Receivable	5,097	5,097
<b>Total Current and Accrued Assets</b>	<b>8,751,653</b>	<b>6,514,681</b>
Other Deferred Debits	72,344	189,336
Accumulated Deferred Income Taxes		
<b>Total Assets</b>	<b>\$60,830,680</b>	<b>\$58,158,318</b>

## Liabilities and Other Credits

	Dec 2022	Dec 2021
Patronage Capital	\$32,838,978	\$31,643,813
Operating Margins - Current Year	1,813,029	1,922,718
Non-Operating Margins	376,579	351,238
Other Margins and Equities	5,332,548	5,375,774
<b>Total Margins and Equities</b>	<b>\$40,361,134</b>	<b>\$39,293,543</b>
Long Term Debt - REA (net)	14,007,615	13,294,726
Long Term Debt - Economic Development	254	8,262
Long Term Debt - (NRUCFC & Co-Bank)	1,257,971	1,409,073
<b>Total Long Term Debt</b>	<b>\$15,265,840</b>	<b>\$14,712,061</b>
Notes Payable	-	-
Accounts Payable	1,606,560	1,448,425
Consumers Deposits	119,234	118,569
Other Current and Accrued Liabilities	2,147,029	1,640,461
Current Maturities-Long Term Debt	455,000	572,000
<b>Total Current and Accrued Liabilities</b>	<b>\$4,327,823</b>	<b>\$3,779,455</b>
Deferred Credits	875,883	373,259
<b>Total Liabilities and Other Credits</b>	<b>\$60,830,680</b>	<b>\$58,158,318</b>

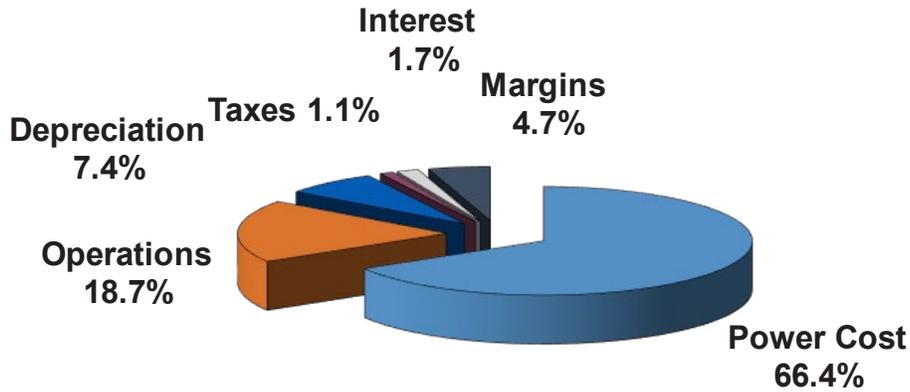
## Statement of Operations

Item	Dec 2022	Dec 2021
Operating Revenue	\$24,891,500	\$23,000,865
Cost of Power	16,523,156	15,047,473
Transmission Expense		
Distribution Expense-Operation	1,460,327	1,182,353
Distribution Expense-Maintenance	1,643,236	1,594,030
Consumer Account Expense	439,400	450,575
Consumer Service & Info Expense	131,310	128,612
Sales Expense	59,690	48,562
Administrative and General Expense	913,871	850,298
<b>Total Operations Expense</b>	<b>\$4,647,834</b>	<b>\$4,254,430</b>
<b>Total Operation &amp; Maintenance Expense</b>	<b>\$21,170,990</b>	<b>\$19,301,903</b>
Depreciation & Amortization Expense	1,830,879	1,773,029
Tax Expense - Property	266,961	253,722
Tax Expense Other	-	-
Interest Long Term Debt	422,136	414,191
Interest Expense- Other	-	-
Other Deductions	3,611	2,226
Total Fixed Expenses	2,523,587	2,443,168
<b>Total Cost of Electric Service</b>	<b>\$23,694,577</b>	<b>\$21,745,071</b>
<b>Patronage Capital &amp; Margins</b>	<b>\$1,196,923</b>	<b>\$1,255,794</b>
<b>Non-Operating Margins</b>		
Interest Income	91,498	34,278
Non-Operating Margins - Other	204,308	246,661
Generation & Transmission Capital Credits	616,105	666,925
Other Capital Credits	80,774	70,298
Total Non-Operating Margins	992,685	1,018,162
<b>Patronage Capital - Margins</b>	<b>\$2,189,608</b>	<b>\$2,273,956</b>

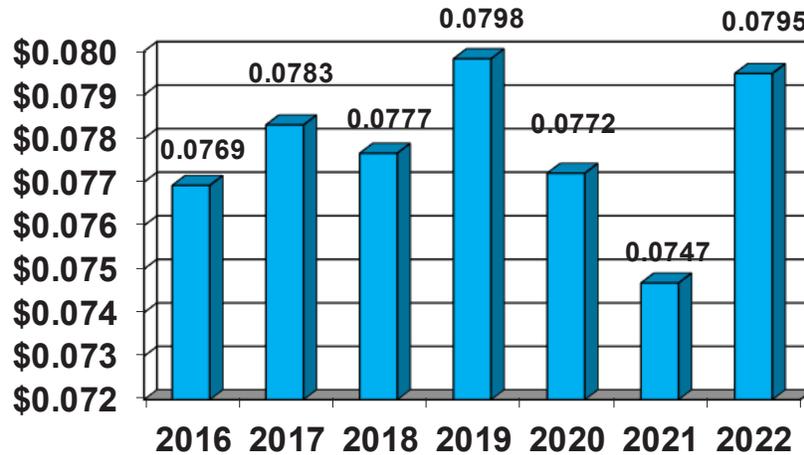
## Subsidiary Operations

Operations	2022	2021
Income	\$1,702,799	\$1,715,196
Cost of Sales	1,127,159	1,105,504
<b>Gross Margins</b>	<b>575,640</b>	<b>609,692</b>
Overhead Expense	403,842	453,589
<b>Margins</b>	<b>171,798</b>	<b>156,104</b>
<b>Assets</b>		
Building/Equipment	314,368	330,336
Franchise/NRTC Capital	1,505,332	1,539,322
Current & Accrued Assets	1,711,204	1,706,712
<b>Total Assets</b>	<b>3,530,904</b>	<b>3,576,370</b>
<b>Liabilities &amp; Equity</b>		
Equity	3,287,629	3,302,295
Debt	-	4,634
Current Liabilities	243,275	269,441
<b>Total Liabilities &amp; Equity</b>	<b>\$3,530,904</b>	<b>\$3,576,370</b>

## How The Dollar Was Spent In 2022



## Power Cost/kWh Sold (in cents)



## Comparative Operating Statistics

	2022	2021
Miles of Line	2,007	2,003
Number of Meters Served	9,593	9,496
Electric Services per Mile of Line	4.78	4.74
Total KWH Purchased from Dairyland Power Cooperative	218,906,522	212,620,503
Total KWH Sold by Clark Electric Cooperative	207,854,739	201,477,154
Percent Increase (decrease) In Purchases	2.956%	1.611%
Percent Increase (decrease) In Sales	3.165%	1.719%
Average Line Loss	5.049%	5.241%
Cost per KWH Purchased (Cents per KWH)	7.548	7.077
Revenue per KWH Sold (Cents per KWH)	11.975	11.416
Number of KWH's Used per Meter per Year	21,667	21,217
Revenue per Mile of Line per Month	\$1,034	\$957
Average Bill per Meter per Month	\$216	\$202
Total Capital Credits Refunded this Year	\$1,170,182	\$1,324,678
Total Capital Credits Refunded to Date	\$29,297,230	\$28,127,048

# PERSONNEL

## Yrs of Service

### Board of Directors

Herman Seebandt, President .....	2012 - Present
Allen Jicinsky, Vice President.....	2013 - Present
Thomas Odeen, Secretary/Treasurer .....	2018 - Present
James Hager, Director.....	2014 - Present
Scott Johnson, Director .....	2014 - Present
Charles Lindner, Director .....	2013 - Present
Marvin Verkuilen, Director .....	2012 - Present

### Management

Tim Stewart, CEO/General Manager.....	36 years
Mike Ruff, Director of Operations.....	30 years
Amber Reddy, Director of Administrative Services.....	26 years

### Office Staff

Tracy Nelson, Administrative Assistant .....	36 years
Bobbi Toburen, Billing Supervisor .....	29 years
Jessica Harder, Member Service Representative.....	1 year

### Operations Staff

Kent Weigel, Line Superintendent .....	16 years
Josh Burns, Asst. Line Superintendent.....	20 years
Sandy Klinke, Operations Aide .....	44 years
Chad Steffen, Lineman .....	20 years
Scott Bailen, Lineman .....	20 years
Pat Susa, Warehouse Utility Man.....	17 years
Jeff Fellenz, Lineman .....	8 years
Kole Hinker, Lineman.....	7 years
Konner Kitzhaber, Lineman .....	6 years
Jared Jensen, Lineman .....	6 years
Jake Waldhart, Lineman .....	4 years
Jesse Knitter, Lineman.....	4 years
Jesse Friedenfels, Lineman .....	3 year
Tanya Pagenkopf, Operations Assistant .....	3 year
Zachary Johnson, Lineman .....	3 year
Logan Dix, Lineman .....	7 mo.
Matt Sockness, Lineman .....	7 mo.

### Appliance and Satellite, Inc. Staff

Michelle Walde, Inside Sales Manager.....	27 years
Kim Bogdonovich, Customer Service.....	4 year
Greg Shaw, HVAC Manager .....	20 years

# DIRECTOR BIOS

My name is Scott Johnson, and I am seeking re-election to the Clark Electric Cooperative Board of Directors representing director district number 3.

Clark County has been the place I call home since 1986 when my wife and I moved here from Illinois with two small boys. It has been a very good place to raise a family with strong values and a good work ethic. Can't say I always like the cold, but we don't have a lot of snakes, or hurricanes, or alligators. I have worked in the Information Technology field most of my life, first in the private industry and most recently in the K12 environment, but also a few stints as an electrician.

Electricity has not only become a great enabler of so many conveniences in our everyday lives, it has also become critical to sustain our society as we know it. The decisions we make today are going to have a major impact on our future ability to sustain the current need and growth for whatever comes in the future such as electric cars etc. There are many challenges that we face today that didn't even exist 15 – 20 years ago such as distributed generation including batteries, solar, and wind. How we integrate all this and keep electricity reliable and affordable will be a challenge, but we need to face it head-on with new ideas and confidence that we will be able to keep the lights on. I have enjoyed working with a great team of directors and employees at Clark Electric Cooperative and have been given great opportunity to grow my knowledge of the electric industry over the years as a director. I would sincerely appreciate your support in serving as your director for another 3 years.



## DIRECTOR BIOS

My name is Jim Hager, and I am seeking re-election to the Clark Electric Cooperative Board of Directors representing director district number 1. I reside near Colby, Wisconsin with my wife, Marty. We have four children, eight grandchildren and seven great-grandchildren. We have been members of the Cooperative for 28 years.



I was initially elected to the Clark Electric Cooperative Board of Directors in 2014. In 2018, I was elected to the Dairyland Power Cooperative Board of Directors by the Clark Electric Cooperative Board. While on the Dairyland Board, I have served on the Executive Committee, Chairman of the Governance Committee and held the office of Secretary.

During my time here at Clark Electric Cooperative I have attended numerous continuing education courses that focused on basic governance knowledge, power supply, finance, risk management, and technology as applied in the electric utility industry. I earned my Credentialed Cooperative Director certification (CCD), my Board Leadership certification, and most recently my Director Gold certification.

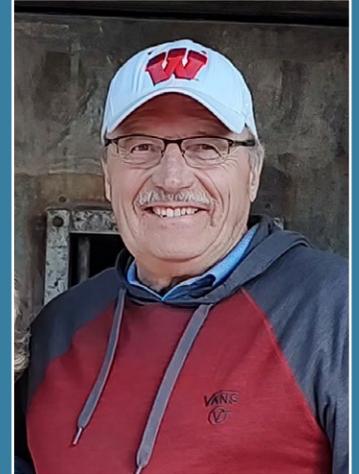
I have been involved with Cooperatives my entire professional career. Upon completing my Ag. Business degree from UW River Falls, I was a salesman in Darlington WI with FS. In 1974, I became the General Manager of Midland Cooperative Services in Cumberland, Wisconsin. In 1980, I became the General Manager of Harmony Cooperative in Colby, Wisconsin and served in that role for 35 years until my retirement in 2015.

My other broad based experience and achievements are highlighted below:

- ▼ Colby Dairy Breakfast Chairperson for over 30 years
- ▼ Honored as Colby citizen of the year in 1995.
- ▼ Received the Abbotsford-Colby Chamber Community Services Award for outstanding community involvement.
- ▼ Received the Cooperative Builder Award in 2014. The award is the hall of fame of cooperative leaders in Wisconsin.
- ▼ Served on the Cooperative Federation of Cooperatives (Cooperative Network) for 6 years.
- ▼ Served Mid Wisconsin Bank Board for 10 years.
- ▼ Served on the Land O' Lakes Corporate Board representing Minnesota and Wisconsin Cooperatives.
- ▼ Chairman of the Audit Committee for 3 years

Your consideration and vote are greatly appreciated.

My name is Larry Herington, and I am seeking election to the Clark Electric Cooperative Board of Directors representing director district number 1. I reside in Longwood Township, Wisconsin.



The following bullet points highlights my qualifications for the Board of Directors position.

- ▼ Owned and operated Tri-County Equipment, Inc of Withee for 53 years.
- ▼ Served on an advisory board for Jamesway Equipment for 4 years.
- ▼ Past President and active member of O-W Lions for 43 years.
- ▼ Recipient of the Melvin Jones award for leadership.
- ▼ Former member of O-W Chamber of Commerce, including the office of President.
- ▼ Former director of Community State Bank of Central Wisconsin.
- ▼ Past President of the O-W booster club.
- ▼ Member of St. John's Lutheran Church of Withee, serving on various boards and being a former youth leader.
- ▼ Served in the Army for 6 ½ years.
- ▼ Present member of the O-W American Legion.

Your consideration and vote will be greatly appreciated.

# CLARK ELECTRIC COOPERATIVE

## 2023 PROPOSED BYLAW AMENDMENTS

Note: The Board of Directors and management regularly review the Articles of Incorporation and Bylaws, to ensure that they continue to conform to applicable law and current practices and to find ways to encourage efficiency in the operation and governance of the Cooperative. Based on the most recent review, the following changes are proposed. (New material is underlined -- e.g., add these words; deletions are identified by ~~strikeout~~ -- e.g., ~~delete these words~~.)

### RESTATED BYLAWS

#### 1. Amend Article IV (“Directors”), Section 2 (“Tenure and Qualifications”), Subsection (a) of the Bylaws as follows:

(a) Directors shall be elected by the members at the annual meeting for 3-year terms on a staggered basis so that no more than three of such terms shall expire at each annual meeting. Directors shall serve until their successors have been elected and qualified. A member who has served as a director for ~~five~~six consecutive terms of three years each shall not be eligible for re-election at the election immediately following the expiration of the member’s ~~fourth~~sixth term and shall not be eligible for appointment to fill a vacancy until a period of one year has elapsed since such expiration. Such member shall be eligible for election at the annual meeting following the annual meeting at which the member’s ~~third~~sixth consecutive term as director expired. Nothing in this section contained shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at a meeting of the board of directors.

EXPLANATION: This amendment updates the term limit for directors. It ensures that Clark Electric may benefit longer from the Co-op’s investment in director training and experience. It also clarifies the section by bringing consistency to the three references to the term limit.

#### 2. Amend Article IV (“Directors”), Section 8 (“Hiring a Relative of Director or Manager”) by deleting the existing provision and heading in their entirety and substituting the following:

##### SECTION 8. Policy on Hiring and Employment Practices.

The board of directors shall develop and adopt a policy to guard against any conflict of interest or appearance of such a conflict in its hiring and employment practices. That policy shall consider circumstances and relationships that could give rise to a conflict of interest or appearance of a conflict and address those risks within the limits of applicable law.

EXPLANATION: Clark Electric makes employment and other business decisions on the basis of merit and what is in the best interest of the membership; relationships with directors or employees are not allowed to color those decisions. But given our location, and an increasingly tight labor market, we experience difficulty filling open positions. The long-standing bylaw on hiring any “close relative” of a director or the manager is very inflexible and has in some instances hindered the Co-op’s ability to hire qualified staff. The amendment will allow the Board to exercise its judgment of when a relationship does, and when it does not, create a risk of conflict of interest or appearance of a conflict -- flexibility that the current Bylaw does not allow. In exercising that judgment, the Board will continue to see that business decisions are not influenced by personal considerations or relationships, but instead are made in the best interest of the Co-op and its members.

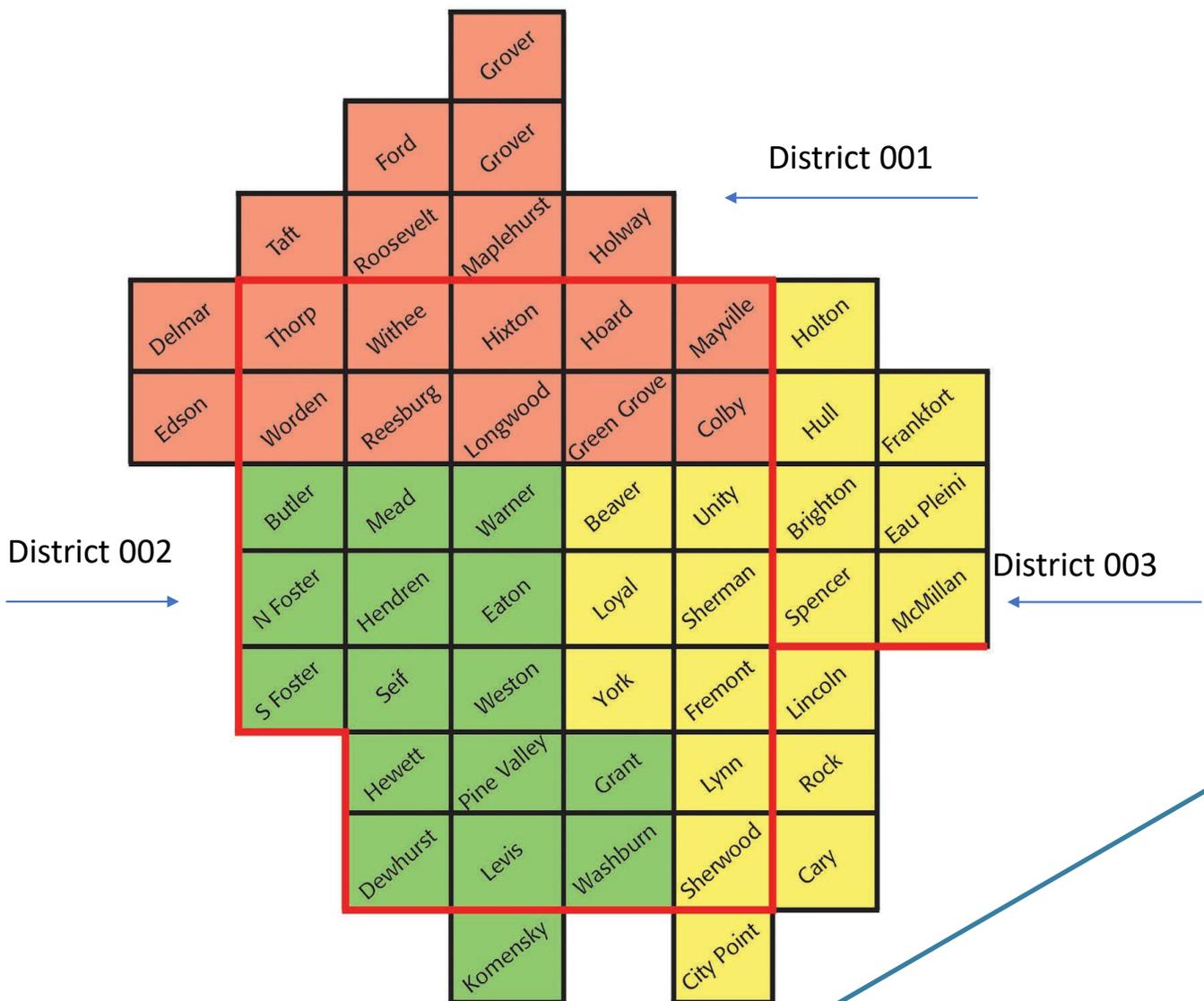
# HOW TO VOTE FOR DIRECTOR AND BYLAW AMENDMENTS

## Members can vote in person at the Annual Meeting or by Absentee Ballot

- If you choose to vote in person at the Annual Meeting you may do so. You will be given an Annual Meeting Day ballot which will be collected at the meeting.
- An absentee ballot is sent to all members and is included in this Annual Report along with a self-addressed envelope. To be valid, the absentee ballot must be received by the Cooperative or its designee not later than noon of May 9, 2023.

## Casting your Absentee Ballot

- Each member who is a current member of the Cooperative is entitled to one (1) vote. Two or more persons holding a joint membership shall jointly be entitled to one (1) vote
- You may vote for one (1) candidate in District 1 and one (1) candidate in District 3 (see map). You may also vote on both Bylaw amendments (see page 12).
- Sign and date your ballot
- Print your name on the outside of the self-addressed stamped envelope
  - If your name on the outside of the envelope is not legible the ballot will not be counted



# FREQUENTLY ASKED QUESTIONS ON VOTING

**Q: Can I vote for all the candidates on the ballot even if I'm not a member in that particular district?**

**A:** Yes

**Q: How can I vote?**

**A:** Either in person or by mail by completing and returning your Absentee Ballot.

**Q: When can I vote?**

**A:** Absentee ballots are included in this Annual Report and will be accepted until noon on May 9, 2023. If you choose to vote in person, you can cast your ballot the day of the Annual Meeting.

**Q: Can my spouse and I both vote?**

**A:** No. Each current member of the Cooperative is entitled to one (1) vote. Two or more persons holding a joint membership shall jointly be entitled to one (1) vote per membership.

**Q: Can I bring my absentee ballot to the Annual Meeting to be counted?**

**A:** No. Absentee ballots need to arrive by noon of May 9, 2023.

**Q: Can I withdraw my vote or substitute my ballot once cast?**

**A:** No

**Q: How does Clark Electric Cooperative ensure only one vote is cast?**

**A:** Verification procedures are in place that records when a vote is cast by absentee ballot. Once an absentee ballot is cast that member is recorded as voted. Members who attend the Annual Meeting are given a meeting day ballot once it has been confirmed that no other ballot has been previously cast.

**Q: Who oversees the election voting process?**

**A:** The absentee ballot will be returned to the Cooperative. As per the bylaws, the election results will be opened, counted and certified by the tellers of the election committee. The tellers are members selected at the Annual Meeting.

**Q: How is my vote kept anonymous**

**A:** Absentee voting only provides a list of members who voted, not how they voted. Members who serve on the election committee tally votes.

FAQ



# The Seven Cooperative Principles

- 1 Voluntary and Open Membership
- 2 Democratic Member Control
- 3 Members' Economic Participation
- 4 Autonomy and Independence
- 5 Education, Training, and Information
- 6 Cooperation Among Cooperatives
- 7 Concern for Community

# The Six Cooperative Values

- 1 Self-Help
- 2 Self-Responsibility
- 3 Democracy
- 4 Equality
- 5 Equity
- 6 Solidarity

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## CLARK ELECTRIC COOPERATIVE ABSENTEE BALLOT

### FOR MAY 10, 2023 ANNUAL MEETING

Detach this Absentee Ballot and return in the self-addressed envelope. It must be received by noon on May 9, 2023.

Vote for **one (1)** candidate in each district by marking the box next to the candidate's name and each bylaw amendment.

#### DISTRICT 1

- Jim Hager  
 Larry Herington

#### DISTRICT 3

- Scott Johnson

#### BYLAW AMENDMENTS

Amend Article IV ("Directors"),  
Section 2 ("Tenure and Qualifications"),  
Subsection (a) of the Bylaws

- Yes  No

Amend Article IV ("Directors"),  
Section 8 ("Hiring a Relative  
of Director or Manager")

- Yes  No

Signature \_\_\_\_\_ Print Name \_\_\_\_\_ Date \_\_\_\_\_

*Ballot must be signed in order to be counted.*



1209 West Dall-Berg Road, PO Box 190  
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## Please Bring This Book With You To The Annual Meeting

*This Book Contains the Official Notice of Annual Meeting, Financial Report and Statistics.*

# Clark Electric Cooperative 2022 ANNUAL MEETING

Wednesday, May 10, 2023 | 9:30 a.m.

American Legion Hall, 6 Boon Blvd  
Neillsville, WI

## AGENDA

Reports from Officers, Directors, Manager, and Guests

Election of Directors to the Board of Directors

Bylaw Amendments

Such other business that may come before the meeting

3 early bird winners will be drawn before the start of the meeting at 9:30 a.m.

Winners announced following adjournment  
(You must be present to win!)

Other prizes following adjournment

