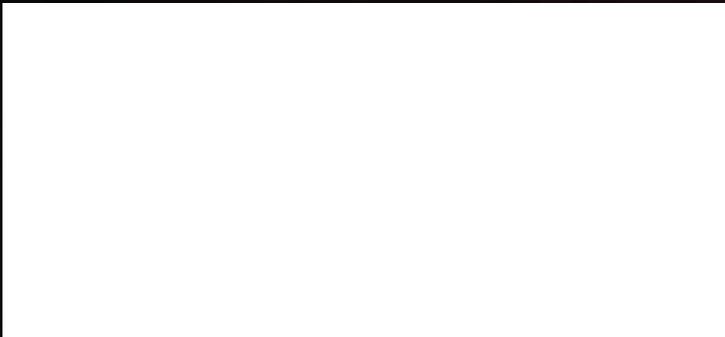


Since 1940

WISCONSIN ENERGY *Cooperative* NEWS

March 2017

***Living the
cooperative
advantage***



NOTICE OF ANNUAL MEETING

Scenic Rivers Energy Cooperative
April 8, 2017

GRANT COUNTY YOUTH AND
AGRICULTURE BUILDING
LANCASTER, WISCONSIN

The 80th Annual Meeting of the members of the Scenic Rivers Energy Cooperative will be held at the Grant County Youth & Agriculture Building in the City of Lancaster, Wisconsin, beginning at 9:30 o'clock a.m. on Saturday, the 8th of April 2017, to take action upon the following matters:

1. Determination of quorum.
2. Approval of minutes of 2016 annual meeting.
3. Election of three (3) directors, they being the directors to represent Districts 1, 5, and 9.
4. Presentation, consideration of, and acting upon, reports of officers, directors and committees.
5. Unfinished business.
6. New business.
7. Adjournment.

Dated this 9th day of March, 2017.



Chuck Simmons, Chairman

VOTING INSTRUCTIONS

for members in
Districts 1, 5, and 9

As a member of Scenic Rivers Energy Cooperative, you have the opportunity to elect a director for your district to represent your interests on the Board of Directors. The ballot will be sent to your billing address with the names of all candidates. For the ballot to be counted, please follow the step-by-step instructions below. If you mail in your ballot, you will automatically be entered in a drawing to win a \$50.00 credit on your energy bill! The drawing will take place during our annual meeting (you do not have to be present to win) where we will draw the six (6) winners.

Mail-in Ballot Instructions:

- 1) Mark which candidate you want to represent your district.
- 2) Place the ballot inside the "Mail Ballot Envelope". (Please do not include your electric bill payment in this envelope since it will not be opened until April 8.)
- 3) Seal the envelope.
- 4) Then insert that small envelope inside the return envelope with the co-op's address.
- 5) Seal the envelope.
- 6) On the outside of the envelope, **SIGN** your name on the line stating "Member Signature" located at the upper lefthand corner of the envelope.
Ballots are only counted if you SIGN your outer envelope!
- 7) All ballots must be mailed or delivered so that the cooperative office has received them by 4 p.m. on Friday, April 7, 2017.

Advance authorization must be given for non-individual members of the cooperative, such as churches, schools, cooperatives, governmental bodies or corporations, to vote at the annual meeting. Please contact our office if you did not receive/return a proxy notice.

Thank you for taking interest in the activities of your cooperative.



REGISTRATION CARD

Please bring this Annual Report with you to the meeting; the mailing label on the opposite side will be used for registration.

ANNUAL MEETING PROGRAM

April 8, 2017

9:00 a.m.

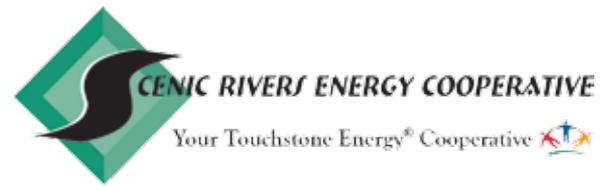
- Registration Begins
- Informational Booths are open.

9:30 a.m.

- Meeting called to order
- Invocation
- Introduction of Directors and Guests
- Determination of Quorum
- Minutes of the last Annual Meeting
- Election of Directors
- Audit Committee Report
- Treasurer's Report
- CEO Report
- Question and Answer Session
- Unfinished Business
- New Business
- Election Results
- Scholarship Winners
- Prize Drawings
- Adjournment
- Lunch will be served

We will be drawing the scholarship and prize winners throughout the meeting.

- **Scholarship Drawing**
Winners *must* be present to win and be present for a picture that takes place after the meeting adjourns.
- **Prize Drawing**
This is for members who mailed in their ballots. They do not need to be present to win. The winners will have their certificate applied directly to their electric bill.
 - o Six (6) \$50 certificates.
- **Prize Drawing**
To enter, members *must* bring registration card that is on the back cover of this report. You *must* be present to win. The winners will have their certificate applied directly to their electric bill.
 - o One (1) \$100 certificate
 - o Three (3) \$50 certificates
 - o Ten (10) \$25 certificates



RULES OF ORDER FOR OFFICIAL BUSINESS MEETING

1. The meeting will be conducted in accordance with the current edition of Robert's Rules of Order Newly Revised and under the following special Rules of Order.
2. Members wishing to speak are to give their names and the districts in which they are members.
3. Only members will be allowed to speak for two minutes on each issue and for one time only, except that an additional two minutes may be granted with the approval of the membership.
4. No signs or handouts will be permitted within the building of the place of the meeting, except such handouts as required for the official conduct of the annual meeting. No handouts made available outside of the building will use the name of the cooperative, its letterhead or logo to imply that the cooperative supports or opposes any candidate for director or resolution.
5. No demonstrations shall be held within the building of the place of the meeting.

VISION STATEMENT

Scenic Rivers Energy Cooperative is committed to being the area's most reliable provider of energy and related services. Our cooperative will strive to identify ways to improve the quality of life for our community.

MISSION STATEMENT

Scenic Rivers Energy Cooperative strives to be a reliable and innovative provider of energy and related services. Our cooperative will proudly serve our customers by:

- Encouraging member involvement
- Promoting appropriate growth for our cooperative and community.
- Serving as a strong advocate for effective policy at all levels of government.
- Educating the community, especially youth, about cooperatives.



CHAIRMAN'S REPORT

Chuck Simmons



Chuck Simmons,
Chairman

On behalf of the board of directors of Scenic Rivers Energy Cooperative, I cordially invite you to the 2017 annual meeting on Saturday, April 8. This will be the 80th year members of our cooperative have gathered to review the co-op's operations over the past year, learn a little of what's expected in the year ahead, enjoy some fellowship, and, most importantly, elect fellow members to serve on the co-op's board of directors.

Democratic Member Control is the second of seven principles by which all cooperatives abide, and it's the key principle that separates co-ops from other forms of business. As a member of a cooperative, you have the privilege of deciding who amongst your fellow members will represent you on the board of directors. The board, in turn, helps set policies and guide the co-op's direction.

As chairman of the board of directors, I can say with confidence and pride that SREC members have chosen their representatives well. We have a diverse group of directors,

We have a diverse group of directors, each of whom brings valuable experience and expertise in a range of areas...

each of whom brings valuable experience and expertise in a range of areas from business to agriculture to engineering. This collection of specialized knowledge enables the board as a whole to address some often

complex issues and make sound decisions for the good of the entire co-op.

Our directors come from all reaches of the co-op's service territory, ensuring that all members over our three-county area are equally represented. Their dedication to their communities extends far beyond their work with SREC; our directors also serve on local government boards, church councils, dairy organizations, and other groups that work to make our communities better.

Our Grant County members are represented by four directors. Representing District 4 is Ellen Conley, a beef and crop farmer. Ellen also serves as our assistant secretary-treasurer. Representing District 5 is Delbert Reuter, whose background is in farm/feed service. Don Schaefer, who also serves as the board's vice chairman, represents District 6. Don is an insurance agent. Serving District 7 is Larry Butson, a civil engineer.

Two of our directors represent members in Lafayette County. Jack Larson, who serves District 9, is a retired farm credit loan officer. Representing District 8 is Steve Carpenter, a dairy farmer.

Three directors represent members in Crawford County,

including me; I'm a retired insurance agent and a former banker. Marcus Saegrove serves District 1; Marcus is a retired college math instructor. Finally, Sandy Davidson, our secretary-treasurer, serves District 2. She's a dietary nutritionist.

In addition to bringing their own individual areas of expertise to the board table, each of these directors works tirelessly to develop knowledge and skills in the electric utility industry. Keeping up with all the challenges and issues that occur in this rapidly changing industry requires a great deal of time and effort from each director.

We regularly attend education and training workshops sponsored by both our national and state service associations on a wide range of topics including rate structures, bylaws, legal issues, and energy policy updates.

Although we only meet as a full board once a month, with additional training, extra meetings, and time spent studying the issues, directors each spend an average of 22 hours a month performing their jobs as co-op board members. That number can easily increase to 50 hours a month, depending on the individual and the issues at hand.

However, in those monthly meetings and additional hours of work, we cover a lot of ground. We work efficiently in order to tackle a remarkable amount of issues in a reasonable amount of time. That's partly due to technology that we've been able to take advantage of. Each director is issued an iPad on which all board materials are shared and distributed. This enables everyone to come to the table fully prepared and ready to get to work.

This efficiency, of course, is not limited to our directors. I'm also very proud of our employees, who have taken every possible step that enables them to provide better, more efficient service for our members. As with our board, our employees each bring a specific area of experience and skills to the co-op's operations, and all of our members gain from this collective knowledge.

For example, thanks to the extensive maintenance programs our employees carry out, power outages in our co-op's service territory are down 9 percent from where they were four years ago. That's a big difference in a short amount of time, and it's all thanks to the measures your co-op has put in place and the dedicated staff that carries out those measures.

The strength of any co-op is its people. With the diverse group of individuals we have working for us at Scenic Rivers Energy Cooperative—in the boardroom, the office, and out in the field—we are very strong indeed.

CEO'S REPORT

Steve Lucas

When we gathered for Scenic Rivers Energy Cooperative's annual meeting last year, I was pleased to be able to report to you that our wholesale power supplier, Dairyland Power Cooperative, had entered into purchase power agreements with two solar developers to acquire more than 15 megawatts of solar power at 12 sites throughout Wisconsin, including one in SREC's service territory.

This year, I can take that good news one step further. In January, that solar project, located adjacent to the Mt. Hope substation in Grant County, became operational and is now producing renewable energy from the sun for all members of SREC.

The Mt. Hope solar project is a 1-megawatt installation built and owned by SoCore Energy, a solar developer located in Chicago. Dairyland purchases the power produced at this site, which, according to Environmental Protection Agency (EPA) and U.S. Energy Information Administration (EIA) data regarding average household energy consumption, could be enough to power 152 typical U.S. households for a year.

What's really exciting is that SREC was able to piggyback on this project and lease a 250-kw community solar project of our own adjacent to the Dairyland solar field, a move that would not have been cost-effective for our members if we hadn't been able to work in coordination with the Dairyland project. Using the same EPA and EIA data, our own project could produce enough solar energy to power 37 typical U.S. households a year.

The great news for you as members is that for the next 25 years—the length of Dairyland's agreement with SoCore—you'll be able to take advantage of this locally produced renewable energy at stable costs, without the risk of investment. We don't own the actual facility, and neither does Dairyland—we're just buying the output. That means we get the benefits of renewable energy without the added costs. The developers build, own, operate, and maintain the facilities. We just pay for the energy we're using.

Rather than sell individual subscriptions, our board of

directors has chosen to operate this installation as a true community solar garden. The energy produced at this solar field goes into the grid where *all* SREC members benefit from it.

This approach ensures that everyone gets to take part in this exciting new project, regardless of individual circumstances. I've talked to a lot of members over the past few years who are enthusiastic about renewable energy but don't have the financial means to build a solar array or wind turbine on their own property. Other members I've spoken with can handle and are willing to pay the extra costs it takes to produce energy from renewable sources, but their property simply isn't suitable for installing a system.

Still others don't care to have the rather substantial equipment installed in their yards, and they don't want to be bothered with maintenance worries.

A community solar garden eliminates all those concerns. Rows of solar arrays—in our case, roughly 9 acres' worth for the combined projects—are built in one suitable location, and in true cooperative fashion, the cost to purchase energy

produced by these arrays is shared by all who use it. This approach puts a big renewable energy project within reach of even the smallest consumer.

And this has indeed been a big project, one that's been two full years in the making. Your board of directors has explored every possible option and taken advantage of every possible opportunity to ensure a community solar garden is viable and affordable for everyone. It's been a lot of hard work, but the satisfying result is we now have a fully operational community solar garden producing energy for all of our members, built and operated at no cost to the membership.

That's some great news to open up an annual meeting with.



Steve Lucas, CEO



The solar arrays at Mt. Hope became operational in January.



DAIRYLAND POWER REPORT

Sandra Davidson



Sandra Davidson

In recognition of its 75th anniversary, Dairyland Power Cooperative honored its legacy and the strong foundation built by past cooperative leaders during 2016. At the same time, Dairyland has been executing business plans that align with the strategic guidance of the board and member cooperatives.

As your representative on the Dairyland Board of Directors, I am pleased to report that Dairyland's rates will remain stable for 2017. I assure you that Dairyland staff is dedicated to providing a safe, reliable, and sustainable supply of electricity that remains affordable for members of Scenic Rivers Energy Cooperative.

Dairyland is implementing business plans in all areas of operations to achieve the cooperative's top strategic priorities.

Cooperative Purpose: Exceeding members' expectations is Dairyland's vision. Dairyland employees are committed to living the seven cooperative principles and leveraging the cooperative advantage. They are focused on improving communities and the quality of life in our region.

Employee Development: Dairyland is focusing on attracting, developing, and retaining talented leaders who are focused on serving co-op members. Maintaining and improving performance depends on a skilled and motivated work force.

Resource Diversification: Diversifying the energy resource mix and expanding the use of renewable energy are strategic priorities. Dairyland staff have developed a long-term "preferred plan" for generation resources that diversifies intentionally and thoughtfully by using the best economic decisions for a sustainable resource mix.

In 2016, Dairyland announced agreements for 15 new solar installations with total solar generation of 20 MW, including one in SREC's service territory (see *CEO report for more details*). As a cooperative initiative, the solar facilities are being built in the service areas of Dairyland's member cooperatives. The advantages of multiple projects in separate locations include: diverse weather patterns, distributed grid infrastructure impacts, and locally based renewable energy.

Together, the solar facilities will be able to produce enough renewable energy to power over 3,000 homes. The solar installations will range between .5 MW to 2.5 MW in scale. They will be tracking systems which follow the path of the sun to increase energy production. All are expected to be operational by summer 2017.

Although these projects constitute Dairyland's largest solar investments to date, Dairyland also purchases energy from other major solar installations (Westby, Wis., Oronoco, Minn., and Galena, Ill.). Dairyland's Solar for Schools renewable energy and education initiative is establishing solar generation at three high schools and one college campus in western Wisconsin. In addition, there are over 900 consumer-owned distributed generation solar installations in Dairyland's service area.

Dairyland's leadership role with solar energy supports is part of its strategy to diversify generation resources. Efforts continue to diversify resources without stranding the assets and investments of members.

In addition to the solar projects, a power purchase agreement with EDP Renewables for the output of the Quilt Block 98 MW wind power project in southwest Wisconsin was announced at Dairyland's 75th Annual Meeting in June.

Dairyland's preferred plan is also designed to provide members value in terms of costs, which can be a challenge. A number of other options are being evaluated, including natural gas generation, additional wind and other renewable resources.

Competitive Service: Ensuring rates and services are competitive is critical to the economic well-being of the region as well as the long-

term viability of Dairyland and our cooperative members. Stable rates for 2017 reflect Dairyland's focus on efficiency improvements and wise management of controllable costs and risk. Dairyland is also investing in prudent transmission opportunities that will improve reliability and add value for members.

Financial Strength: Maintaining financial strength and competitive access to capital are critical to delivering on Dairyland's Strategic Plans. However, building Dairyland's financial strength must be balanced with maintaining competitive rates and service for members.

Growth: Opportunities to improve efficiencies and provide competitive costs and service can be created through system growth. Dairyland is pursuing a "smart growth" strategy to grow and add businesses and jobs that benefit the entire system. Dairyland is also partnering with others to strengthen the transmission infrastructure in our region.

Safety Culture: The safety of employees, members, and the general public remains a foundational value. Dairyland employees continue to educate, promote, and maintain the safety focus as they strive for an operational goal of "zero incidents." These efforts are showing improvements in safety metrics.

Operational Excellence: Dairyland strives for high availability and reliable performance of its power plants and transmission system, as well as the overall performance of the organization. The expectation is that Dairyland's operational performance will be 100 percent compliant and in the top tier for the industry.

The Genoa Station #3 (G-3) and John P. Madgett (JPM) coal-fired generating stations again achieved "World Class Status" for their minimal forced outage rates due to boiler tube failures (BTFs) in 2016. As Dairyland tracks operational performance at its plants, lowering forced outage rates is a key objective. Safety is also enhanced, as a reduction in forced outage rates minimizes potential hazards that can be caused by BTFs.

A scheduled major turbine overhaul and maintenance outage was completed at G-3 in January 2017. These significant projects are contracted every eight years to ensure operational efficiency and reliability.

Dairyland is in the midst of rebuilding a vintage transmission line that extends 71 miles from Genoa through La Crosse to Alma. Known as the "Q-1" transmission line, this line is the primary provider of electricity for the City of La Crosse and the surrounding areas. It is in critical need of rebuilding from 65 years of use and exposure to the elements to ensure reliable power delivery. Wood poles are replaced by steel poles, which are much less prone to deterioration. Dairyland plans to finish the final segment of the line in 2017.

Partnerships in transmission infrastructure projects support our strategies for Operational Excellence as well as Growth. Dairyland is an 11 percent owner of the CapX2020 Hampton-Rochester-La Crosse 345 kV line which was completed in 2016.

Dairyland is participating in two other regional 345 kV transmission projects, which are in various phases. Dairyland is a 5 percent participant in a portion of the Badger Coulee Project (La Crosse to north Madison). Construction is underway and the line is scheduled to be in service in 2018. Dairyland also is a 9 percent participant in the Cardinal-Hickory Creek project (Madison to Dubuque) which is going through the approval process. A study area from Dubuque County, Iowa, to Dane County, Wis., has been identified for the approximately 125-mile, 345-kilovolt line. Both projects have MISO MVP (multi-value project) status which make them a good investment for Dairyland's members. ▶

Unaudited COMPARATIVE BALANCE SHEET

	<u>12-31-15</u>	<u>12-31-16</u>
Total Utility Plant	\$ 70,889,385	\$ 74,830,021
Less Reserve for Depreciation	<u>16,521,303</u>	<u>18,346,007</u>
Utility Plant—Less Reserve	\$ 54,368,082	\$ 56,484,014
Inv. In Associated Organizations	\$ 13,093,600	\$ 13,533,529
Other Investments	<u>6,564,640</u>	<u>6,823,348</u>
Total Investments	\$ 19,658,240	\$ 20,356,877
Account Receivables	\$ 2,594,629	\$ 2,753,134
Materials & Supplies	610,467	680,837
Other Current Assets	<u>1,224,291</u>	<u>1,081,771</u>
Total Current Assets	\$ 4,429,387	\$ 4,515,742
TOTAL ASSETS	<u>\$ 78,455,709</u>	<u>\$ 81,356,633</u>
Long Term Debt-RUS	\$ 32,937,834	\$ 34,841,612
Long Term Debt-CFC & Co Bank	3,655,011	3,231,543
Current & Accrued Liabilities	3,195,597	3,392,988
Consumer Deposits	<u>232,374</u>	<u>224,486</u>
	\$ 40,020,816	\$ 41,690,629
Patrons Capital & Oper. Margins	\$ 35,911,281	\$ 37,092,878
Other Margins & Equities	<u>2,523,612</u>	<u>2,573,126</u>
	\$ 38,434,893	\$ 39,666,004
TOTAL LIABILITIES & EQUITY	<u>\$ 78,455,709</u>	<u>\$ 81,356,633</u>

Unaudited COMPARATIVE OPERATING STATEMENT

	<u>12-31-15</u>	<u>12-31-16</u>
Operating Revenues	\$ 28,633,453	\$ 29,123,512
Cost of Power	\$ 16,895,050	\$ 17,488,938
Operations and Maintenance	3,495,324	3,712,715
Consumer Accounts	349,178	329,587
Consumer Service & Information	251,600	221,785
Sales Expense	219,352	256,446
General & Administrative	<u>1,561,128</u>	<u>1,631,005</u>
Total Operations & Maintenance Expense	\$ 22,771,632	\$ 23,640,476
Depreciation	\$ 2,603,869	\$ 2,700,279
Taxes	374,455	371,143
Interest	1,441,447	1,418,901
Other Deductions	<u>2,681</u>	<u>7,751</u>
Total Cost of Electric Service	\$ 27,194,084	\$ 28,138,550
Operating Margins	\$ 1,439,369	\$ 984,962
Non-operating Margins	497,489	506,784
Income from Equity Investments	0	0
Dairyland & Other Capital Credits	<u>865,087</u>	<u>823,475</u>
Total Margins	\$ 2,801,945	\$ 2,315,221

Plant Decommissioning: Projects are underway to successfully complete decommissioning of the La Crosse Boiling Water Reactor (LACBWR) and the Alma Station in a manner that ensures public safety and compliance with all regulatory requirements, while minimizing the cost impact on Dairyland's members and reducing future liabilities.

Dairyland has contracted with EnergySolutions, a national radioactive waste services contractor for the final decommissioning of LACBWR.

In October 2016, Dairyland accepted a settlement offer of \$73.5 million from the U.S. Court of Federal Claims for damages related to the government's breach of contract with LACBWR, Dairyland's shutdown nuclear facility. The net proceeds of the settlement are being returned to Dairyland's member cooperatives in February 2017.

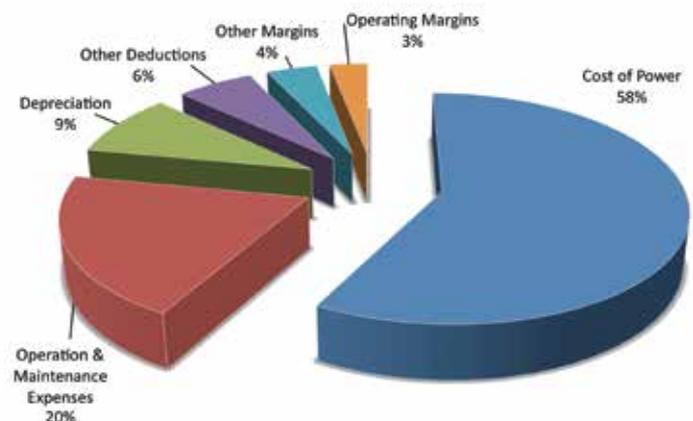
The Nuclear Waste Policy Act of 1982 gave the government responsibility for storage of the nation's spent nuclear fuel, with a deadline of Jan. 31, 1998, to begin accepting the fuel.

The settlement is the result of Dairyland's second round of litigation with the U.S. government regarding LACBWR. It represents the 2007–2012 time frame for expenses related to the development of the Independent Spent Fuel Storage Installation (ISFSI) dry cask storage site and the transfer of fuel to casks. It also includes Dairyland's ongoing costs related to spent fuel storage.

I am pleased that Dairyland is positioned financially and operationally sound. I assure you that Dairyland continues to plan to meet our future energy needs.



2016 EXPENSE REPORT





MEET YOUR DIRECTOR CANDIDATES

District 1

Marcus Saegrove

15120 Saegrive Drive
Gays Mills, WI 54631

Mark and his wife, Diana, have owned and resided on a small farm in Utica township, Crawford County, for nearly 43 years. They have one son, David, married to Shelly, and one 7-year-old grandson, Johnny. Mark was born and raised on a next-door dairy farm, which at the time was owned by his grandmother who became one of the charter members of the Crawford Electric Cooperative. He graduated from Gays Mills (now North Crawford) High School and Luther College. After earning various graduate degrees, he taught college-level mathematics, statistics, and computer science courses at a number of institutions for over 45 years, retiring five years ago after 36 years at Viterbo University in La Crosse. Mark has been an active life-long member of the Mount Sterling Lutheran Church, and has served on numerous committees and boards of the church. He served on the North Crawford Board of Education for two terms. His hobbies include fishing, gardening, and collecting and pulling antique tractors.

“My interest in cooperatives probably began in high school when I served on the Crawford Electric Cooperative Junior Board of Directors,” he said. “I have enjoyed serving as your District 1 representative on the SREC Board of Directors during the past three years. If re-elected, I would continue working to assure that SREC members have access to adequate electrical energy at reasonable rates. I would appreciate your vote. Thank you.”

District 9

Jack Larson

7240 E. Lamont Road
Argyle, WI 53504

Jack and Patti moved to the family farm in 1982. They purchased the farm from Jack’s parents, and it has now been in the family for over 150 years. Jack graduated from Argyle High School and UW–La Crosse. Patti grew up on a farm in the DeForest area and also is a graduate of UW–La Crosse. Both taught and coached at Dodgeland High School (Juneau, Wis.) prior to moving to the farm. Together they own 320 acres of timber, farm land, and pasture near Yellowstone Lake.

Upon their move to the farm, Jack worked as an assistant

District 5

Delbert Reuter

10713 Borah Road
Lancaster, WI 53813

Delbert and his wife of 46 years, Barb, have lived in the North Lancaster Township for 40 years. They have two sons and a daughter who live and work in the area. They farmed, milked 60 dairy cows, and owned 430 acres. Now Delbert spends his time working for the Economy Feed Mill in sales. He has been with them the last couple years. He has served on the township board since 1984 and has been chairman for the past 15 years. Delbert was president of the Lancaster Sports Boosters for three years and was active in the Jaycees. He was in the United States Army and is a Viet Nam vet.

“I have been to NRECA meetings and have completed a director leadership course,” he said. “It has been a good learning experience and I hope to learn more. I have enjoyed serving the members of District 5 these last five years and ask for support and votes to help serve you for the next three years.”

vice president for Production Credit Association (now know as Badgerland Financial). He served members in Lafayette and Green County, and he currently works (seasonally) as a large loan analyst at John Deere Financial in Madison, Wis. He has been on the audit committee and nomination committee for Scenic Rivers for several years; he also serves as town chair for Lamont Township and unit chair for the Wisconsin Towns Association for Lafayette County.

“I worked for a cooperative for many years; I understand the cooperative way, support it, and will continue to work to provide the service that is so important to the members in our area,” he said. “I was appointed as a director to take David Stute’s position in late 2016. If elected, I will do my best to serve Scenic Rivers Electric Cooperative and District 9, by keeping the lights on and to preserve the cooperative way. Your vote and support is much appreciated. Thank you.”

SREC STAFF



First Row (L to R): Jake Ironside, Daniel Welsh, Jeff Roesch, Earl Winsor and Ric Douglas. Second Row (L to R): Carrie Olmstead, Amanda Downing, Julie Ostby, Barb Murphy, Linda Bendorf and Leann Handel. Third Row (L to R): Heidi Pierce, Jim Wolf, Tory Henkel, Jason Knapp, Matt Rasmussen, Andy Kilcoyne and Tammy Stoney. Fourth Row (L to R): Ron Jentz, Mark Cullen, Eric Van Natta, Robert Tank, Shane Crowley, Chad Olmstead, Phil Schneider and Joe Ihm. Fifth Row (L to R): Steve Lucas, Jay Gardner, Travis Klein, Jacob Freiburger, Kevin Weber, Lucas Ritchie, Pat Pennekamp and Matt Ritchie. Not pictured: Reggie Lomas and Robert Olson.

2016–17 SREC RETIREES



Fred Maughan
Storekeeper
38 years



Karan Knutson
Billing Clerk
26 years



David Stute
Director
11 years

SERVICE RECOGNITION

- Jeff Roesch 15 years
- Eric Van Natta 20 years
- Kevin Weber 20 years
- Jay Gardner 20 years
- Earl Winsor 30 years
- Robert Olson 35 years



MINUTES OF THE ANNUAL MEETING

Scenic Rivers Energy Cooperative Held on April 9, 2016

The 79th annual meeting of the Scenic Rivers Energy Cooperative (SREC) was held on Saturday, April 9, at the Youth & Ag Building in Lancaster, Wis. Chairman Simmons called the meeting to order at 9:35 a.m.

Pastor Wayne Goplin from BMZ United Methodist Church at Soldiers Grove, North Clayton and Gays Mills campus gave the invocation.

Attorney Niles Berman from Wheeler, Van Sickle & Anderson, S.C. proceeded with the business portion of the meeting. It was determined that there was a quorum, as 173 members had registered.

Attorney Berman stated the Notice of Annual Meeting was printed in the annual report and posted at each SREC office. And he mentioned that we had a notarized proof of mailing from *Wisconsin Energy Cooperative News (WECN)* that the March 2016 issue of the *WECN* magazine contained a printed notice of the annual meeting that was mailed to each member on March 9, 2016.

Attorney Berman stated that the meeting rules of order, which were printed on page 15 of the annual report, were adopted.

Attorney Berman asked for a motion to approve the previous annual meeting minutes held on April 11, 2015, as printed in the annual report on page 18. Motion was duly made and seconded to approve the minutes. Motion carried.

The election process was handled by Attorney Berman. The ballot committee was instructed to collect all ballots and carry on with the tally of votes for Director Districts 2, 6, and 7.

Audit Committee member Jack Larson reported on the fiscal year 2015 Audit Committee Meeting held on March 31, 2016.

Secretary-Treasurer Davidson presented the treasurer's report that highlighted key points of interest in 2015 for SREC.

CEO Lucas answered questions from members and talked about the new solar project, vegetation management, and rates. He reported that there would be no rate increase with either the charge per kilowatt hour or fixed charge.

Attorney Berman explained that there was not any unfinished business from the previous annual meeting. He asked if there was any other new business—there was none.

Chairman Chuck Simmons shared the announcements for the 26 recipients of the \$750 scholarships along with the recipients for the \$100, \$50, and \$25 door prizes.

Attorney Berman announced the results of the director elections, indicating that incumbents Sandra Davidson (District 2), Don Schaefer (District 6) and Larry Butson (District 7) were re-elected.

District 2

Ken Cornish received 94 votes.
Sandra Davidson received 236 votes.

District 6

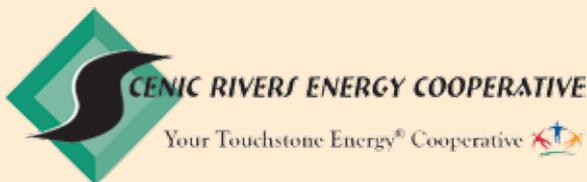
Don Schaefer received 284 votes.

District 7

Larry Butson received 404.

All registered members that were present at the Annual Meeting received a \$5.00 credit on their next bill.

Chairman Simmons asked for any further business—hearing none, the meeting was adjourned at 10:40 a.m.



Steve Lucas, CEO

231 N. Sheridan St.
Lancaster, WI 53813
lancaster@srec.net

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P.O. Box 127
Darlington, WI 53530
darlington@srec.net

15985 St. Hwy. 131
P.O. Box 158
Gays Mills, WI 54631
gaysmills@srec.net

608-723-2121 • 800-236-2141 • www.srec.coop

Board of Directors

Chuck Simmons, Chairman
Donald Schaefer, Vice Chairman
Sandra Davidson, Secretary-Treasurer
Ellen Conley, Asst. Secretary-Treasurer
Larry Butson, Director
Steve Carpenter, Director
Delbert Reuter, Director
Jack Larson, Director
Marcus Saegrove, Director

HIGHLIGHTS

	2014	2015	2016
Members served	11,306	11,358	11,369
Miles of distribution line	3,481	3,490	3,496
Number of substations	23	23	23
Connected meters	13,846	13,926	14,003
Density – meters per mile of line	3.98	3.99	4.0
kWh sold	224,585,541	215,289,346	217,863,644
Total energy sales	\$28,787,538	\$28,430,044	\$29,123,512
Avg. kWh usage per member, per month	1,655	1,580	1,597
Full-time employees	38	38	37
Capital Credits returned to date (including estate settlements)	\$28,459,527	\$29,713,017	\$30,943,218
Service area	Grant, Lafayette and Crawford counties; part of Green, Iowa, Richland, Vernon in Wisconsin; Jo Davies and Stephenson in Illinois		
Board meeting day	Usually the last Thursday of the month		
Number of director districts	Nine		

SCHOLARSHIPS AVAILABLE

College scholarships will be awarded through a drawing at the 2017 Scenic Rivers Energy Cooperative 80th Annual Meeting on April 8, 2017. At the time of the annual meeting, to be eligible to receive a scholarship, the applicant must be either:

- a senior in high school;
- a senior in a home-schooled program;
- a non-traditional student entering his or her freshman year in a post-secondary accredited program

After successful completion of the first semester of post-secondary school or college AND receiving credit for at least 12 hours at a minimum “C” average, a \$750 check will be made out to the student and the school for the second semester tuition. If the student fails to meet these qualifications, the scholarship will be awarded to the alternate if he or she has met all the same requirements.

Qualifications:

- Only dependents of members or members of Scenic Rivers Energy Cooperative will be eligible to receive scholarship money. Family members of employees and directors are eligible.
- The application can be mailed or emailed to the following addresses and must be received **on or before April 3** to qualify:

Mailing Address:

Scenic Rivers Energy Cooperative
Attn: 2017 Scholarships
231 N. Sheridan St.
Lancaster, WI 53813

Email Address:

csolmstead@srec.net

SREC will mail each student a letter to verify receipt of the application. If you do not hear from SREC by April 4, 2017, please call to verify SREC received your application.

- The student *must* be present at the SREC Annual Meeting held on April 8, 2017, to win.

- The student must receive college credit for at least 12 hours at a minimum “C” average to be awarded the scholarship.
- Simply fill out the application form and return it to the address stated above. Applications can be picked up at any of the SREC three offices: Lancaster, Darlington, or Gays Mills or on our website @ www.sre.coop.

If you have questions regarding the 2017 Scenic Rivers Energy Cooperative scholarships, please contact Carrie Olmstead at 608-723-2121 or 800-236-2141 ext. 556.

SCHOLARSHIP APPLICATION *deadline April 3, 2017

Name _____ Phone No. _____

Address _____

City _____ State _____ ZIP Code _____

Parent Name (or legal guardian) _____

Address _____
(if different from student)

Cooperative Billing Account Number _____

Name of High School _____

Graduation Date _____

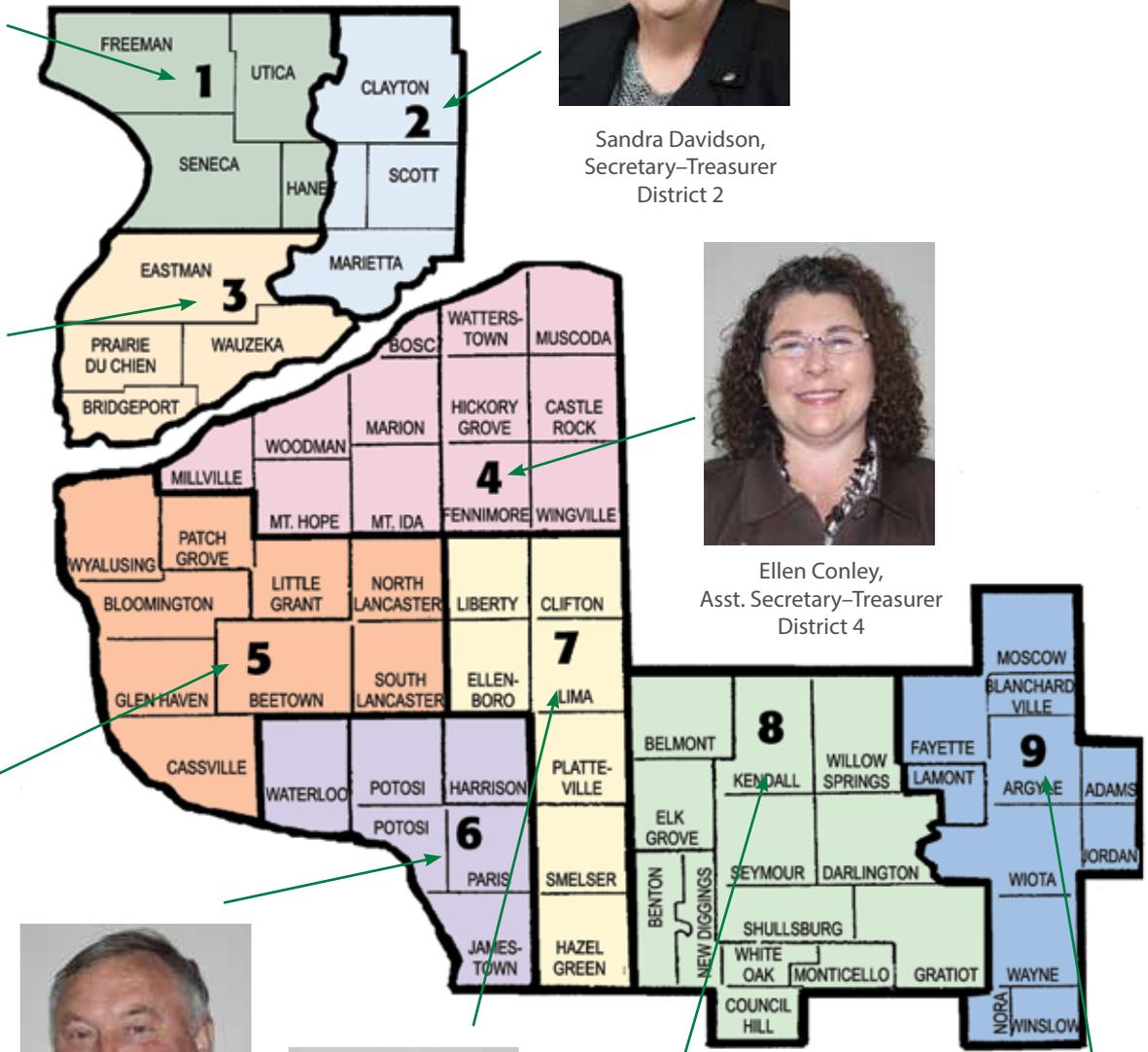
SREC DIRECTOR DISTRICTS



Marcus Saegrove
District 1



Sandra Davidson,
Secretary-Treasurer
District 2



Chuck Simmons,
Chairman
District 3



Ellen Conley,
Asst. Secretary-Treasurer
District 4



Delbert Reuter
District 5



Don Schaefer,
Vice Chairman
District 6



Larry Butson
District 7



Steve Carpenter
District 8



Jack Larson
District 9