

SPARKS

THE POWER OF HUMAN CONNECTIONS

OCTOBER 2026

MONTHLY NEWSLETTER

Steele-Waseca Cooperative Electric



Touchstone Energy
Cooperatives



SWCE HIGHLIGHTS

- Merger Update
- Town Hall Events
- Safe Harvesting
- Farm & Safety Day

NATIONAL CO-OP MONTH

KIND OF CO-OPS

Cooperatives come in many forms—from electric utilities and credit unions to farm supply stores and housing co-ops—but all cooperatives are built with a common purpose: to meet the needs of the members they serve.

Co-ops strengthen local communities, keep decisions close to home and invest in long-term success.

October is National Co-op Month.

Local voices shape local solutions

October is National Co-op Month

by Abby Berry, National Electric Cooperative Association (NRECA)

When you hear the word cooperative, what comes to mind? As your local electric co-op, we hope you think of Steele-Waseca Cooperative Electric.

Regardless of the services offered, all cooperatives have one thing in common: they're led by the people they serve—and that simple idea makes a meaningful difference.

Cooperatives come in all shapes and sizes, each created to meet a specific need. Credit unions help members save and borrow money. Producer cooperatives help farmers bring their products to market. Retail cooperatives are owned by their shoppers or a membership of store owners, while housing cooperatives give residents a voice in managing their communities. And utility cooperatives—like Steele-Waseca—provide reliable electricity to the communities they serve.

Unlike many businesses that answer to outside investors or shareholders, cooperatives are built for their members. Their goal isn't simply to earn a profit—it's to provide value, meet unique local needs and strengthen the communities they call home. 15085

That's exactly what makes Steele-Waseca different.

Our story began in 1936 when neighbors came together to bring electricity to an area when other utilities wouldn't. While a lot has changed since then, our purpose has remained steady. We're still here to provide power and make decisions with

our community's best interests in mind.

Being locally owned means we have the flexibility to focus on what matters most to the communities we serve. That's why no two electric cooperatives are exactly alike. Every community has different needs, and every cooperative reflects those priorities.

For some co-ops, that means expanding programs that help members save energy and money. Others may focus on supporting economic development, investing in new technology or creating new opportunities for local students.

You'll also find the co-op difference in the little things. It's the lineworkers restoring power after a storm. The employees answering your questions when you call. The team members volunteering at community events. The board members—your neighbors—who help guide decisions for the future.

We're your neighbor and local energy partner, and we're committed to serving this community for generations to come.

This National Co-op Month, we invite you to join us in celebrating the cooperative difference, because this co-op belongs to you. Cooperatives prove that when people work together, everyone benefits.

Your membership is what makes our mission possible—and it's what keeps us focused on serving the people and communities that matter most.



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By SWCE

General Manager Kelly Hovel

Back in May, Steele-Waseca Cooperative Electric shared information with members about exploring the idea of consolidating with our neighbors at Goodhue County Co-op Electric.

We discussed the concept of consolidating in terms of benefits and expectations. Now that a few months have passed, it seems appropriate to update the membership of the progress and expectations moving forward.

To set the stage, let's briefly look at what consolidation is and why the boards of each cooperative would want to consider it. 1008795

We tend to use the terms consolidation and merger interchangeably. The outcome is essentially the same; two entities mutually agree to combine into one. In our case, there's no exchange of funds, no buyout, no acquisition. We are simply merging two cooperatives into one larger cooperative and combining all our assets, including our number one asset—people.

Why? The boards see the utility world evolving and much like in our everyday lives, the costs have and will continue to rise in the foreseeable future. One of our best defenses against rising costs is growth and scale. This allows us to spread costs over a greater footprint, combine skill sets and create efficiency that we simply can't on our own. It all boils down to greater financial stability, more efficient operations, greater bargaining power, greater reliability and operational resilience, and improved ability to provide service to our members.

Thus far we've had three independent consultants analyze everything from governance models, finances, facilities, employees, and contracts to the nitty-gritty of day-to-day operational practices, soft-

ware systems, and fleets. We coupled that due diligence with our own internal analysis and in the end all roads led to this being beneficial to the membership of both cooperatives.

Prior to May, both general managers attended both board meetings to create continuity and keep each cooperative informed about the other. In July, we moved to officially sharing a general manager and are already taking advantage of the economic benefit in doing so. We've since taken further steps to work on cooperative policies through a committee made up of directors from both cooperatives. We are working toward merged articles and by-laws as well.

In September we kicked off work with our software vendors to create a plan to merge the systems into one. One of the advantages we have is we are both utilizing the same primary software for billing, accounting, and member facing interfaces (SmartHub for example). We are looking for ways to integrate our mapping and staking even prior to an official merger or consolidation. We can gain an economic advantage in doing so through a shared services agreement, much like we do with the shared manager.

There's still plenty of work to be done. In the next few months, we will finalize the joint board policies and consolidation articles and bylaws, work on a new name and logo, and continue to build our system integration plan so we're ready to act once the consolidation is approved.

Most importantly, we are working to have all the required materials prepared and made available to you, the members, as you will have the final say when you cast the final vote on the effort. The boards can decide to move the vote up or delay it as necessary, but the goal is to vote in conjunction with our normal annual elections in 2027 and have the results for the annual meeting in June.

As always, we will continue to provide updates and the information you will need to make a fully informed decision as a member-owner of your cooperative.



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Proposed Steele-Waseca consolidation with Goodhue headlines town hall meetings

Steele-Waseca Cooperative Electric conducted two of their four town hall meetings, Sept. 9 and 16, at Torey's Restaurant & Bar in downtown Owatonna with the co-op's proposed consolidation with Goodhue County Cooperative Electric Association among the topics.

Steele-Waseca General Manager Kelly Hovel, who is also general manager at Goodhue, said consolidation would bring efficiencies, financial stability, better reliability, improved member service, operational resilience, greater bargaining power, and rate stability. 1034382

"Rates will not increase due to consolidation," said Hovel to the just over 100 members and guests in attendance for the Sept. 16 town hall meeting. However, he conceded other factors like wholesale power costs may still impact rates in the future.

Hovel said three independent consultants were utilized in moving forward with a proposed merger. Work continues to proceed in addressing consolidating cooperative policies, potential updates to the changes in the articles and bylaws, and development of a new name and cooperative logo. He informed attendees at both town hall meetings that information will be sent to each member with plans to conduct a vote in time for results to be announced during the co-op's annual meeting on June 8, 2027. Hovel said if the members of each co-op approve the consolidation, employees will remain in place, both offices will remain open, and capital credits would not change. If it is not approved, shared services would likely continue, but each co-op would exist on their own.

Hovel spoke of the grid and the work of MISO (Midwest Independent System Op-

erator). He explained MISO manages the movement of electricity from where it is produced to where it is needed. With plans for new transmission lines in southern Minnesota, Hovel encouraged members in attendance at each town hall meeting to reference his column in the August 2026 SPARKS newsletter.

Line Foreman Adam Davis and Journeyman Line Technician Collin Wencil spoke on power restoration and what is involved whether it involves a substation, feeder lines, or trees impacting a residential service. Attendees at both town hall meetings gave their presentation an ovation with one attendee on Sept. 16 saying, "You guys do a really good job."



SWCE Line Foreman Adam Davis (standing left) and Line Technician Collin Wencil (standing adjacent right) addressed power restoration to nearly 200 members and guests in attendance for the co-op's town hall meeting, Sept. 9, at Torey's in downtown Owatonna.



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Make time for safety this harvest season

Harvest season often means putting in long hours, which can make it difficult to stay alert and on the lookout for potential hazards.

Safety starts with preparation.

- Be prepared for potential emergencies before the rush of harvest season begins.
- Have a safety plan and make sure that farm workers and family members are aware of the procedures in it.
- Be sure that you can see well in the areas where you are working. Consider adding extra lighting around grain bins and augers.

Take the time to look up and look out for electrical lines. 1067992

Always be aware of where they are in relation to your equipment. Keep a minimum of 10 feet away from all electrical equipment, and lower extensions before moving equipment. If you see a power line that is sagging or low, contact your utility. Also keep an eye out for guy wires. Although these wires are not energized, they can bring down live lines.

In equipment with auto-guidance systems, less focus is needed on steering, which may lead some drivers to think that they do not need to be as aware of navigation



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issues. However, even while using a GPS with auto-steering, farm workers need to keep safety in mind and stay focused on their surroundings.



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COOKIN' CONNECTION

Seasoned Rice

Marti Cox
New Richland

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- ENERGY STAR® Rebates - For a complete list of residential, commercial, industrial, and agricultural rebates, and their respective rebate form, visit swce.coop/rebates. 1102330

OFFICE HOURS CHANGE

Office hours are now M-Th, 8 AM - 4:30 PM;
Fridays, 8 AM - 3:30 PM

INGREDIENTS

- 1/4 c. green pepper, chopped
- 1/4 c. onion, chopped
- 3 Tbsp. butter
- 1 c. rice
- 1 c. beef bouillon
- 1 can mushrooms

PREPARATION

Saute green pepper and onion in butter.
Put in casserole. Add rest of ingredients.
Boke at 350° for 1 1/2 hours, stirring
every 1/2 hour. Add water if needed.

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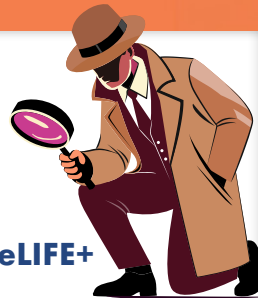
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MEDFORD

SWCE Attends the 27th annual Farm and Home Safety Day

The SWCE safety demonstration was part
of the 27th annual Waseca County Farm
Bureau Farm and Home Safety Day at
Farmamerica. Nearly 300 fifth-graders
from all over the county spent the day
learning best practices for staying safe at
home and on a farm.

SWCE representatives Joel Du-
las and Gabe Roetman shared a
demonstration for electrical safety
on the farm, as well as what to do
around downed power lines.

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