

member connection

Air source heat pumps provide the best of both worlds

Steele-Waseca Cooperative Electric members seeking to more efficiently heat and cool their homes are finding a smarter solution: air source heat pumps (ASHPs).

Able to deliver hyper-efficient home heating and air conditioning, ASHPs help members realize savings in energy consumption as well as cost.

According to the U.S. Department of Energy, an ASHP can reduce electricity use associated with home heating and cooling by up to 72 percent. Since heating and cooling account for more than half the total energy consumed in a typical household, members can realize tremendous savings by making the switch.

While earlier generations of ASHPs were primarily used in the southern part of the United States, new ASHPs can be used in nearly all parts of the country. They are an especially viable option for Midwestern homes during the spring and autumn months when outdoor temperatures are milder.

ASHPs use the same technologies that are found in refrigerators and air conditioners, and deliver cooling and heating by moving heat to and from outdoor air.

During the summer, the ASHP works just like a central air conditioner, moving heat from inside the home and transferring it outside.

An ASHP has the ability to reverse this process for heating: the ASHP harvests heat from outside air—some systems can provide heating in temperatures as low as 0 degrees Fahrenheit—and transfers it into the home. The result is homeowners are able to run their furnaces less and get extremely efficient heating.

Both of these options can be controlled from a thermostat while the home heating function is also able to work in tandem with conventional gas furnaces.

Members can realize savings of up to 30 percent on home cooling expenses by installing an ASHP instead of other conventional air conditioning units. And by moving heat, the ASHP is able to transfer a greater amount of energy than it consumes, which means an ASHP can have effective heating efficiencies of 300 percent or more.

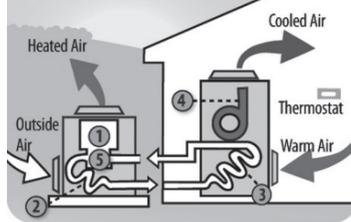
An ASHP provides a safe, environmentally friendly solution for home comfort conditioning as well. They don't use an open flame or create products of combustion—such as carbon monoxide and other emissions—so there is no need for venting, and their extended equipment life means less pollution associated with discarding old units or parts and manufacturing their replacements.

To learn more about ASHPs, visit swce.coop and click on "REBATES/PROGRAMS" or call Cindy Butterfield at Steele-Waseca.

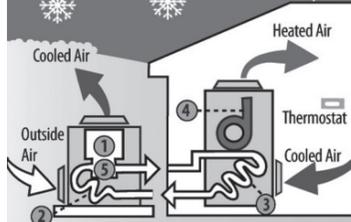
How Do Air-Source Heat Pumps Work?

By transferring heat between a house and outside air, these devices trim electricity use by as much as 30 percent to 40 percent in moderate climates.

SUMMER



WINTER



- 1 **Compressor**
Increases refrigerant/freon pressure to accept the maximum heat from the air.
 - 2 **Condenser**
Coils move freon (and with it, hot or cold air) to or from outside air.
 - 3 **Evaporator**
Coils move freon (and with it, hot or cold air) to or from outside air.
 - 4 **Air Handler**
Fan blows air into a home's ducts.
 - 5 **Reversing Valve**
Switches the direction of the freon flow, changing the heat pump's output to hot or cold air (controlled by thermostat).
- Source: NRECA

annual meeting

Plan to arrive at SWCE early enough (doors open at 9 a.m.) to be registered by the time the meeting begins. As noted on the agenda, registration ends at 10:30 a.m. You must be registered by that time to be eligible to vote for director candidates.

*81 Years
Lighting The Way*

There will be two Early Bird prize drawings this year. There will also be Grand Prize drawings for gift cards and flowers.

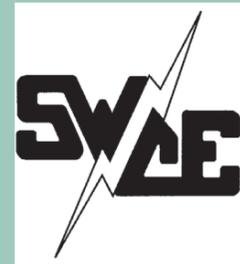
Steele-Waseca will be collecting donations for an area county food shelf. Please bring non-perishable food items or monetary donations with you to the annual meeting at the SWCE booth and receive (1) free LED bulb. 25658

If you are new to Steele-Waseca or have never attended an annual meeting, please pick up a complimentary copy of the co-op's 75th anniversary book and DVD entitled, "Making the Connection," at the SWCE booth. Additional copies and/or purchases during regular business hours are available for \$7/each.

Lunch will be served after the annual meeting. The menu will include: smoked pork chops, vegetables, potatoes, salad, dinner rolls, coffee, white and chocolate milk, water, soda and Dairy Queen Dilly® Bars.

The green X on the map below marks the exit (#41) you'll need to take if you're arriving via Interstate 35. The green SWCE logo marks the location of Steele-Waseca Cooperative Electric's headquarters at 2411 W. Bridge St., in Owatonna.

Parking will be available on the property surrounding the building. Miner's Outdoor & Rec, located at Highway 218 South, Blooming Prairie, will be supplying several golf cars to shuttle you to and from the meeting.



the power of human connections

sparks

Your Touchstone Energy® Cooperative

a monthly newsletter from Steele-Waseca Cooperative Electric

June 2017



2016 Annual Report

*81 Years
Lighting The Way*

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calendar of events

- June
- 2-4 Morristown Dam Days
 - 6 SWCE Annual Meeting
SWCE office is closed
 - 13-15 SWCE Coal Creek Tour
 - 14 Flag Day 17877
 - 15-17 Mdfd Straight River Days
 - 18 Father's Day
 - 20 First day of summer
 - 24-25 Ellendale Days
- National Dairy Month**

SWCE's 81st Annual Meeting Agenda

Tuesday, June 6, 2017 – 9 a.m. to 12:15 p.m.
Steele-Waseca Cooperative Electric
2411 West Bridge Street, Owatonna, Minnesota

9 a.m.-10:30 a.m.Registration for director voting and prizes
9 a.m.-10:30 a.m.Popcorn and co-op display booths

10:25 a.m. ...Early Bird Prize Drawings: (2) \$250 travel certificates from 4-Seasons Vacations, Inc., Albert Lea

10:30 a.m.Registration ends, business meeting begins
Presentation of Colors Color Guard, Civil Air Patrol, and Faribault Middle School

Pledge of Allegiance.....Everyone
National AnthemLisa Quimby

Invocation Duane Edwardson, Board Chaplain
WelcomeSyd Briggs, General Manager

Call to Order.....Gary Wilson, Board President
Establish Quorum, Adopt AgendaGary Wilson, Board President

Notice of Meeting, Proof of Mailing
...Gerri Lienke, Board Secretary/Treasurer

Acceptance of 2016 Reports as printed in *Sparks*.....
...Gary Wilson, Board President

Board of Directors IntroductionGary Wilson, Board President
Election of Directors

Nominating Committee Report....Melissa Bauer, Committee Chair
Director Candidate Introduction..Melissa Bauer, Committee Chair

Call for Nominations from the floor..Eric Mattison, SWCE Attorney
Nominations Closed, Tellers Appointed, Director Voting

Presentation by 2016 Youth Tour Delegates Karsten Singh & Abigail Hansen

Introduction of 2017 Youth Tour Delegates Brant Wieber & Hannah Singh

ACRE Presentation
Guest IntroductionsSyd Briggs, General Manager

SWCE Report..... Syd Briggs, General Manager

Announcement of Election Results...Eric Mattison, SWCE Attorney
Unfinished and New BusinessGary Wilson, Board President

Adjournment
Grand Prizes.....Gift cards and flowers

11:45 a.m.Lunch catered by HyVee, Owatonna

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 2411 W Bridge Street, PO Box 485
 Owatonna MN 55060-0485

Website: www.swce.coop Find us on Facebook
 Email: swce@swce.coop
 Fax: 507-446-4242

Board of Directors

- PJ Duchene District 1
- Geraldine Lienke District 2
Secretary/Treasurer
- Duane Edwardson, *Chaplain* . District 3
- Dennis Ringhofer District 4
- Rodney Krell District 5
- Gary Wilson, *President*,
GRE Director District 6
- John Beal, *Vice President* District 7
- Ronald Sommers District 8
- Renee Malecha District 9
Assistant Secretary/Treasurer

Management

Syd Briggs *General Manager*

Division Managers

- Darla DeVries *Office*
- Douglas Hughes *Marketing*
- David Lundberg *Finance*
- Kim Huxford *Operations*

Office Hours

8:00 a.m.–4:30 p.m., Monday–Friday

Operations Office Hours

8:00 a.m.–3:30 p.m., Monday–Friday

For Customer Service, Billing Questions and Power Outages Phone:

507-451-7340 or 800-526-3514

Before calling to report an outage

1. Check fuses and circuit breakers in your home and on meter pole.
2. Check with your neighbors to see if they have power.
3. Look for possible causes such as a tree branch on wires, a broken pole, twisted wires, etc.

To leave a non-emergency message whenever SWCE's Office is closed:

Phone 507-451-7340 or 800-526-3514
 Press "2" and leave message including name, account #, and phone # you can be reached at the following business day.

Call Before You Dig Gopher State One Call 811 or 800-252-1166

48-hour notice required for ALL underground cable locations

message to our owners



By Syd Briggs, General Manager

Coming June 6, we perform one of the main functions of an electric cooperative; we have our annual meeting for the purpose of reporting to our members our activities, and we elect three of our nine directors for a three-year term.

It is also great to get together and have a relaxed time with our members, directors, employees, and retired personnel. We also have guests from around the area such as personnel from some of our vendors, employees from neighboring cooperatives, and elected representatives that serve us locally and in St. Paul.

As always, we will have a great meal provided by our friends from HyVee followed by the always popular Dilly® Bars. Please remember to bring non-perishable foods for our annual drive for the county "food shelves," and this year everyone who donates will receive a LED bulb. This is a chance to not only help many people in the immediate area with food, but to also continue personal conservation and efficiency efforts.

We also get to hear from our Youth Tour delegates; always one of the highlights of the meeting for myself and the membership. The co-op's 2016 delegates, Karsten Singh and Abigail Hansen, will present highlights of their experience last year in Washington, D.C. This year we continued our support by providing for two of our youth to attend the tour in Washington, D.C. It will be great to hear from both Brant Wieber and Hannah Singh.

Financially, we are proud to say we experienced another increase in kWh sales of 15 percent over 2015. Any increase in energy sales helps to minimize the effect rising costs have on our cost of service and benefits everyone on our system. Our average number of meters grew from 10,341 in 2015 to 11,334 in 2016. This resulted in a growth rate of 9.6 percent. 29543

With that growth, our cost of power increased 17.6 percent while our operating expenses (less the power cost) increased \$371,718 or 4.4 percent. Most of the increase in expenses were due to the acquisition of new territory. However, it was more than offset by an increase in revenue resulting in a 43.3 percent increase in operating margins. The actual increase in operating margins was \$480,516. Due

to our continued growth in meters and quality of plant, electric plant increased nearly \$6.3 million, along with a decrease in long-term debt of \$2.7 million. Together, this caused equity to increase by nearly \$2.9 million to \$35,581,456; which now stands at 46 percent of assets or an increase of 3.3 percent over last year. As equity continues to grow, the cooperative will be in a good position to continue the excellent practice of retiring, or paying, capital credits at the end of each year. In 2016, we paid \$1 million to our member-owners, which is over \$230,000 more than last year. Our total retirement of capital credits now stands at \$14.9 million.

Steele-Waseca has always been blessed with member interest in many areas of planning and direction. Last year we continued having town hall meetings across our territory. We had a total of four meetings throughout our service territory informing nearly 500 members on a variety of information covering co-op youth programs, industry news, renewable programs and political action.

The Coal Creek Tour in 2016 was again attended by 50 members as attendees traveled to Great River Energy's largest coal generating facility for an extensive and highly informative tour. This year's tour will be taking place June 13-15.

Steele-Waseca is very grateful to our members who take time to serve on our advisory and nominating committees performing an immensely vital function of our cooperative purpose. Many members were contacted and given the opportunity to be a part of the leadership of the cooperative.

We also continue to see an increase in member involvement in ACRE (Action Committee for Rural Electrification). This is our political action committee whose purpose is to support members of Congress that support rural electric issues. This year we have over 440 members, directors, and employees in our political action committee. ACRE works to ensure your electric cooperative has a voice in legislative matters, and we have several victories this year.

It is indeed a pleasure to continue to be a part of Steele-Waseca Cooperative Electric and the community we share. Our goals of safety, reliability and communication are considered vital in the service we provide to you, our member-owners.

ad connection

(For Sale ads continued from Page 14)

AQUARIUM, 42g bow front, filter, heater, hood, gravel & accessories, exc. cond., \$200. 456-2340.

SHIPPING CONTAINERS, 20' & 40', moisture & rodent proof, store your stuff on your property, free delivery within 50 mi. of Owat. 612-418-4375.

2007 CELEBRITY X ELEC. WHEEL CART, new batteries & charger incl., \$375; **2015 GRASSHOPPER LAWN MOWER**, 72" cut, 150 hrs, zero turn, like new, \$9000. 213-6832.

1996 HARLEY MOTORCYCLE, full dressed, (1) owner, lots of extras, incl. Harley lift, 38,000 mi., all blk, \$4200. 339-2144.

AALADIN HOT WATER PRESSURE WASHER, 3000 psi, (4) gpm, 230V, \$2750; **GENESIS 8" DRILL PRESS**, 5-spd, 1/2 chuck, \$40. 461-3835.

2008 KZ PULL-TYPE CAMPER TRAILER, 32', (2) slides, pwr awning, sleeps (8). 676-0575.

8' TREATED WOOD FENCE POSTS, 5" to 6", approx. 30-36 posts, \$5/each. 612-598-6230.

USED AUTO PARTS, ENGINES, TRANS., car & truck parts, 30-day warranty, best prices. 332-2300.

XL BATHTUB, new, never installed, \$300; **WATER DRINKING FOUNTAIN EXTRA BOTTLES**, \$25; **MOSQUITO MAGNET**, \$25. 744-2818.

2003 JD 9420T, 7182 hrs, 36" tracks, auto track ready, 4 hyd, PowerShift trans., well maintained, farmer owned. 573-1129.

1985 BUICK RIA, gd shape. 838-5267.

OLDER MERCURY OUTBOARD MOTOR, 50 hp w/Merc. controller, long shaft, lower unit exc. shape, motor runs but needs work, \$250. 465-8566.

SEWER LIFT PUMP, complete w/float & all wiring for the alarm, used only 3-weeks, \$250. 334-3804.

TIRES, 44.5x16.5-18 on 8-hole rims for Balzer tanks. 420-0382.

'01 FORD F-150, 4x4, 157k mi., runs grt, Triton V8, off-road pkg, new elec. trlr brakes & hitch, body in gd shp w/usual MN rust, no rips in inter., elec. windows, seats, grt heat, no A/C, \$2700/obo. 612-756-4534.

1997 POLARIS SPORTSMAN 400 ATV w/plow blade, \$2000. 744-5133.

JD 213 BEAN PLATFORM; JD 216 BEAN PLATFORM, north of Fbo. 649-1241.

ELEC. TROLLING MOTORS for boat; **SOME ANTIQUES; STEREO CONSOLE; STATIONARY BIKE**. 664-9426.

'00 JD 725 LOADER & FORKS, mounts for 30-40 series, 85" bucket, has a quick attach, \$7000; **'14 H-D SPORTSTER 1200T**, only 149 mi., exc. cond., incl. saddlebags & windshield, \$9000/obo. 456-4236.

CABIN 23 ON BEAVER LK by Ellendale, north side of lake. 259-2492.

ANTIQUA FIELD CULTIVATOR on steel wheels, 10' wide, \$200; **16" ROPING SADDLE**, exc. cond., \$200. 456-6828.

CANARY GRASS HAY; ALF. GRASS, no rain; **SOME HAY ON WAGON**, \$1.25/bale; **NEW HAY OFF WAGON IN SEASON**. 414-2245 or 451-7489.

OSTER COUNTERTOP MICROWAVE, used 1-yr, like new, blk, 1100W, capacity 1.1 cu. ft, size 12x22x17, \$59. 456-2060.

Steele-Waseca Cooperative Electric (SWCE) assumes no liability for the content of, or reply to, any item posted. The party posting any advertisement assumes complete liability for the content of, and all replies to, any advertisement and for any claims against SWCE as a result thereof, and agrees to indemnify and hold SWCE harmless from all costs, expenses, liabilities and damages resulting from, or caused by, any advertisement or reply thereto.

NH 269 BALER. 583-2026.

1-ACRE WOODED LOTS w/lakeshore on Beaver Lk. Gravel cul-de-sac, southern exposure, utilities & common well to lots incl. Ready to build your dream home! www.beaverlkestates.com. 438-9503.

HOUSE TO RENOVATE in Ellendale, best offer. 684-2904.

2001 TRAILS WEST HORSE TRAILER, (4) horse, large dressing room, \$7500. 279-0106.

HIDE-A-BED COUCH, tan, \$100. 456-0590.

2000 SUZUKI QUADMASTER 500, 4x4, exc. cond.; **1999 16.5' CRESTLINER BOAT**, Shorelander trailer, 40 hp Merc. motor, elec. trolling motor, exc. cond. 475-1392.

STORAGE: 10x30, \$125/mth; 10x20, \$95/mth; 10x10, \$55/mth, www.selfstorageofowatonna.com. 774-9899.

BOX OF BOOKS ABOUT DIABETES, some pamphlets too, \$30. 451-8888.

8' JD PULL-TYPE DIGGER, steel wheel, steel seat; **FARMALL F-12 FOR PARTS**. 460-0071.

1988 17.5' ALUMACRAFT PHANTOM V170 w/120 hp Evinrude, trolling motor, depth finder, (2) live wells, new trailer tires, \$3250; **GEHL 940 CHOPPER BOX**, \$2250. 456-8639.

HONDA 21" LAWN MOWER, walk behind, side discharge, vry gd cond., \$100. 456-2017.

ROOFING & SIDING, GAF Master-Elite®, homes & outbuildings. 848-1477.

1000-GAL. LP TANK w/liquid tap, tank needs paint, you haul, \$800. 456-6429.

1950 M-H PONY TRACTOR w/MTD, sickle mower & other attachments, gd shape. 676-1046.

IH 504 TRACTOR w/3-pt hitch, a little problem w/steering, runs gd; **FARMALL H** w/loader, wide front & narrow front (both go with). 451-1505.

SINGLE 12" JD DISC w/wings; **20' 4-SECTION DRAG; MCCORMICK FARMALL SUPER M-TA TRACTOR** w/loader. 360-4870.

WHEEL HORSE 418A GARDEN TRACTOR, 18-hp Kohler eng., incl. 42" mower deck, 48" landscaping blade, hydraulic equip. lift, \$1600. 952-836-6782/Bill.

SCHWINN SIERRA SPORT, 21-spd, city bike, men's, \$100; **SPECIALIZED SIRRUS ELITE**, 27-spd, 700x28c, \$300. 330-3178.

PATTON UTIL. HEATER, new in box, \$20; **VENDSTAR CANDY MACHINE**, \$30; **WELDING SUPPLIES**, many new. 332-7624.

CANARY GRASS; STRAW; ALF.-GRASS HAY. 744-2871.

WEBER CHARCOAL SMOKER, used twice, \$175/obo. 339-5102.

L.B. WHITE HEATER, 60,000 Btu w/thermostat, works gd. 383-4103.

1985 MINNIE WINNIE MOTOR HOME, new tires & batteries, 58,000 mi. 234-5649.

CABIN on French Lk, leased land, 80' shoreline, deck, patio, sheds, dock, great fishing, \$89,500. 334-6362.

LARGE AIR CONDITIONER, best offer. 869-3191.

RAZOR ELEC. SCOOTER, pink, girl's, never used, \$75. 334-5245.

'80 SEA NYMPH 16' BOAT w/40 hp Johnson O/B, trailer & spare tire, has 18-gal. built-in gas tank, \$2000. 838-2515/Larry.

'93 GULF STREAM VOYAGER MOTOR HOME, Class A gas, 33', hvy transmission, fuel injected, Chev. 454 engine, clean, new A/C & fridge, back-up camera, stored inside. 210-6803 or 334-3607.

20' PONTOON w/60 hp Merc. motor; **1990 PONTIAC SUNBIRD CONVERTIBLE**, low miles, exc. roof; **MODEL T FORD SEDAN; HAMMOND C3 ORGAN** w/PR40 speaker. 402-2251.

BRUSH HOG ATTACHMENT for skid loader, 1-yr-old, approx. 40 hrs of use, standard flow 60", \$3500/obo. 213-0228.

2006 KEYSTONE LAREDO 29RL 5TH WHEEL CAMPER, (1) owner, (1) huge slide out, awning, vry clean, \$13,995. 323-4551/leave message.

CROP PROTECTION PRODUCTS available in packaged or bulk totes, cash or qualified financing avail. 676-7767.

BIRCH LOGS, small load, gd for crafts or firewood, \$5. 363-2322.

25' ERCOA PONTOON w/alum. floats, full furniture pkg & cover in nice shape, 65 hp Evinrude w/pwr tilt, trim, runs but needs wrk, \$995. 334-8613/Frank.

HUSQVARNA LAWN TRACTOR, 48" 2-stage snowblower, 54" mower, vry few hours on it, works great. 583-7143.

TIRES, 18.4x34, new, \$1000/pair; **40' JD DRAG** on cart, \$750; **CASE IH ALL HG LOADER** for 100-hp tractor, \$500; **'02 JD 5520 MFW** w/cab, new loader & tires, \$29,000; **JD 3010** w/loadr, \$7500. 330-3945.

WHITE BRIDAL GOWN, floor length, trimmed w/blue; **MATCHING HAT; LIGHT BLUE FLORAL ATTENDANT DRESS**, floor length, all (3) for \$50/cash. 451-7626.

CLEANING SERVICES FOR HOMES, will vacuum, dust, clean windows, etc. 461-9422.

16' TRAILER, elec. brakes, current tabs, nice shape, \$1100/obo. 461-1865.

MAYTAG REFRIG., older, 18.5 cu. ft, almond color, runs gd, use as 2nd refrig. 451-3345.

COWBOY BOOTS, blk leather, size 13 EE, new \$50; **LARGE PET PORTER**, \$30; **JACK LALANNE PWR JUICER** in box, \$50. 645-4028.

KASOTA STONE, 1700#, \$175; **JD 112**, 42" mower & 36" snowblower, \$799; **14' CRESTLINER**, 55 hp Chrysler w/trailer, \$899; **AQUARIUM**, 59-gal., \$100. 456-2054.

MAPLE SYRUP: \$14/qt, \$7/pint. 685-4372.

(3) DOWNHILL ROSSIGNOL SKIS; (2) ELEC. BASEBOARD HEATERS, 220V. 470-262-7696.

WOOD KITCHEN TABLE & (4) CHAIRS, gd cond., \$60. 390-0206.

OLIVER 374 ROW CROP CULTIVATOR, 3-point, gd shovels, gd shape, \$100. 456-7614.

MOWING, MULCHING, FERTILIZING, SEEDING & ANY OTHER LAWN CARE NEED in Nfld & surrounding area. 651-434-9504.

ad connection

give away

WOVEN WIRE, 3' & 4' high, about 200', used in cond. 744-2792.

FREE ONLINE CLASSIFIEDS, you place & remove your own ad on SWCE's website, www.swce.coop, these are separate from Sparks & will not appear in Sparks unless emailed to sparks@swce.coop.

TONNEAU COVER for full-sz pkup, gray. 884-5739.

BEE SWARM REMOVAL, we'll remove a swarm of bees from your property free of charge & relocate them to our farm where we raise bees for honey. 612-801-2969/Rory.

(2) 4' WOOD PALLETS, you haul. 456-2017.

wanted

CHEVY 456 MOTOR; DODGE OR CHEVY DANA 60 FRONT AXLE; 1973-79 CHEVY CAB in fair cond. 451-7091.

CRAFTERS for the 18th Ann. Christmas for Veterans Homemade Craft & Bake Sale, Nov. 4, at Trinity Luth. Church/Owat., booth rentals are \$30/booth, donations welcome anytime. 455-2755 or 271-3596.

DEAD/ALIVE GARDEN TRACTORS, will pay \$; **GARDEN TRACTOR LOADER**, attachments, weights & misc. 256-7299 or 451-0546/evenings.

ESTATES, COLLECTIONS, FISHING OR HUNTING EQUIPMENT, willing to purchase your collection/estate or set up an online auction. 279-0431/Mark.

LOOKING TO RENT FARMLAND for 2017 & beyond. 456-6521.

JANITORIAL WORKERS needed in local area, PT, day/evening, \$10-\$12/hr. 412-1248/Laura.

WILL DO: garden tilling, post-hole drilling, lawn grading, seeding, rolling, lawn mowing, thatching, aerating, erosion control, dirt leveling, seed & fertilizer broadcasting. 390-1567.

JUNKERS & REPAIRABLES: cars, trucks, most farm & constr. equip., top \$ pd for junkrs. 332-2300.

CATTLE GATES, any size; **WICKER PATIO FURNITURE**. 317-9246.

JUNK & UNWANTED APPLIANCES, free drop off, no TVs &/or plas. dishwashers. 210-6728/Dan/Fbo.

SMALL CANOE. 869-3191.

All area codes are 507 unless otherwise noted

UNWANTED BIKES &/OR LAWN MOWERS, \$ pd on delivered. 330-3178.

for sale

1997 FLOE 4-PL. ALUM. SNOWMOBILE TRLR, (8) tie downs, new tires, no brakes but tandem axles, 14" wheels, \$2600. 838-8490/Jeremy.

TIRES, 245x16 on 6-hole Chev. alum. rims, tread 1/2 gone, \$80. 334-2673.

BEACHFRONT VACATION CONDOS FOR RENT in Fort Myers Beach, South Padre Island & Mexico, visit www.sandysbeachfrontcondo.com for details & photos. 612-865-9604/Sandy.

JD 640 RAKE; ALLIED 595 LOADER; BETTER BUILT VAC. PUMP. 380-9580.

POTTED HOSTAS, many sizes & named var., \$5/ea.; **POTTED CATALPA & CORKSCREW WILLOW TREES**; **FERN LEAF PEONY**, \$25/ea.; **DAY LILIES**, **SIBERIAN IRIS**, **CALLA LILY BULBS**. 451-4274.

2000 JD 725 LOADER & FORKS, mounts for 30-40 series, 85" bucket, stand & lever indicator, quick attach; **2014 H-D SPORTSTER 1200T**, 149 mi., exc. cond., incl. saddle bags & windshield. 456-4236.

BEHLEN 1600-BU. WET CORN HOPPER, \$1600; **BEHLEN 700 3-PHASE CORN DRYER FOR PARTS**, \$1500; **BUTLER 3000-BU. GRAIN BIN**, 18' diameter, \$300. 380-2759.

CLIMATE-CONTROLLED UNITS for rent, 11'x9' to 16'x10'. 332-4623.

1953 JD 40, 3-pt hitch, 6V, \$3000; **1949 FARMALL M**, 6V w/pwr steering, \$1500. 612-382-4084.

FORTUNE CREEK TRL LOTS, the covenant allows for a pole shed, starting at \$75,000. 838-5033/John.

DOG KENNEL, XL composite, metal wire door, exc. cond., \$40; **TV CONVERTER**, upper-end model, new, \$40. 455-3881.

OMC SWATHER/HAY CUTTER, 12' cut, hydrostatic, \$1200. 213-1277.

INSTALLING OPEN OR CLOSED CELL SPRAY FOAM INSULATION, free est., 412-7179/Jeremy.

CHEVY CRUZE LT, wht, 12,000 mi., auto 6-spd turbo, 35+ mpg, plush intr, Wi-Fi/OnStar, tabs gd to Dec. 2017, no dings or marks, \$16,587. 213-9823.

2400-LB BOAT LIFT w/canopy & cover, 8' wide, new winch box, \$2200/obo. 440-1628.

TREE TRIMMING, REMOVAL & STUMP GRINDING, pro climber & aerial lift to U of M guidelines; **FRONT CHROME BUMPER** for an F-650, new. 456-1609.

RENTAL, Izaak Walton League Building, 4 mi. south of Owat., seats 100, full kitchen, grill, Wi-Fi, \$100. 451-7946.

TRI-AXLE DUMP TRUCK AVAIL. for delivery of rock, gravel, dirt, etc., 15-ton capacity. 456-7774.

FETERL COMM. 100'/12" AUGER w/swing hoppr, \$9500; **RONK ELEC. PHASE CONVRTR**, 30 hp, 1-ph. input/3-ph. output, vry gd cond., \$3750; **BEHLEN 700 3-PH. GRAIN DRYER**, \$2500/obo. 317-2910.

1995 FORD F-150, 4WD, fiberglass topper, chrome rims, ext. cab; **SHINGLING; LIGHT CONSTRUCTION; TREE REMOVAL** (free estimates). 456-0296.

OWAT. 45' ELEVATOR; MPLS MOLINE 10' TANDEM DISC. 451-1359.

DRY FERTILIZER BOXES, used & new w/lids, came off JD 7200 planter. 612-756-0741.

OAK HEADBOARD w/mirror, queen sized, (2) storage compartments, overhead light for reading & hardware, gd shape, \$75. 412-1246/Terry.

BLK ANGUS BEEF: qtrs, halves, or whole avail., semi-organically & locally raised. 330-2452/Matt.

MINI STORAGE UNITS, Blmg Prairie. 456-2957.

IH HAYBINE & IH HAY RAKE; (6) HVY DUTY DRAG SECTIONS. 234-6375.

COLD STORAGE in Fbo, 6'x8', \$49/mth. 332-4638.

(For Sale ads continued on Page 15)

travel

DOOR COUNTY & MACKINAC ISLAND, July 9-15. Motor coach, 6 nights, 13 meals, guided tours of Door County & Mackinaw City Carriage ride on Mackinac Isl. & more. \$1,109 pp dbl occupancy.

HEART OF ALASKA (AIR INCLUDED), July 14-21. Eight days, 12 meals included, Anchorage, Denali Park, Fairbanks, Valdez, 1-day Glacier cruise & more. \$3,299 per person based on 2 per room.

ALASKA TOUR & CRUISE (AIR INCLUDED), Aug. 4-16; 13 days, all sightseeing/entrance fees, 7 night southbound cruise on the Island Princess. Starting at \$4,299 per person double occupancy.

GIRLFRIEND GETAWAY—GALENA, ILL., Aug. 19-22. Motor coach, 3 nights, 6 meals, Riverboat dinner cruise, Blaum Brothers Distillery tour, shopping, interactive cooking class. \$579/pp dbl occ.

For more information on this month's travel options, phone 800-328-4298, or stop by and visit Larry at the 4-Seasons booth on June 6, at Steele-Waseca's annual meeting to learn more about upcoming trips.



great river energy — 2016 in review

Innovation, collaboration and leadership to competitively power the future

Great River Energy (GRE) was created because its owners—the 28 cooperatives it serves—needed reliable, affordable wholesale power in harmony with a sustainable environment.

While the cooperative's objective has not changed, the way it serves members is evolving. GRE adopted a new company vision in 2016 to reflect this change: *Innovate, collaborate and lead to competitively power the future.*

Serving member with sound finances

Great River Energy recorded a very strong margin in 2016 while returning revenue to its member cooperatives through a power cost adjustment. GRE's wholesale rates are competitive and stable, as the cooperative's 10-year rate forecast projects modest increases, below the expected rate of inflation.

An important component of Great River Energy's financial strength is a company-wide emphasis on cost reductions, known as business improvement. Since its inception 2002, the business improvement program has saved the company—and its membership—\$250 million.

Market forces driving change

Ten years ago, the Midwest energy market included 1,000 megawatts (MWs) of wind generation. Today, there are 15,000 MWs. Wind energy has become the new "baseload" source

of electricity, supplanting coal as the resource to which all others must adapt.

The rise of wind has presented opportunities for Great River Energy. The cooperative announced plans for an additional 300 MWs of favorably priced wind energy, which will bring its total renewable energy capacity to more than 1,000 MWs by 2021, including 200 MWs of hydropower.

Great River Energy engineers and operators modified the cooperative's largest power plant, Coal Creek Station, to adjust its output in response to market signals—a rare and increasingly valuable trait for a coal-based plant. Operational changes and minor modifications will enable the 1,146-MW Coal Creek Station power plant to incrementally ramp down to as little as 300 MWs when wind energy production is high.

Market forces have also prompted difficult decisions. GRE is retiring its Stanton Station power plant because it is no longer economical to operate in today's energy market.

Expertise presents opportunities

Waste-to-energy power plants are a critical component of Minnesota's waste management plans, and Great River Energy has emerged as a leader in the field. In April, GRE's Elk River Resource Processing Plant processed its 10 millionth ton of garbage, nearly all of which has been used to generate renewable energy.



Such successful operation has presented new opportunities. A Great River Energy subsidiary successfully operated the Newport Resource Recovery Facility in 2016, and the cooperative will assume operations of the Hennepin Energy Recovery Center in Minneapolis in 2019.

Electrifying the economy

As the electric system has become more efficient, there is growing support to use electricity in new ways. Encouraging the smart use of electricity, known as "environmentally beneficial electrification," will improve the way cooperatives serve members.

Great River Energy continues to offer its RevoltSM program, which allows electric vehicle drivers to charge their cars entirely with wind energy at no added cost. The cooperative also works with members to attract economic development in cooperative communities through financial support and unique energy solutions.

(GRE continued on Page 4)

Sparks Free Classified Ad Form for all SWCE Members

Ads need to be received in our office by **June 6** to ensure being printed in the July Sparks. Please print neatly or type your ad of **20 words or less** on this form. We reserve the right to edit ad copy to allow space for more ads. Ads received after the 6th will be printed in the August issue.

For Sale Wanted Give Away

Phone # _____ Account # _____

Name _____

Clip and mail to: SWCE, PO Box 485, Owatonna MN 55060-0485, or fax to: (507) 446-4242 or email your ad to: sparks@swce.coop.



The Steele-Waseca Cooperative Electric board of directors and corporate services include (seated, left to right): Renee Malecha, assistant secretary/treasurer, District 9; John Beal, vice president, District 7; Gary Wilson, president, GRE director, District 6; Geraldine Lienke, secretary/treasurer, District 2; and Duane Edwardson, chaplain, District 3. Back row (L-R): Syd Briggs, general manager; Debbie Eby, executive assistant; Dennis Ringhofer, District 4; Rodney Krell, District 5; Ronald Sommers, District 8; P.J. Duchene, District 1; and Eric Mattison, SWCE attorney.

member connection

Steele-Waseca conducts town hall meetings in Waldorf and Owatonna

Over 300 members, spouses, family and/or friends were in attendance for Steele-Waseca Cooperative Electric town hall meetings conducted in Waldorf and Owatonna.

Attendance was at 112 for the meeting at the Waldorf Community Center on April 17. The meeting at the Holiday Inn Hotel & Suites in Owatonna on May 1 brought out 195 members, spouses, family and/or friends.

The moderator for both meetings was Steele-Waseca General Manager Syd Briggs. He presented information on cooperatives' seven principles and how co-ops first started.

Briggs detailed Steele-Waseca's finances and how the acquisition of Alliant Energy's Minnesota territories through the Southern Minnesota Energy Cooperative at the end of July 2015 has positively influenced the co-op's finances. Briggs explained 68 cents of every dollar on your bill is for purchasing power. In addition, he detailed the co-op's ability to increase the return of capital credit equity to its members.

Attendees learned more about ACRE (Action Committee for Rural Electrifi-



Steele-Waseca Cooperative Electric General Manager addressed those in attendance in Waldorf on April 17.

cation) and how participation provides support to elected officials who support legislation keeping electricity reliable and affordable for rural electric cooperatives.

Briggs cited the efforts of elected officials in helping keep loan rates affordable for rural electric co-ops to continue borrowing from the Rural Utilities Service (the former REA). Briggs also noted the work to keep low income energy assistance available.

In addition, Briggs shared how 438 of the 1,176 ACRE members in Minnesota are from Steele-Waseca. The latest to join ACRE include: Nick Dacloush, Dodge Center; Kevin Gallagher, Jane Middlestadt and James Wencil, all of Owatonna.

Briggs informed members on the National Rural Electric Cooperative Asso-

ciation's International program, which expands power to undeveloped countries like Africa.

He also addressed energy saving measures with encouragement to those in attendance to take advantage of rebates available through Steele-Waseca, but also to apply common sense approaches in using energy.

Among questions asked by those in attendance was how Steele-Waseca's rates compared to neighboring utilities, if solar could be purchased from other areas of the country, the efficiency of solar versus wind, grid security, the impact President Trump will have on co-ops, and utilizing more natural gas for energy production.

The next round of town hall meetings are tentatively scheduled for late this fall, but specific dates and locations have yet to be finalized. Members are notified by a postcard mailed to their billing address, and a phone call through Steele-Waseca's automated phone messaging system to the number listed on the member's account. **SWCE**

Singh participates in annual Co-ops Yes! Youth Leadership Conference

Hannah Singh of Northfield (pictured right) was among over 100 high school students from Wisconsin and Minnesota who attended Cooperative Network's 2017 Co-ops Yes! Youth Leadership Conference, March 6-7, in Eau Claire, Wisconsin.



The two-day conference offered attendees a variety of cooperative and leadership learning opportunities, and focused on the theme, "Cooperatives Build Leadership."

"I'm so glad that I went," stated Hannah. "I was worried that I wouldn't have much in common with other kids because they were mostly FFA and I'm not, but everyone was friendly and inviting."

Hannah is the daughter of Raghav Singh and Kristin Moorhead, and was sponsored by Steele-Waseca.

"If I could leave one piece of advice for students who go next year, it would be to ask questions," explained Hannah. "Be a part of the fun because there is so much to do and more than enough to go around." **SWCE**

youth tour connection

Wieber, Singh selected Steele-Waseca's delegates for 2017 Washington D.C. Youth Tour

Brant Wieber and Hannah Singh, both of Northfield, were selected Steele-Waseca Cooperative Electric delegates for this year's Washington, D.C. Youth Tour, June 10-15.



Brant Wieber

Brant, the son of David and Michelle Wieber; and Hannah, the daughter of Raghav Singh and Kristin Moorhead, were selected by a panel of judges who evaluated five entries.

The judges evaluated two essay questions on why the applicant wished to be Steele-Waseca's delegate for the Youth Tour, and what commitment to community meant to them. The applications were also evaluated for completeness, composition, neatness, ability to communicate, and participation in school and community activities.

Brant is a junior at Northfield High School. His school activities have included: varsity soccer as his team this past season played in the state final before losing in overtime; junior varsity basketball and tennis, making the "A" honor roll for five straight semesters, concert and pep band, and school plays.

His community activities include the Serve Northfield program, making a park bench that he donated to Albers Park, volunteering to help rebuild and restore Northfield's train depot, the Boy Scout dedication of a pedestrian bridge in Northfield, a mission trip to Costa Rica, multiple Feed My Starving Children packing events, and volunteer youth soccer camps. His work experiences include being a state soccer referee, working at Lorence's berry farm near Northfield, and lawn mowing.

In a letter of recommendation, Tim Drake, Emmaus Baptist Church director of student and family ministries, wrote, "Brant was one of the few High School guys that came on the Fall Retreat with our church this year. Most

students would be disappointed with the small group size in his age group but not Brant. He not only made the most of the trip for himself but made sure that every single student that went felt like they belonged. He has an incredible ability to make everyone feel like they are a part of something big and encourage everyone through his words and actions to make the most of every moment."

In his application, Brant wrote, "I hope to gain a better understanding of our country and also about power. Second, my grandfather has instilled a fascination of electrical and gas industries, where he has spent most of his career. Time spent around our family meals on Fridays are filled with stories about new cutting edge technologies and how they stand up to tried and true methods of generating power. Finally, getting the chance to travel is priceless, the experiences that might be gained would be incredible." 33593

Hannah is a sophomore at Northfield High School. Her school activities include: Mock Trial, Trap team including squad leader for two years, and performed with the varsity women's and Bella Voce choirs.



Hannah Singh

Singh has been in 4-H for eight years. She had championship projects and State Fair trips from 2013-15, participated in BLU (Building Leadership & Understanding) Leadership Training, has been with the 4-H Exchange program since 2015, and participated in the Blankets for Veterans program.

Her volunteer activities have included making and delivering Valentine baskets to hospital patients this year, Salvation Army bell ringer since 2014, Christmas caroling at the nursing homes since 2012, and participated in a Costa Rica mission trip with her church's youth group in 2015.



Hannah has earned a Healthy Communities Initiative Award for providing treats to hospital patients in 2013, a Kohl's Cares scholarship for volunteer work in 2014, and earned first place in 2015 and second place in 2016 for the VFW Voice of Democracy program.

Singh participated in the Co-ops Yes! Youth Leadership Conference, March 6-7, in Eau Claire, Wisconsin.

Hannah has also started her own business, "Hannah's Gluten Free Treats," where she has made and sold the baked goods at the local Riverwalk Market.

As for being one of Steele-Waseca's delegates for the Youth Tour, Hannah wrote, "I believe that it would be a great learning experience for me and would really help me grow as a person. It would provide me with many opportunities and experiences that I may never get a chance at again." Adding, "I have always loved traveling and trying new things, and DC is definitely on the top of my list of places to be in America. I enjoy politics and I would love to be in our Capital where some of the most important decisions on earth are made. I'd love to learn more about electrical co-ops. This is certainly the trip of a lifetime, and I am certain it would change my life."

Steele-Waseca wishes to congratulate Brant and Hannah for being selected the co-op's delegates for 2017. The co-op is proud to have them representing Steele-Waseca in Washington, D.C. **SWCE**

Please inform Steele-Waseca Cooperative Electric if you have changed your phone number. There are times your co-op needs to reach you, whether it is to inform you about a planned outage, to learn if your power has been restored following a storm, or if it is regarding your account. You may update your phone number by calling 507-451-7340 or toll-free 800-526-3514, or by email at swce@swce.coop.

(GRE continued from Page 3)

Investing in the region's grid

With the late-September completion of a 345-kilovolt (kV) transmission line between Hampton, Minnesota and LaCrosse, Wisconsin, the largest Midwest transmission buildout in 30 years was complete. Great River Energy was one of 11 utilities that invested 12 years and \$1.85 billion to fortify the Midwest electric grid and enable renewable development with the CapX2020 grid expansion.

The largest transmission refurbishment project in GRE's history is underway. Converter stations at both ends of a 436-mile high-voltage, direct-current transmission line, will ensure the continued reliable delivery of electricity from Great River Energy's largest power plant to its members in Minnesota.

Developing the grid of the future

More consumers are generating their own electricity. There is growing demand for detailed energy data. Renewed interest in energy is leading cooperatives to provide data and tools to empower their membership. Great River

Energy and its member-owner cooperatives are upgrading infrastructure to build a foundation for smarter energy and deliver much-desired solutions and services to members.

Advanced electric meters allow cooperatives to better manage the electric grid of the future and integrate renewables and distributed generation. Timely and accurate energy data is helping cooperatives better serve their members through customized energy programs, reliability improvements and rapid resolution of billing questions.

A union of cooperatives

Great River Energy's greatest strength is the enduring success of its member-owner cooperatives and the loyalty and involvement of the people they serve. Cooperatives were started by individuals in order to foster thriving communities.

Together with its member cooperatives, GRE is crafting an electric system that will serve homes, farms and businesses today as well as 30 years from now.

cookin' connection

Easy Microwave Creamy Fudge

Sandi Jones

Faribault

- 3 c. milk chocolate chips
- 14 oz. can Eagle Brand® sweetened condensed milk
- 1 tsp. salt
- 1 1/2 tsp. vanilla
- 1 c. black walnuts

Mix chocolate chips, sweetened milk and salt in microwave until chips are soft. Stir until "creamy-smooth." Then stir in black walnuts and vanilla (DO NOT PUT IN MICROWAVE). Pour contents into 9 x 9 square baking dish lined with wax paper. Cool in fridge for 1-2 hours. Remove wax paper and cut into bite-sized squares.

Please use a 3 x 5 card when submitting your recipe. The member whose recipe is published will receive a \$7 energy credit.



Steele-Waseca Cooperative Electric's solar subscribers will see a 37 kWh credit per panel on this month's statement for energy generated during April 2017. Learn more about community solar and The Sunna Project by visiting Steele-Waseca's website, swce.coop.

Was your account number in Sparks?

Each month five account numbers are printed in *Sparks* and a total of \$35 in energy credits is divided among however many of those numbers are found. For example, if all numbers are found, a credit of \$7 will be applied to the members' following month's electric bills; or, if only one number is found, that member receives the full \$35 credit. Members finding their numbers who have a load management receiver on their dual fuel, electric water heater, air conditioner, or genset will receive an additional \$7 credit. When you find your number, phone our office no later than the 7th of the month following receipt of the Sparks, or the amount will be forfeited.

May issue of Sparks



Numbers found:

Gerald & Susan Hunt
Peter & Deb DeGroot
Robin Saffert

Numbers not found:

Ben Maas
Bruce Yanke



Sparks in brief . . .

• **Want easy energy payments?** Sign up for **EnergyPay Plus**, our automatic payment plan, or **Energy Prepay**, our discounted advance payment plan. Contact our office for details. You may also pay your bill online at www.swce.coop. By entering your Steele-Waseca account number and password you can also view a 13-month history of your account.

• **If you have changed or added phone numbers**, please contact SWCE to update your contact information.

• **Need a new water heater?** For information about our Westinghouse Electric Water Heater Program, phone Cindy Butterfield at SWCE between 8 a.m. and 3:30 p.m., 446-4204 / 800-526-3514.

• **April temps** – The average high temperature for April was 58° F, while the average low was 40° F. They compare to last year's average high of 57° F and average low of 39° F.

• **ENERGY STAR® Rebates** – In 2017, all ENERGY STAR refrigerators/freezers (with recycling), electric clothes dryers, dehumidifiers, central air conditioners, air and ground source heat pumps, compact fluorescent lightbulbs (CFLs), light emitting diode (LED) holiday lights and bulbs purchased are eligible to receive rebates (may not be combined with special promotions). Rebate request forms must be submitted within 90 days of purchase. Rebate forms are available at www.swce.coop. For more information or to receive a rebate request form, phone Cindy Butterfield at 446-4204 or 800-526-3514.

• **Steele-Waseca's tree service contractor** – Carr's Tree Service, Inc., is contracted to do SWCE's tree trimming. To report a tree concern, phone:

507-451-7340 / 800-526-3514

STEELE COUNTY TIP LINE

866-878-7964

TO BE USED TO REPORT ANY CRIME OR SUSPICIOUS ACTIVITY ANONYMOUSLY

COVERS ALL OF STEELE COUNTY INCLUDING THE CITIES OF:

OWATONNA ELLENDALE
BLOOMING PRAIRIE MEDFORD

swce 2016 annual meeting minutes

The annual meeting of the members of Steele-Waseca Cooperative Electric (SWCE) was held at SWCE in Owatonna, Minnesota, on Tuesday, June 7, 2016. The meeting was called to order by President Gary Wilson (hereinafter referred to as Chairman) who presided.

At an early bird drawing, two members each won a \$250 certificate toward a vacation with 4 Seasons Travel. Everyone in attendance received a \$30 Member Perks certificate and a \$50 Energy Star gift certificate.

The Color Guard, Civil Air Patrol and Faribault Middle School presented the colors, followed by the Pledge of Allegiance. Board Chaplain Duane Edwardson gave the invocation.

Lucas Arndt, 2015 Washington, D.C. Youth Tour delegate, gave a presentation on his tour of Washington, D.C.

There were more than 50 members present (their attendance having been verified), the number needed to constitute a quorum within the meaning of the bylaws of the cooperative. President Wilson declared there was a quorum and instructed the secretary to file the list of members in attendance, establishing a quorum.

The Chairman asked for a motion to adopt the agenda as printed. A motion was made, seconded, and carried.

Geraldine Lienke, secretary-treasurer of the board, read the Proof of Mailing of Notice of the Annual Meeting. A motion was made, seconded, and carried, to accept the Proof of Mailing as read, and to waive the reading of the minutes and accept them as printed.

The Chairman asked the membership to read the general manager's report, the financial report for the year ending Dec. 31, 2015, the Great River Energy report, and the minutes printed in the annual report. The membership was asked if they had any questions pertaining to the reports. There being no questions, a motion was made, seconded, and carried.

Attorney Eric Mattison presided over the election of the directors. Mattison stated there were four districts in which directors were to be elected. Nominating Committee Chairman Mike Herman reviewed the bylaws concerning director election, and summarized the minutes of the nominating committee meetings held Nov. 10, 2015, and

Jan. 26, 2016. Herman introduced the candidates by name and district, and presented a biographical summary of each. Attorney Mattison then called for nominations from the floor.

Additional nominations for District 2 were called, there being none; nominations were declared closed.

Additional nominations for District 4 were called, there being none; nominations were declared closed.

Additional nominations for District 6 were called, there being none; nominations were declared closed.

Additional nominations for District 8 were called, there being none; nominations were declared closed.

SWCE General Manager Syd Briggs introduced visiting guests and welcomed them and the membership to the annual meeting. He also acknowledged retired directors and employees who were present.

SWCE Communications Specialist Randy Sobrack introduced the two 2016 Washington, D.C. Youth Tour delegates, Abigail Hansen and Karsten Singh.

Abigail thanked the cooperative for the opportunity. Karsten was unable to

attend the annual meeting.

General Manager Briggs updated the membership on current issues pertaining to the cooperative.

Attorney Mattison reported the voting results:

District 2: Geraldine Lienke 356 votes.

District 4: Dean Jirousek 190 votes; Dennis Ringhofer 200 votes.

District 6: Philip Heim 140 votes; Gary Wilson 245 votes.

District 8: Ronald Sommers 359 votes.

Chairman Wilson called for any unfinished business, there being none. He called for any new business, there being none. He then asked for any questions the membership might have.

There being no further business to be conducted, the Chairman asked for a motion to adjourn the meeting. A motion was made, seconded, and carried that the meeting be adjourned.

Steele-Waseca Cooperative Electric 2017 Annual Meeting Letter of Voting Authorization

Member corporations, churches, clubs and organizations are encouraged to use this form as proof of designation.

Name of corporation, church, club or organization SWCE Account #

Address of above

Name of officer or agent authorized to vote Office title

is the person authorized to represent the organization as its voting delegate at Steele-Waseca Cooperative Electric's Annual Meeting on June 6, 2017.

Secretary of organization or other designated official

NOTE: Only officers of an organization are generally authorized to vote on behalf of the organization. For any agent of the organization other than an officer to cast the organization's vote, this form must be accompanied by a certified copy of a resolution of its governing body appointing such person to vote for the organization.

swce 2017 board of director nominees

June 6



The 2017 Nominating Committee has selected the following nominees for the Steele-Waseca Cooperative Electric board of directors. Committee members included: Wayne/Mae Maas, Faribault; Gene/Joyce Wertheimer, Sherburn; Jerome/Diane Stenzel, New Richland; Pete/Melissa Bauer, Nerstrand; Kendall/Laura Strawmatt, Owatonna; Ron/Pat Brey, New Richland; Guy/Barb Jarvi, Webster; Jane Middlestadt, Owatonna; and Lowell/Kathleen Miller, Owatonna. The election of directors will take place during Steele-Waseca's 81st annual meeting on Tuesday, June 6, 2017, at the co-op's headquarters located at 2411 West Bridge Street in Owatonna.

District 7



John R. Beal, incumbent, and presently vice president of the board, along with his wife, Colleen, live on a farm in Walcott Township, north of Medford. They have two daughters, a son, five grandchildren and three great-grandchildren. John retired in January 2002 after spending 40 years in manufacturing, sales and marketing, which included sales management positions. He is a lifetime member of the Audubon Blue Bird Recovery Program. John enjoys flying and is a member of the Faribault Area Pilots Association. John has earned his Gold, Board Leadership and Certified Credentialed Director status by attending all courses offered for directors. "I want all of our members at Steele-Waseca Co-op to know I always try to keep in mind what is best for our cooperative and the members when representing you both away and at the board table," stated Beal. "I am so proud of this outstanding cooperative and I consider it both an honor and a privilege to represent you the members." John added, "I am committed to continue my best effort to do the very best I can to be your representative. Thank you for your past and future support."

District 8



Dennis E. Schahn, resides with his wife, Rosemarie, in Richland Township, southwest of Kenyon. They have four grown children and 10 grandchildren. Dennis has been a Rice County highway maintenance worker for the last 12 years. "I want to help to continue to provide competitive and high quality service to SWCE members," replied Dennis when asked about his interest in serving on the co-op's board of directors. "I feel I can contribute ideas and solutions for the future growth and development of new energies for the co-op." As for what qualities he would bring to the board if elected, Dennis stated, "I am open minded and work well with other people to find solutions. I respect and have learned from the past, but will always look towards the future of the SWCE members."



Ronald D. Sommers, incumbent, has been a board director since November 2015. He and his wife, Ruth, reside in Northfield Township on the farm that has been in his family since 1872 near Northfield. They have a daughter and a son, who are each married with two children of their own. Now retired, Ron was an agricultural educator for over 20 years in southern Minnesota. After that, during nearly 20 years with Pioneer Hi-Bred International, Inc., Ron was a sales accounting manager for their Central Division, and later Sales Coordinator for Minnesota. Ron has been named Rice County 4-H Alumnus of the Year, Rice County Conservationist of the Year, and received Honorary Minnesota and Honorary American FFA Degrees. "I believe in the cooperative business model and am familiar with the vital role played by cooperatives in bringing modern electric power to rural parts of our state and nation," stated Ron. "Today, our industry faces new and different challenges as we address new technology, concerns about our environment and increasing costs. I believe SWCE has been well-directed and well-managed in the past and would like to contribute to moving our cooperative forward into the future during these exciting and challenging times."

District 9



Renee J. Malecha, incumbent, and her husband, Greg, live in Forest Township in the Millersburg area. They have three adult children. Renee works as a substitute in the Northfield School District. She enjoys bowling, flower and vegetable gardening, yard work and spending time with family and friends. Renee has completed her CCD, BLC, and received a Director Gold Certificate. "I would like to continue to represent District 9 because I feel I have the knowledge to continue to help the cooperative move forward as we transition from carbon-based generation to more renewables," stated Renee. "We need to continue to provide safe, reliable and reasonably priced service to our members." When asked about her qualities and abilities she brings to the board, Renee responded, "I bring a common sense approach to the board table. I work well with the other board members and look out for the greater good of the cooperative and its members. I have the time needed to attend conferences and meetings to educate myself on industry related issues."

Quimby selected to sing national anthem at Steele-Waseca's 81st annual meeting

Lisa Quimby of Faribault will be singing, "The Star-Spangled Banner" at Steele-Waseca Cooperative Electric's 81st Annual Meeting, June 6, at the co-op's



Lisa Quimby

headquarters in Owatonna.

A panel of judges at the co-op evaluated two auditions on vocal performance, stage presence, and personality. Members and/or their dependents were eligible to audition.

The singing of the national anthem will occur at the beginning of this year's

annual meeting. Lisa will receive \$100 following her performance. 1022217

Steele-Waseca wishes to thank all who auditioned and will announce when auditions will be held for the 82nd annual meeting in 2018. 5/25

financial report for year 2016

STATEMENTS OF PATRONAGE CAPITAL AND OTHER EQUITIES YEARS ENDED DECEMBER 31, 2016 AND 2015

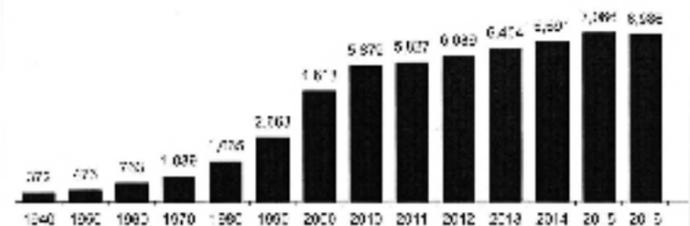
	Memberships	Patronage Capital	Other Equities	Total
BALANCE, DECEMBER 31, 2014	\$14,602	\$29,805,214	\$994,347	\$30,814,163
Unassigned Current Year Margins	-	2,744,929	-	2,744,929
Sales Tax Refund on Margins	-	-	-	-
Adjustment	-	(112,153)	-	(112,153)
Retirement of Capital Credits	-	(647,680)	-	(647,680)
Estate Settlements	-	(146,183)	44,396	(101,787)
Membership Changes - Net	2,596	-	-	2,596
BALANCE, DECEMBER 31, 2015	17,198	31,644,127	1,038,743	32,700,068
Unassigned Current Year Margins	-	3,853,599	-	3,853,599
Retirement of Capital Credits	-	(898,249)	-	(898,249)
Estate Settlements	-	(108,554)	34,538	(74,016)
Membership Changes - Net	54	-	-	54
BALANCE, DECEMBER 31, 2016	\$17,252	\$34,490,923	\$1,073,281	\$35,581,456

INDEPENDENT AUDITORS' REPORT

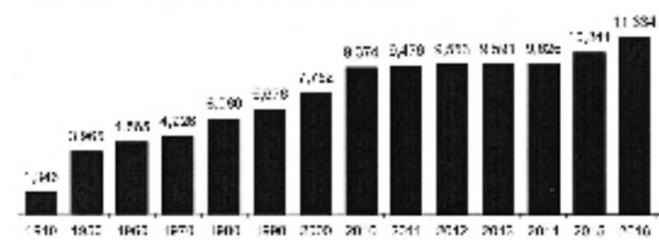
The balance sheets, statements of operations, patronage capital and other equities, and cash flows were taken from complete financial statements which were audited by CliftonLarsonAllen LLP, Certified Public Accountants, who expressed their unmodified opinion on those statements.

Copies of the complete financial statements together with the independent auditors' report may be examined at the office of Steele-Waseca Cooperative Electric.

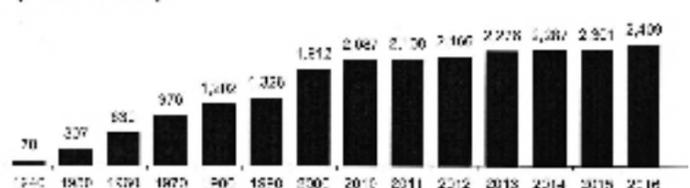
PLANT \$ INVESTMENT PER CONSUMER



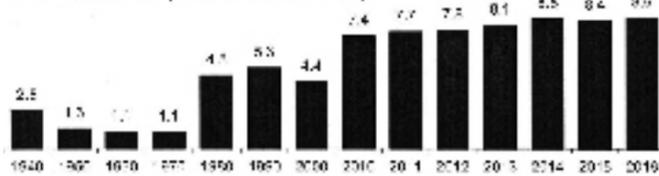
AVERAGE NUMBER OF CONSUMERS



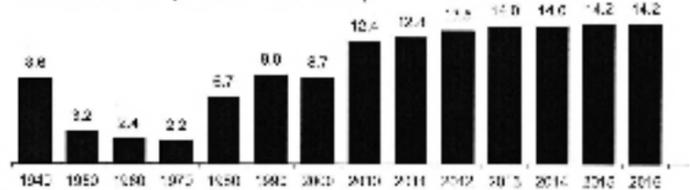
AVERAGE KWH USED PER CONSUMER (PER MONTH)



AVERAGE WHOLESALE POWER COST FOR RESIDENTIAL CONSUMERS (CENTS PER KWH)



AVERAGE ELECTRIC RATE TO RESIDENTIAL CONSUMERS (CENTS PER KWH)



financial report for year 2016

Nature of Operations

Steele-Waseca Cooperative Electric's (SWCE) principal line of business is providing electric service primarily to local residential and business customers residing in the nine-county rural area surrounding Owatonna, MN. Rates charged to customers are established by the board of directors.

Financial Statement Presentation

SWCE prepares its financial statements in conformity with accounting principles generally accepted in the United States. These principles require management to make informed judgments, best estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could vary from those estimates.

Patronage Capital

SWCE operates as a cooperative. Amounts received from the furnishing of electric energy in excess of operating costs and expenses are assigned to patrons on a patronage basis. All other amounts received by the cooperative from its operations in excess of costs and expenses are allocated to its patrons on a patronage basis to the extent they are not needed to offset current or prior deficits.

Income Taxes

SWCE has been granted tax exempt status by the Internal Revenue Service and the State of Minnesota. Therefore, the financial statements do not include a provision for income taxes.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Margins	\$ 3,853,599	\$ 2,744,929
Adjustments to Reconcile Net Margins to Net Cash Provided by Operating Activities:		
Depreciation	3,011,339	2,611,124
G & T and Other Capital Credits	(1,273,137)	(596,510)
(Increase) Decrease in Unamortized Discount on Held-to-Maturity Investments	-	27,140
Gain (Loss) on Sale/Disposal of Assets	22,012	5,213
Interest Income Credited to Cushion of Credit	(975,234)	(976,734)
Interest Expense Paid by Cushion of Credit	694,501	611,837
Changes in Assets and Liabilities - Decrease (Increase) in:		
Accounts Receivable	47,590	(787,482)
Materials and Supplies Inventory	(179,532)	(84,407)
Deferred Debits	(114,430)	124,488
Other Current and Accrued Assets	2,863	17,403
Increase (Decrease) in:		
Accounts Payable	319,294	630,629
Deferred Credits	(101,935)	540,530
Other Current and Accrued Liabilities	215,166	196,660
Net Cash Provided by Operating Activities	5,522,096	5,064,820
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction and Acquisition of Plant	(4,327,604)	(10,199,529)
Proceeds from Sale of Held-to-Maturity Investments	-	1,196,487
Cash Received from Retirement of Patronage	198,567	162,738
Cash Paid for Investments in Associated Organizations	(12,500)	-
Cash Paid for Investments in Related Companies	(800,000)	-
Payments Received on Notes Receivable	248,016	272,004
Net Cash Used by Investing Activities	(4,693,521)	(8,568,300)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in Memberships	54	2,596
Retirement of Capital Credits	(972,265)	(749,467)
Sales Tax Refund on Margins Adjustment	-	(112,153)
Change in Customer Deposits	(6,880)	(12,005)
Proceeds from Issuance of Long-Term Debt	-	9,712,000
Advance Payments on Long-Term Debt	-	(1,200,000)
Principal Payments on Long-Term Debt	(2,243,842)	(2,270,075)
Net Cash Provided (Used) by Financing Activities	(3,222,933)	5,370,896
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,394,358)	1,867,416
Cash and Cash Equivalents - Beginning of Year	4,168,522	2,301,106
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,774,164</u>	<u>\$ 4,168,522</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest Paid	<u>\$ 921,548</u>	<u>\$ 1,181,930</u>
NON-CASH FINANCING ACTIVITY		
Principal Payments on Long-Term Debt Paid by Cushion of Credit	<u>\$ 411,494</u>	<u>\$ 366,464</u>

swce director districts

District 1: Kilkenny Township in LeSueur County, Shieldsville and Morrystown Townships and the Southeast one quarter (SE 1/4) of Erin Township, Southwest one quarter (SW 1/4) of Wells Township, and the Northwest one quarter (NW 1/4) of Warsaw Township in Rice County. (Represented by [PJ Duchene](#))

District 2: Dunbar, Lura and Minnesota Lake Townships in Faribault County; Mapleton, Danville, Medo, McPherson and LeRay Townships in Blue Earth County; Freeborn Township in Freeborn County; Alton, Byron, Freedom, Janesville, St. Mary, Vivian and Wilton Townships in Waseca County. (Represented by [Geraldine Lienke](#))

District 3: Hartland Township in Freeborn County; New Richland, Otisco, Woodville, Blooming Grove and Iosco Townships in Waseca County; Lemond Township, the Northwest one quarter (NW 1/4) and the Northeast one quarter (NE 1/4) of Berlin Township, and the Northwest one quarter (NW 1/4) and the Southwest one quarter (SW 1/4) of Somerset Township in Steele County. (Represented by [Duane Edwardson](#))

District 4: Bath and Geneva Townships in Freeborn County; the Southwest one quarter (SW 1/4) and the Southeast one quarter (SE 1/4) of Berlin Township; Deerfield, Owatonna and Meriden Townships; the Northeast one quarter (NE 1/4) and the Southeast one quarter (SE 1/4) of Somerset Township, and Summit Township in Steele County; the Southwest one quarter (SW 1/4) of Warsaw Township in Rice County. (Represented by [Dennis Ringhofer](#))

District 5: Newry Township in Freeborn County; Aurora and Blooming Prairie Townships, and the Southwest one quarter (SW 1/4) of Havana Township in Steele County, and Westfield, Ripley, Ashland and Hayfield Townships in Dodge County. (Represented by [Rodney Krell](#))

District 6: Medford, Clinton Falls and Merton Townships; and the Northwest, Northeast and Southeast one quarters (NW, NE & SE 1/4's) of Havana Township in Steele County, and Ellington, Concord, Claremont and Wasioja Townships in Dodge County. (Represented by [Gary Wilson](#))

District 7: The Northeast and Southeast one quarters (NE & SE 1/4's) of Warsaw Township; the Northwest and Southwest one quarters (NW & SW 1/4's) of Walcott Township; the Northwest, Northeast and Southeast one quarters (NW, NE & SE 1/4's) of Wells Township in Rice County. (Represented by [John Beal](#))

District 8: Kenyon Township in Goodhue County; Richland, Wheeling, Cannon City, Bridgewater, Upper Bridgewater and Northfield Townships, and the Northeast and Southeast one quarters (NE & SE 1/4's) of Walcott Township in Rice County. (Represented by [Ronald Sommers](#))

District 9: Forest, Webster, Wheatland Townships, and the Southwest, Northwest and Northeast one quarters (SW, NW & NE 1/4's) of Erin Township in Rice County. (Represented by [Renee Malecha](#))

Nominating Committee responsible for preparing list of director candidates



The 2017 Nominating Committee included the following Steele-Waseca members (front row, left to right): Jane Middlestadt, Kathleen Miller, Joyce Wertheimer, Diane Stenzel, and Melissa Bauer. Back row (L-R): Ron Brey, Lowell Miller, Kendall Strawmatt, Gene Wertheimer, and Jerome Stenzel. Not pictured is Wayne/Mae Maas, Pete Bauer, Laura Strawmatt, Pat Brey, and Guy/Barb Jarvi.

Steele-Waseca's bylaws require the board of directors to appoint a Nominating Committee consisting of no less than five cooperative members. Each year's committee is responsible for an important part of the cooperative process—to select nominees for the board seats up for election.

The 2017 Nominating Committee members include: District 7—Wayne/Mae Maas, Faribault; Gene/Joyce Wertheimer, Sherburn; and Jerome/Diane Stenzel, New Richland; District 8—Pete/Melissa Bauer, Nerstrand; Kendall/Laura Strawmatt, Owatonna; and Ron/Pat Brey, New Richland; District 9—Guy/Barb Jarvi, Webster; Jane Middlestadt, Owatonna; and Lowell/Kathleen Miller, Owatonna.

The committee met twice at the cooperative's office in Owatonna to select director nominees for the expiring terms of John R. Beal, Ronald D. Sommers, and Renee J. Malecha.

The committee's first meeting was on Nov. 8, 2016. Steele-Waseca Attorney Eric Mattison reviewed the duties of the Nominating Committee as stated in the bylaws. He also detailed policies regarding the activities and conduct of individual board members, and the qualifications for eligibility for service on the board.

Committee member Melissa Bauer was nominated and approved by the committee to serve as Nominating Committee chairperson and report to the Steele-Waseca members in attendance for the annual meeting.

The committee's second meeting was on Jan. 20, 2017. Mattison reviewed the director duties and Standard of Conduct Policy, and the qualifications for eligibility for service on the co-op's board of directors. The Nominating Committee announced the following candidates will be on the election ballot for Steele-Waseca's 81st annual meeting, June 6, 2017, at the cooperative's headquarters located at 2411 West Bridge Street in Owatonna:

District 7 John R. Beal

**District 8 Dennis E. Schahn
Ronald D. Sommers**

District 9 Renee J. Malecha

Additional nominations will be accepted from the floor during the business portion of the annual meeting until the nominations officially close and the election is held.

Steele-Waseca wishes to thank all of the committee members for the time and effort devoted to selecting the director nominees.

financial report for year 2016

On Oct. 10, 1936, when Steele County Cooperative and Waseca Cooperative Electric voted to consolidate, there were 860 members. By the end of 2016, Steele-Waseca Cooperative Electric (SWCE) service locations had grown to 11,393.

SWCE's first office was located in Waseca. After Rice County joined with Steele-Waseca in 1937, the office was moved to Owatonna to provide a more central location. The office was located on West Bridge Street and then on Cedar Avenue until 1954, when a new building was constructed on East Rose Street. That building served as the headquarters until 1994 when the present facility on West Bridge Street was built.

The first part of SWCE's line was energized in February 1938. When completed, the initial project consisted of 350 miles of line. By 1950, that number had grown to 1,562. Today, SWCE has a total of 2,203 miles of line, 19 substations in service, and 900 square miles of service area.

In 1950, SWCE had 2.6 members per mile of line. Currently, SWCE has 5.1 members per mile of line. In comparison, according to the U.S. Department of Energy's 2013 data, investor-owned electric utilities on average serve 34 customers per mile of line while municipal electric utilities average 48 customers per mile of line.

BALANCE SHEETS DECEMBER 31, 2016 AND 2015

ASSETS	2016	2015
UTILITY PLANT		
Electric Plant in Service	\$79,180,714	\$73,067,005
Construction Work in Progress	1,008,422	836,158
Total	80,189,136	73,903,163
Less: Accumulated Provision for Depreciation	(27,979,041)	(22,987,321)
Net Utility Plant	52,210,095	50,915,842
OTHER ASSETS AND INVESTMENTS		
Investments in Associated Organizations	13,117,225	12,030,155
Investments in Related Companies	800,000	-
Notes Receivable - Net of Current Portion	1,118,250	1,366,266
Total Other Assets and Investments	15,035,475	13,396,421
CURRENT ASSETS		
Cash and Cash Equivalents	1,774,164	4,168,522
Accounts Receivable, Net	5,468,814	5,516,404
Materials and Supplies Inventory	854,640	675,108
Interest Receivable	6,765	6,784
Prepayments	5,369	8,213
Current Portion of Notes Receivable	248,016	248,016
Total Current Assets	8,357,768	10,623,047
DEFERRED DEBITS		
	1,705,637	1,591,207
TOTAL ASSETS	\$77,308,975	\$76,526,517
EQUITIES AND LIABILITIES		
EQUITIES		
Patronage Capital	\$34,490,923	\$31,644,127
Memberships	17,252	17,198
Other Equities	1,073,281	1,038,743
Total Equities	35,581,456	32,700,068
LONG-TERM DEBT, Less Current Maturities		
RUS Mortgage Notes	10,658,853	11,336,344
CFC Mortgage Notes	1,341,314	1,570,375
CoBank Notes Payable	17,049,755	18,878,219
Total Long-Term Debt	29,049,922	31,784,938
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	2,865,616	2,655,175
Accounts Payable	4,217,054	3,897,760
Consumer Deposits	286,850	293,730
Other Current and Accrued Liabilities	1,149,276	934,110
Total Current Liabilities	8,518,796	7,780,775
DEFERRED CREDITS		
	4,158,801	4,260,736
TOTAL EQUITIES AND LIABILITIES	\$77,308,975	\$76,526,517

financial report for year 2016

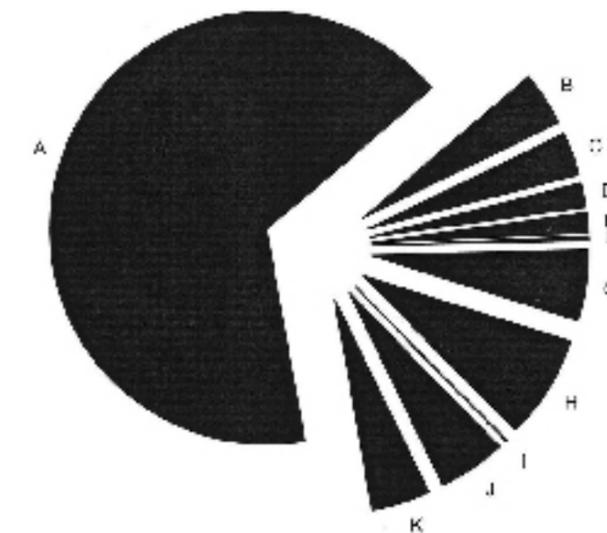
STATEMENTS OF OPERATIONS YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
OPERATING REVENUES	\$36,459,951	\$31,938,892
OPERATING EXPENSES		
Cost of Power	24,227,669	20,601,270
Distribution Expense - Operation	1,456,185	1,395,383
Distribution Expense - Maintenance	1,174,679	1,078,236
Customer Accounts Expense	673,130	686,339
Customer Service & Informational Expense	561,136	606,877
Sales Expense	126,813	181,619
Administrative and General Expense	1,914,303	1,928,870
Depreciation	2,846,524	2,502,749
Other	55,154	56,133
Total Operating Expenses	33,035,593	29,037,476
OPERATING MARGINS BEFORE FIXED CHARGES		
	3,424,358	2,901,416
INTEREST ON LONG-TERM DEBT		
	1,833,213	1,790,787
OPERATING MARGINS AFTER FIXED CHARGES		
	1,591,145	1,110,629
GENERATION AND TRANSMISSION & OTHER CAPITAL CREDITS		
	1,273,137	596,510
NET OPERATING MARGINS		
	2,864,282	1,707,139
NON-OPERATING MARGINS		
	989,317	1,037,790
NET MARGINS		
	\$3,853,599	\$2,744,929

The mission of SWCE is to provide every member with dependable, reliable, high quality electricity. We work daily to accomplish this mission by striving for excellence through continual improvement, applying prudent leadership, partnering and following cooperative principles.

During the year 2016, the average SWCE member had power for 8,781.93 hours out of a possible 8,784 hours. That's a reliability record of 99.98 percent!

For each dollar received from consumers, 4.4 cents goes into operating margins. These margins are used to help finance construction and improvements, pay capital credits, and make payments on our debt. Since 4.4 cents per dollar is not enough to do all of this, we borrow money to finance the shortage of funds needed for these purposes.



WHAT YOUR 2016 CONSUMER DOLLAR PAID FOR

A.	66.6%	Purchased Power
B.	4.0%	Operations
C.	3.2%	Maintenance
D.	1.8%	Billing & Collection
E.	1.5%	Customer Information
F.	0.3%	Sales
G.	5.3%	Administrative & General
H.	7.8%	Depreciation
I.	0.1%	Other Income Deductions
J.	5.0%	Interest on Long-Term Debt
K.	4.4%	Margins