



clearwater
CREDIT UNION

2025 Annual Member Meeting

Meeting Agenda

Doors Open: 5:30pm | Meeting Start: 6:00pm

Meeting Logistics

Deborah Colby

Chief Marketing Officer, Clearwater Credit Union

Welcome and Land Acknowledgement Quorum Check & Call to Order Approval of the 2024 Meeting Minutes

Tony Boote

Board Chair, Clearwater Credit Union

Philanthropy Donation

Tony Boote

Board Chair, Clearwater Credit Union

Vanessa Zamora

Executive Director, Bienvenidos

CEO Report

Jack Lawson

President and CEO, Clearwater Credit Union

Financial Report

Don Creveling

Board Treasurer, Clearwater Credit Union

Supervisory Committee Report

Anne Lee

Supervisory Committee Chair,
Clearwater Credit Union

Nominating Committee Report

Heather Grenier

Nominating Committee,
Clearwater Credit Union

Old Business New Business

Tony Boote

Board Chair, Clearwater Credit Union

Member Q & A

Tony Boote

Board Chair, Clearwater Credit Union

Adjourn

Tony Boote

Board Chair, Clearwater Credit Union



2024 Annual Meeting Minutes

June 17, 2024

Board Chair Tony Boote welcomed everyone to the 2024 Annual Member Meeting held in Missoula MT at the Western Montana Fair Grounds. He introduced fellow Board members in attendance as Leslie Halligan, Don Creveling, Geoff Gilbert, and Mike Kadas, with Heather Granier and JJ Adams joining remotely. Anne Lee, Ryan Arthun, and Dave Thompson from the Supervisory Committee were in attendance as well.

Tony recognized that we are on the aboriginal territories of the Salish, Kootenai, and Kalispel people and honored the path they have set for caring for our land. He asked the evening's Registrar, Senior Vice President of IT, Kyle Rholl, to confirm a quorum was present with 130 in person and on the call. Tony then called the meeting to order at 6:14 PM.

Tony confirmed the 2023 Annual Member Meeting minutes were distributed to members in the Member Packet and requested a motion to approve the minutes. Robert Farmer MOVED to dispense with reading the minutes and approve them as presented. Don Creveling SECONDED. Tony asked for members to submit their vote through the virtual polling feature. Once submitted, Tony confirmed a majority approval. MOTION CARRIED.

Tony then invited Jill Bonnie, Executive Director of the Poverello Center in Missoula and Missoula's Mayor, Andrea Davis, to the stage. Clearwater donated \$15,000 to the Poverello. Tony thanked the Poverello for being in Missoula for 50 years. Andrea Davis spoke about the Poverello and about her personal and professional experience with Clearwater Credit Union.

Jack Lawson, President and CEO, talked about the credit union's history and hit on some prior year highlights: \$260 million dollars of community lending, 2,887 hours of volunteer time that Clearwater co-workers performed, 3,327 people who were touched by Clearwater's financial education classes, and \$564,000 dollars donated to non-profits. Jack pointed out that the last time the Annual Member Meeting was held in person in Missoula was on June 18th, 2019, at the Wilma, at which time a new name was introduced (Missoula Federal became Clearwater). Jack talked about the growth of Clearwater since then and Jack finished by thanking Clearwater employees.

Don Creveling, Treasurer, delivered the credit union's financial reports.

Anne Lee, Supervisory Committee Chair, thanked her fellow members and explained the Committee's role to Clearwater members.

Mike Kadas, Chair of the Nominating Committee, described that two Board members' three-year terms were up in 2024, Don Creveling and Leslie Halligan. The Nominating Committee previously notified members that they would be nominating Don and Leslie to continue in their roles and invited petitions from members who wanted to join the Board. No petitions were received so Don and Leslie were declared by acclamation and will continue on the Board.

Tony moved to old business (there was none). He moved to new business (there was none). He thanked members and encouraged them to send questions and feedback to the Board of Directors. Tony then confirmed the conclusion of the business meeting and adjourned at 7:05pm.



CEO Report

JACK LAWSON, PRESIDENT & CEO

Our mission is to be a force for good in banking, in the communities we serve, and in the lives of our members.



Total Members

63,402



Net New Members

3,263



Consumer Loans
to Members

9,083 Loans
\$120 Million



Home Loans to
Members

477 Loans
\$95 Million



Mortgage Loans
Serviced

3,352
\$554 Million



Business Loans to
Members

90 Loans
\$71 Million



Philanthropy

\$474,000

201 Nonprofits



Financial Empowerment

3,497

People Attended



Employee
Volunteer Hours

2,515 Hours



Financial Counseling

570

Sessions



Financial Report

DON CREVELING, BOARD TREASURER

Similar to the past several years, 2024 was another year of financial strength for Clearwater, and your credit union remains strong, safe, and sound. We experienced good deposit growth, solid asset quality, and healthy earnings in 2024, leading to a very strong 12% net worth ratio.

Loan Growth and Asset Quality

Loan balances grew by 10% in 2024, with a very healthy loan-to-asset ratio of 73%. Credit quality remained sound with 0.3% of actual loan losses (net charge-offs) and 0.8% delinquencies (loans that are paying late). As the size and complexity of our loan portfolio has grown, we have been careful to help members into loans appropriate to their circumstances. Clearwater continues to be well-reserved for potential credit issues with 1.43% of the loan portfolio reserved for potential losses

Earnings

The credit union's net earnings performance is healthy with a return on average assets of 0.9%. Several things contributed to that profitability including an expanding net interest margin and well-managed expenses.

Net Worth

Clearwater's net worth ratio continues to be very strong at just over 12%.

	2020	2021	2022	2023	2024
Net Worth Ratio	9.0%	9.8%	12.0%	12.0%	12.1%
Return on Average Assets	1.0%	2.1%	1.1%	1.1%	0.9%
Member Growth	2.6%	4.3%	4.5%	5.3%	5.4%
Loans to Assets	55.9%	58.9%	67.8%	70.7%	73.2%
Net Interest Margin	3.0%	2.8%	3.0%	3.3%	3.3%
Net Charge Off + Delinquency Ratio	0.3%	0.1%	0.3%	0.3%	1.2%



Balance Sheet

	2023	2024	% Change
Loans	\$719,784,578	\$792,333,501	10%
Investments	\$279,446,253	\$266,569,069	-5%
Other Assets	\$32,585,437	\$39,560,772	21%
Total Assets	\$1,031,816,267	\$1,098,463,342	6%
Liabilities	\$154,309,926	\$166,414,547	8%
Deposits	\$789,868,202	\$833,049,336	5%
Equity	\$87,638,140	\$98,999,459	13%
Total Liabilities, Deposits, & Equity	\$1,031,816,267	\$1,098,463,342	6%

Income Statement

	2023	2024	% Change
Loan Interest	\$32,483,836	\$41,761,757	29%
Investment Interest	\$8,618,579	\$10,307,615	20%
Interest Expense	\$8,923,087	\$16,545,490	85%
Net Interest Income	\$32,179,327	\$35,523,882	10%
Provision for Credit Loss	\$2,845,135	\$4,706,523	65%
Non-Interest Income	\$11,432,143	\$11,813,583	3%
Non-Interest Expense	\$29,507,150	\$33,166,178	12%
Extraordinary Income (Expense)	(\$6,638)	(\$5,688)	-14%
Net Income	\$11,252,546	\$9,459,076	-16%



Supervisory Committee Report

ANNE LEE, SUPERVISORY COMMITTEE CHAIR

Supervisory Committee Members

- Anne Lee, Chair
- Ryan Arthun
- Janet Simmons
- Dave Thompson
- Shirlee Walker

The Supervisory Committee works on behalf of members to ensure that:

- There is timely and accurate financial reporting, and
- Credit union practices and procedures safeguard member assets.

The Committee is assisted by Clearwater's internal (employees) and external (Clifton Larsen Allen) audit teams who conduct multiple routine audits of credit union operations. They report results and recommend changes to the Committee throughout the year.

The Committee also retains the services of an independent accounting firm, Moss Adams LLP, to perform a comprehensive annual audit of Clearwater's financial statements and controls. Based upon Moss Adams' issuance of a "clean opinion," as well as internal and external audit results, it is the Supervisory Committee's opinion that the performance and condition of Clearwater are accurately reflected on the financial statements, and that adequate internal controls exist to protect member accounts.

We encourage credit union members to contact the Supervisory Committee regarding unresolved problems, missing statements, and accounting discrepancies. We also ask members to share the responsibility to prevent fraud and theft by carefully reviewing their account statements. Contact information is located on the credit union's website, and the Supervisory Committee's email address is supervisorycommittee@clearwatercreditunion.org.



Nominating Committee Report & Board Elections

HEATHER GRENIER, NOMINATING COMMITTEE

Nominating Committee Responsibilities

The Nominating Committee's responsibility is to nominate candidates to fill expiring board member terms and vacant positions on the credit union's Board of Directors. Board Members serve three-year terms, which are staggered so that at least one position is up for election annually.

In 2025, three positions are up for election. Geoff Gilbert and Mike Kadas were nominated by the Nominating Committee to fill these positions and continue their roles serving on the Board of Directors. Jon Sesso was nominated to fill the position of J.J. Adams whose term expires this year.

We notified credit union members of these nominations in our branches, on our website, and by email or direct mail on April 3, 2025, as well as in the March 2025 statement mailing. Members were invited to run, by way of petition, if interested. Since no nominations by petition were received by the May 3, 2025, deadline, the elections will not be conducted by vote, but instead will be declared by acclamation. Nominations from the floor are not accepted at the Annual Meeting.

Nominee Biographies

Geoff Gilbert

Geoff has been a Clearwater Credit Union member since 1991 and has served on the Board since 2019. After an early career as a geologist, Geoff became a Chartered Financial Analyst and has been working in finance and investment management for the last 20 years. Geoff is an avid investor, entrepreneur, and urban farmer.

Mike Kadas

Mike has been a Clearwater member for the last 38 years. He worked as a Director of the Montana Department of Revenue from 2013 to 2018, represented Missoula in the Montana House of Representatives from 1983 to 1996, and serve as the Mayor of Missoula from 1996 to 2006. Mike has also served on many Boards, including the Federation of Tax Administrators, the Multistate Tax Commission, and the Montana Budget and Policy Center.

Jon Sesso

Jon is a long-time Butte resident with a long history of representing Montanans. He most recently served as a Montana State Senator and Senate Minority Leader from 2013-2020, as well as a Montana State Representative from 2005-2012. With degrees in Communications and Environmental Studies, Jon also served as the Planning Director for Butte-Silver Bow from 1991-2018 and was the Superfund Coordinator responsible for environmental clean-up and mine reclamation coordination from 1991-2020. His contributions also include a long history of Board service including the Butte-Silver Bow Community Foundation and Habitat for Humanity of Southwest Montana.

