

Pursuant to the provisions of Sections 801 of the Minnesota Statutes, and Sections 801 of the Iowa Code (2015), Tri-County Electric Cooperative, Inc. ("Tri-County"), a cooperative organized under the laws of Minnesota and Hawkeye Electric Cooperative, Inc. ("Hawkeye"), a cooperative organized under the laws of the State of Iowa, hereby merge and combine their respective businesses and operations into a new entity, m|energy Cooperative, Inc. ("m|energy").

On April 1, 2016, the members of the cooperative boards of directors of the cooperative entities approved this Plan of Merger to a vote of the members of the cooperative entities.



HAWKEYE REC, CRESCO, IOWA | TRI-COUNTY ELECTRIC COOPERATIVE, RUSHFORD, MINNESOTA

A NEW LEGACY



Your Touchstone Energy® Cooperative 

OFFICIAL NOTICE
OF ANNUAL MEETING



Your Touchstone Energy® Cooperative

MiEnergy Cooperative's 1st Annual Meeting will be held Wednesday, April 19, 2017, at the Mabel Community Center, 201 South Main Street, Mabel, Minn.

Registration begins at 6 p.m. with coffee and kolaches served. The one-hour business meeting will start promptly at 7 p.m. The meeting's official order of business is at right.

Annual Meeting Agenda

Call to Order and Meeting Rules.....	Dean Nierling, board chair
Invocation.....	Ron Stevens, vice chair
Pledge of Allegiance.....	All attendees
Meeting Notice and Proof of Mailing.....	Dennis Ptacek, secretary
Announcement of Quorum.....	Nierling
Introduction of Directors, Assistant Secretary, CEO & Attorneys.....	Nierling
Introduction of Guests.....	Jenny Scharmer, director
Approval of Annual Meeting and Special Meeting Minutes.....	Nierling
Treasurer's Report (Audit).....	Don Petersen, board treasurer
President/CEO Report.....	Brian Krambeer, president/CEO
Questions from the Membership.....	Krambeer
Unfinished Business.....	Nierling
New Business.....	Nierling
Adjourn.....	Nierling
Drawing for Prizes.....	Ted Kjos, vice president of marketing and external relations



A NEW LEGACY



Brian Krambeer
President/CEO

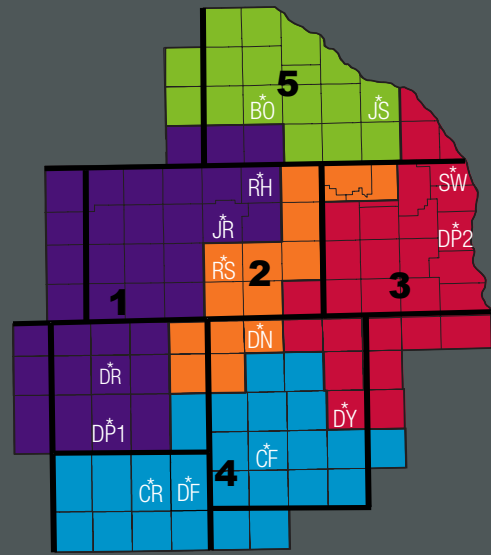
Dean Nierling
Board Chair

Minnesota. Iowa. My energy. My cooperative. | MiEnergy Cooperative's spelling references our roots as Minnesota and Iowa cooperatives.

The name pronounced with a long I, demonstrates the ownership by individual members of the cooperative. MiEnergy Cooperative is *my energy cooperative*.

Board of Directors

MiEnergy Cooperative Board Officers: Dean Nierling, chair; Ron Stevens, vice chair; Dennis Ptacek, secretary; and Don Petersen, treasurer.



Former Hawkeye REC Board Officers: Dean Fisher, president; Dean Nierling, vice president; and Dennis Ptacek, secretary/treasurer.

Former Tri-County Electric Cooperative Board Officers: Jenny Scharmer, chair; Ron Stevens, vice chair; and Roger Hegland, secretary/treasurer.

¹ Denotes former Hawkeye REC board director.
² Denotes former Tri-County Electric Cooperative board director.

As January 1, 2017, marked a new beginning for MiEnergy Cooperative, 2016 closed a chapter in history for Hawkeye REC and Tri-County Electric Cooperative.

In the 1930s, only approximately 10 percent of our nation's farms had central station electric service. This was in stark contrast to the rest of the civilized world where 90 percent of Japanese farms, almost 95 percent of French farms and 100 percent of Dutch farms had electricity. But, privately-owned electric utilities in the U.S. said it wasn't profitable to serve sparsely populated rural areas.

On May 11, 1935, President Franklin Delano Roosevelt signed

Executive Order No. 7037 creating the Rural Electrification Administration. With \$410 million to loan, Congressional leaders thought established utilities would leap at the chance to borrow low-interest money to build power lines. That was not the case. Not one private power company applied.

Undaunted, progressive farmers took matters into their own hands. They didn't know anything about planning and building power lines, obtaining wholesale power or running a non-profit business once it was established. But they were willing to shoulder that difficulty knowing it would result in a better life for their families. That was how Hawkeye REC and Tri-County Electric Cooperative began. It was local farmers banding together.

Over the years, both cooperatives have seen their share of

Cont. on page 2



Statement of Purpose: Hawkeye REC and Tri-County Electric Cooperative are combining resources to create a new organization that will gain efficiencies and control costs, attract and retain highly qualified talent, and continue providing high-quality reliable services at fair and reasonable prices now and for future generations.

Closing Statements From Former Board Leaders

As I look back on the past year, I'm proud of our accomplishments as a cooperative. We worked together with our neighbors to exemplify one of the seven cooperative principles, cooperation among cooperatives. We put the best interest of our member-owners at the heart of the merger vote and the results have created MiEnergy Cooperative.

MiEnergy is a strong cooperative that will serve the members well into the future. The successful joining of two organizations that have been solid foundations for our local communities for eight decades will continue to provide the same local presence as always. Our employees and directors are extremely dedicated to the membership. We look forward to adapting to industry changes and advancements. Your cooperative has always taken every step to be as efficient as possible while keeping safety a top priority for both our employees and members.

Thank you for your support and cooperation as we continue to work hard to ensure our future generations have access to safe, affordable and reliable electricity from your local electric cooperative.

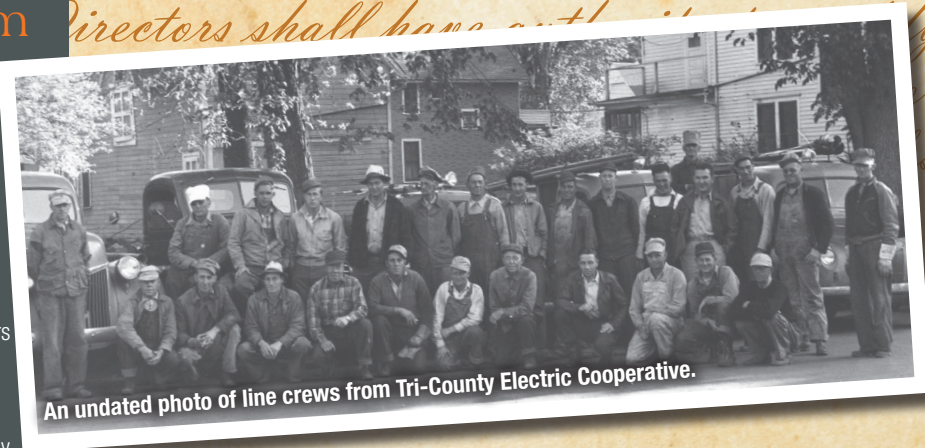
— Dean Fisher
Former Hawkeye REC board president

What a historic year in 2016. We'd like to thank the membership for your support of the merger, creating MiEnergy. MiEnergy will balance the rich tradition of both cooperatives and focus on our statement of purpose.

That rich past is imperative as we move through the present and into the future. Keeping rates affordable, member satisfaction high and using our resources wisely will all continue to be both challenges and opportunities in our rapidly changing industry. We are already capturing economies of scale and additional efficiencies which have a positive effect on keeping our rates affordable. Our focus will continue to be to ensure wise and prudent management of our assets which will maintain high reliability and add value for members. We are embracing the future with passion, commitment and dedication to our membership and the communities we serve.

Our journey continues and thanks to your support, the dedication of the employees and strategic vision of your cooperative, MiEnergy will be a sustainable cooperative both now and for many generations to come.

— Jenny Scharmer
Former Tri-County Electric Cooperative board chair



tremendous challenges: wartime shortages of materials, securing a wholesale power supply, Mother Nature's debilitating ice storms and floods, accidents and even deaths. But through it all, we've experienced remarkable recoveries. These experiences of Hawkeye REC and Tri-County Electric Cooperative over our 80-plus year histories serve as the foundation of MiEnergy Cooperative as we form a new legacy.

MiEnergy Cooperative was not created out of necessity to meet short-term needs of the two cooperatives, nor was it mandated from our lenders. The merger was the end result of two cooperative boards of directors and two management teams looking to the future to create a sustainable electric cooperative.

The year 2016 revolved around the merger vote. After the April 9, 2016, vote of approval by the memberships, work began on the transition of taking two cooperatives and making them one. Applying best practices and the philosophy of doing what is best for the entire membership were incorporated into creating all new governance, member representation and policies for our new electric cooperative.

As we look to the future, MiEnergy Cooperative will provide greater economies of scale and greater opportunity to use limited resources to enhance member services and manage retail electric costs. Your board of directors provided direction to continue our local presence by maintaining the Cresco and Rushford office locations. This move helps us maintain a local approach to conducting cooperative business. It allows you to stop in at either of the

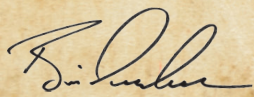
ographic Districts shall be maintained by MiEnergy and shall be provided to the members. The Board of Directors shall have authority to assign members by the District boundaries so as to maintain equitable representation of members as of the date of the vote for the merger shall each be assigned to the District they shall serve until the first Annual Meeting when an election of directors for

cooperative offices or speak on the phone with someone locally.

We are very pleased with our first few months of operation and commend our outstanding group of employees for all their work during this exciting transition. While the membership may have predominantly just noticed a change of name on our fleet of vehicles and buildings, a tremendous amount of work was undertaken to ensure individual member accounts, past capital credit balances, transfer of inventories, banking, financing, mapping and more were all successfully moved or updated.

We are excited about the future of MiEnergy Cooperative and remain very proud of our electric cooperative's history. It was just a few generations ago, when we first electrified the rural countryside and our founding cooperatives first began. Eighty years later, we are again adapting to a change in the industry and embracing technology to efficiently meet our members' needs and remain as a trusted energy partner for the next generation of our cooperative members.

Thanks for all your support and your commitment to your electric cooperative.


Brian Krambeer, president/CEO


Dean Nierling, board chair



HIGHLIGHTS OF DAIRYLAND POWER COOPERATIVE'S ENERGY MIX

Dairyland Power Cooperative honored its legacy and the strong foundation built by past cooperative leaders during 2016. Dairyland has been executing business plans that align with the strategic guidance of the board and member cooperatives. Dairyland's rates will remain stable for 2017 and staff is dedicated to providing a safe, reliable and sustainable supply of electricity that remains affordable for members of MiEnergy Cooperative.

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 megawatts (MW). 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.

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.

Most recently, Dairyland announced it will begin purchasing 80 MW of renewable energy from the Barton Wind Farm in Kensett, Iowa, effective February 15, 2017.

A number of other options are being evaluated, including natural gas generation, additional wind and other renewable resources.

Dairyland is also a leader in the National Renewables Cooperative Organization, which is working to develop renewable resources for all electric cooperatives across the nation.

the District they have been assigned is to be assigned to the District they shall serve until the first Annual Meeting when an election of directors for

2022 as set forth below), unless they resign, retire or become ineligible to serve. The Board of Directors shall have authority to assign members by the District boundaries so as to maintain equitable representation of members as of the date of the vote for the merger shall each be assigned to the District they shall serve until the first Annual Meeting when an election of directors for

2020 may be filled by a majority vote of the Board of Directors if it is determined to be in the best interest of the Cooperative; but the Board shall not be required to fill such a vacancy unless the vacancy

HAWKEYE REC SPECIAL MEMBER & ANNUAL MEETING MINUTES

Special Member Meeting | April 9, 2016

A Special Meeting of the Members of Hawkeye Tri-County Electric Cooperative was held at the Crestwood High School in Cresco, Iowa on April 9, 2016, at 10:00 A.M.

The meeting was called to order by Dean Fisher, President, and Dennis Ptacek, Secretary, acted as Secretary of the meeting and kept the minutes thereof.

The Chairman welcomed the members and guests in attendance. He announced that the Board had determined that the meeting would be conducted according to Robert's Rules of Order.

The Secretary read the Notice of the Special Meeting of Members. The Chairman introduced the Board of Directors, CEO, and corporate attorney. The Chairman then introduced attorney Dennis Puckett, who reported that the members present in person and represented by mailed or electronic ballots had been checked and that there was a quorum present for the transaction of business.

Attorney Puckett next explained the purpose of the meeting was to conclude the balloting on the proposed merger of Hawkeye REC and Tri-County Electric Cooperative (TEC) to form MiEnergy Cooperative. He noted that the Plan of Merger was unanimously supported by the Boards of Directors of both entities. He indicated that Tri-County Electric Cooperative would be holding a special meeting of its members later in the day to conclude its balloting process and announce its merger vote.

Attorney Puckett noted that Survey and Ballot election services had been appointed to provide the balloting services. He called for any remaining ballots. There being no further ballots to be cast, the balloting was declared closed and attorney Puckett called upon Survey and Ballot to present the Certificate of Voting.

Attorney Puckett explained the legal requirements for voting on the proposed Plan of Merger, requiring at least 50% of the members to participate in the election and that at least 2/3rds of those voting must vote in favor of the proposal. He then presented and read the Certificate of Voting, certifying that 3382 of the 5464 members eligible to vote had voted on the Plan of Merger, either in person or by mail or electronic ballot, meaning 61.90 percent had participated in the balloting, and that of those voting, 2506 (74.1%) voted in favor of the Plan of Merger. It was then declared that the members of Hawkeye REC had met the legal requirements for supporting the Plan of Merger.

The Chairman directed the Secretary to annex the Certificate of the Inspectors of Voting to the minutes of this meeting.

CEO Brian Krambeer was introduced and he thanked the members for their support. He offered to answer any questions from the membership.

There being no further business to come before the meeting, the meeting was declared adjourned.

Annual Meeting | July 13, 2016

The 79th Annual Meeting of the members of Hawkeye REC was held at the Crestwood High School in Cresco, Iowa, at 7:00 p.m. on the 13th day of July, 2016.

The meeting was called to order by Dean Nierling, Vice-President of the Cooperative, who presided, and Dennis Ptacek, Secretary of the Cooperative, acted as Secretary

of the meeting and kept the minutes thereof.

Vice President Nierling welcomed the members and special guests in attendance. He noted that the meeting would follow the agenda as approved by the Board of Directors and printed in the annual meeting handout. He declared that the meeting would be conducted pursuant to "Robert's Rules of Order" and instructed members on the manner to raise questions. Vice President Nierling then led the members in reciting the Pledge of Allegiance.

Vice President Nierling then introduced Board Member Charles Frana, who gave the invocation. He also introduced special guests in attendance and thanked them for attending. The guests included the Board members from TEC in Rushford, Minnesota and representatives from other neighboring cooperatives, including Allamakee-Clayton Electric Cooperative, Heartland Power Cooperative, and People's Energy.

Vice President Nierling next recognized the employees and thanked them for their service. He then introduced the Cooperative's Board of Directors. He also noted the many meetings and activities of the Board during the past year.

Vice President Nierling introduced Hawkeye's Board Secretary Dennis Ptacek. Mr. Ptacek reported that the members present in person had been checked, and that a sufficient number of members were present to constitute a quorum. He also noted that the Notice of the meeting and the minutes of the 2015 Annual Meeting were mailed to the Members in the Annual Meeting Booklets. He recommended that the reading of these items be waived and they be accepted as printed. A motion was then made, seconded and carried to waive the reading of these reports and the same were approved as distributed.

The Secretary then introduced Hawkeye's CFO, Shelly Girolamo. She noted that the Balance Sheet and Statement of Revenues and Expenses were included in the Annual Meeting Booklet that was mailed to the members. She reviewed and highlighted key items on the Financial Statements, noting that the Cooperative margins were approximately \$1.375 million in 2015 and that all of the financial requirements of the lenders had been met. She noted that the auditors had conducted an audit and had issued a clean opinion on the financial statements on February 23, 2016.

Shelly Girolamo then introduced Hawkeye's Corporate Attorney Dennis L. Puckett of Sullivan & Ward, P.C. of Des Moines, Iowa. Mr. Puckett noted that there were no Director elections being conducted in connection with this Annual Meeting. He indicated that the members had approved a Plan of Merger at a Special Meeting in April, whereby the Cooperative would combine with TEC effective January 1, 2017, and the combined entity would be called MiEnergy Cooperative. He noted that the Plan of Merger approved by the members provides that the affairs of the combined entity will be managed by the 14 present Directors of the two cooperatives. The Plan of Merger contemplates that the size of the Board may reduce over time, but the first election of Directors is not contemplated until the Annual Meeting of MiEnergy Cooperative to be conducted in 2020. The existing Directors will serve until that time, unless they sooner retire, resign, or become ineligible. Any vacancies created by such resignations will not be filled unless a Director district is unrepresented. He noted that CEO Krambeer would provide more information about the merger and the Director districts.

Attorney Puckett introduced CEO Brian Krambeer, who presented the Manager's

Report. His report noted that this was the 80th Anniversary for the Cooperative, and he reflected on some key events in the Cooperative's history. He discussed strategic leadership and the alliances that have been formed with other cooperatives. He recounted the Ice storm of 2007 and the rebuilding of approximately 1,100 miles of line with FEMA funding assistance. He noted that the Cooperative was recently designated as one of the Top Work Places in Iowa, and the employees successfully completed five years of work without a lost time accident. He reviewed the Joint Statement of the Boards of Directors of the two merging cooperatives regarding the purpose of the merger and noted the work being done to prepare for the merger. He discussed key drivers of value and thanked the members and employees for all their support and hard work. An opportunity for questions followed the report.

Vice President Nierling next called for any unfinished business or new business, and there was none.

There being no further business to come before the meeting, Vice President Nierling declared the meeting adjourned.

A drawing was held for door prizes and the members were invited to join the directors and employees in the commons area for some coffee and kolaches.

STATEMENT OF REVENUE AND EXPENSE

	2016	2015
OPERATING REVENUE	\$25,109,625	\$24,280,272
OPERATING EXPENSE		
Cost of purchased power	16,446,700	15,941,789
Distribution – operations	1,252,780	1,262,789
Distribution – maintenance	1,490,559	1,415,670
Consumer account	169,758	163,395
Customer service and informational	606,620	617,305
Administrative and general	1,440,132	1,391,351
Depreciation	1,689,294	1,573,477
Taxes	232,043	230,616
Interest of long-term debt	1,332,176	1,418,336
Other deductions	25,925	25,911
Total operating expense	24,685,987	24,040,639
OPERATING MARGIN BEFORE CAPITAL CREDITS	423,638	239,633
G & T AND OTHER CAPITAL CREDITS/ NON-OPERATING MARGIN	665,331	830,544
NET MARGIN	\$1,088,969	\$1,374,893

These financial statements for Hawkeye REC represent a condensed version of our audited balance sheet and income statement for the years 2015 and 2016.

BALANCE SHEET

ASSETS	2016	2015
ELECTRIC PLANT		
In service	\$55,964,961	\$55,045,738
Under construction	82,783	805,718
Total electric plant	\$56,047,744	\$55,851,456
Less accumulated depreciation	(11,159,223)	(12,290,305)
Net Electric Plant	\$44,888,521	\$43,561,151
OTHER PROPERTY AND INVESTMENTS		
Investments in associated companies	\$9,017,378	\$8,510,576
Restricted investments	2,299,694	2,278,545
Non-utility property, net	314,992	809,643
Equity investments	339,103	315,757
Special funds – revenue deferral	651,912	651,912
Other investments	800,536	651,146
Total Other Property and Investments	\$13,423,615	\$13,217,579
CURRENT ASSETS		
Cash and cash equivalents	\$3,609,693	\$1,357,019
Accounts receivable – net	2,448,268	2,250,834
Accounts receivable – FEMA	-0-	878,172
Materials and supplies	1,372,404	1,235,773
Other current assets	111,758	214,764
Total Current Assets	\$7,542,123	\$5,936,562
DEFERRED DEBITS	\$1,045,148	\$1,109,916
TOTAL ASSETS	\$66,899,407	\$63,825,208
EQUITIES AND LIABILITIES		
EQUITIES		
Patronage capital	\$19,359,448	\$9,606,252
Other equities	3,514,964	12,642,046
Total Equities	\$22,874,412	\$22,248,298
CURRENT LIABILITIES		
Current maturities of long-term debt	\$1,750,660	\$1,672,846
Accounts payable	2,115,317	2,107,143
Consumer deposits	116,547	124,877
Other current and accrued liabilities	619,623	644,309
Total Current Liabilities	\$4,602,147	\$4,549,175
LONG-TERM DEBT, Less Current Maturities		
Total Long-Term Debt	\$36,506,466	\$34,151,825
DEFERRED CREDITS	\$2,916,382	\$2,875,910
TOTAL EQUITIES AND LIABILITIES	\$66,899,407	\$63,825,208

selected from among members residing and receiving service at a location in the District from which the vacancy was created. E. At the Annual Meeting of Members to be held in 2020, 2021,

TRI-COUNTY ELECTRIC SPECIAL MEMBER MEETING & ANNUAL MEETING MINUTES

Special Member Meeting | April 9, 2016

The Special Member Meeting of Tri-County Electric Cooperative (TEC) was held at the cooperative's headquarters at 31110 Cooperative Way, Rushford, MN on Saturday, April 09, 2016.

Chair Jenny Scharmer called the meeting to order at 3:00 p.m.

Secretary-Treasurer Roger Hegland read the due proof of mailing which indicated that notice of the special member meeting was mailed to each shareholder of the Cooperative on March 1st, and such notice was published in members' February 2016 issue of the Light Conversation.

Chair Scharmer reported that a quorum had been established with the registration of 22 members at the beginning of the meeting and 5,550 members who participated in the election.

Chair Scharmer reviewed the reason for calling the special member meeting: Members of TEC and members of Hawkeye Tri-County Electric Cooperative (Hawkeye REC) were mailed a ballot to act upon merging two cooperatives to form a new organization that would be named MiEnergy Cooperative. The Plan of Merger was unanimously supported by both electric cooperatives board of directors.

Hawkeye REC held their special member meeting at 10:00 a.m. on April 9, 2016 and the members voted in favor of the merger. Chair Scharmer called on Attorney Berndt to announce the results from the members of TEC.

Attorney Dan Berndt announced the election results as follows: Approved: 4,965 (89.5%) & Opposed: 582 (10.5%)

There being no further business, Chair Scharmer declared the special member meeting adjourned at 3:07 p.m.

Annual Meeting | July 19, 2016

The 80th Annual Meeting of TEC was held at the Cooperative's headquarters at 31110 Cooperative Way, Rushford, MN on Tuesday, July 19, 2016.

Chair Jenny Scharmer called the meeting to order at 7:00 p.m.

Chair Scharmer noted that the meeting would be conducted using the latest edition of the Modern Rules of Order and that member questions would be addressed later in the meeting with a time limit of two minutes per question.

Chair Scharmer provided the welcome. TEC Director Ron Stevens gave the invocation. A moment of silence was observed for our troops serving overseas. The National Anthem was sung by TEC employee Glen Jensson.

Secretary-Treasurer Roger Hegland read the due proof of mailing which indicated that notice of the annual report was mailed to each shareholder of the Cooperative on July 1 and such notice was placed in members' June 2016 monthly electric bills.

Chair Scharmer reported that a quorum had been established with the registration of 64 members at the beginning of the meeting.

Chair Scharmer introduced herself and others seated on stage: Vice Chair Ron Stevens, Secretary-Treasurer Roger Hegland, Director Don Petersen, Director Jeff

Redalen, Director Al "Skip" Wieser, Director Beth Olson, President/CEO Brian Krambeer, Assistant Secretary to the Board Heather Larson, and Attorney Greg Griffiths of Dunlap & Seeger.

Director Stevens introduced guests in attendance: Robert Hoeffs and Eugene Miller from People's Cooperative Services, Oronoco; Darla Rance, Carl Reicks, Charles Frana, Dennis Young, Dennis Ptacek, and Dean Fisher, Hawkeye REC, Cresco, IA; and Shari Johnson and Deb West from Bremer Bank; Richard Bjorlo, ACENTEK; Gordy Elliot, Farmer's Elevator; and Tom Severson, Severson Oil.

As customary in the past, Chair Scharmer suggested that the reading of the minutes be waived since they were printed in the Annual Report and approved as presented.

A motion was made, seconded and carried to waive the reading and approve the minutes as printed in the annual report.

Secretary-Treasurer Hegland gave the auditor's report. President/CEO Brian Krambeer reviewed the financial report for the Cooperative. There was no need to approve the financial report since it had been audited by Eide Bailly, found to be correct, and would be entered in the Cooperative's records.

CEO Krambeer thanked the cooperative Directors and the employees for a job well done. He also thanked the membership for their interest in their cooperative by taking the time to attend their annual meeting. Some highlights from his report included:

- 80th Annual Meeting - This is the 80th annual and last meeting for TEC. With the approved merger, MiEnergy Cooperative will take effect on January 1, 2017.

- Cooperative History - CEO Krambeer reviewed the history of our Cooperative which included the sudden loss of CEO Bruce Meistad, Board Chair Harvey Rislow and catastrophic events such as ice storms and the 2007 flood. Krambeer also highlighted the growth of the Cooperative over the last 80 years. Including the nine municipals served by TEC. We have continued to grow with the acquisition of the Alliant territory.

All of the great accomplishments over the last 80 years has provided for a better, stronger and financially stable cooperative and great history. The success is attributed to all of our employees, the past, current and future. Excellent board leadership, representing the membership is a cornerstone to our success.

- Collaboration and Partnerships – TEC understands and demonstrates our principle of working together in many different areas. CEO Krambeer highlighted the successful opportunities that TEC has had with other area cooperatives: MINNOWA – PowerPlus Engineering – STAR; Heartland Security; Minnesota Three and Southern Minnesota Energy Cooperative (twelve cooperatives obtaining ownership of territory once owned by an investor-owned utility.)

- Merger Approval - Our greatest achievements are yet to come. With a 90% approval rating the membership overwhelmingly approved moving ahead with the merger to form MiEnergy Cooperative. Directors from both TEC and Hawkeye TEC laid out the statement of purpose for the mission.

As part of the merger, we are working together to strengthen programs and add value to our membership. Rates will be the same for 2017 and we will start moving towards a new rate structure for 2018.

CEO Krambeer once again thanked the employees, Board of Directors and members

for the dedication and support for the last 80 years. Appreciation was also expressed to the Hawkeye REC Directors for their dedication and commitment to the merger.

CEO Krambeer solicited questions from members.

Chair Scharmer called for any unfinished business. There was none.

Chair Scharmer called for any new business. There was none.

There being no further business, Chair Scharmer declared the business meeting adjourned at 7:33 p.m.

Kaye Bernard, VP of Finance and Administration, conducted the door prize drawings.

STATEMENT OF REVENUE AND EXPENSE

	2016	2015
OPERATING REVENUE	\$46,165,529	\$41,624,804
OPERATING EXPENSE		
Cost of purchased power	\$30,538,537	\$28,036,832
Distribution – operations	3,261,588	2,423,978
Distribution – maintenance	2,159,537	2,042,249
Consumer account	698,346	714,358
Customer service and informational	529,718	513,178
Administrative and general	1,917,691	1,796,741
Depreciation	4,379,525	3,612,407
Interest expense on debt	2,810,241	2,525,643
Other deductions	27,478	16,548
Total Operating Expense	\$46,322,661	\$41,681,934
NON-OPERATING REVENUE		
Interest income	\$826,642	\$906,288
Other non-operating income	424,220	\$98,548
Generation & transmission/ other capital credits	1,256,690	1,432,013
Total Non-Operating Revenue	\$2,507,522	\$2,446,849
NET MARGIN		
Net margin before income taxes	\$2,350,420	\$2,379,719
Income tax benefit (expense)	(9,041)	(1,310)
NET MARGIN	\$2,341,379	\$2,378,409

These financial statements for Tri-County Electric Cooperative represent a condensed version of our audited balance sheet and income statement for the years 2015 and 2016.

BALANCE SHEET

ASSETS	2016	2015
UTILITY PLANT		
Electric plant in service	\$121,686,353	\$116,137,520
Construction work in progress	466,777	1,455,976
Total	\$122,153,130	\$117,593,496
Less accumulated provision for depreciation	(38,478,636)	(35,554,064)
Net Electric Plant	\$83,674,494	\$82,039,432
OTHER PROPERTY AND INVESTMENTS		
Investments in associated organizations	\$18,408,159	\$17,344,585
Other investments	-0-	342,605
Notes receivable (Less current portion)	243,000	278,999
Total Other Property and Investments	\$18,651,159	\$17,966,189
CURRENT ASSETS		
Cash and cash equivalents	\$4,145,331	\$2,019,730
Accounts receivable (Less Provision for Uncollected Accounts)	4,761,219	4,890,241
Current portion of notes receivable	404,703	48,376
Materials and supplies on inventory	1,033,491	793,627
Prepaid expenses	74,319	128,623
Total Current Assets	\$10,419,063	\$7,880,597
DEFERRED DEBITS	\$2,365,356	\$2,139,345
TOTAL ASSETS	\$115,110,072	\$110,025,563
EQUITIES AND LIABILITIES		
EQUITIES		
Patronage capital	\$37,260,238	\$35,964,400
Other equities	6,356,948	6,169,425
Total Equities	\$43,617,186	\$42,133,825
CURRENT LIABILITIES		
Current maturities of long-term debt	\$2,510,000	\$2,244,000
Line of credit	5,500,000	4,800,000
Accounts payable	3,138,947	3,788,677
Consumer deposits	76,660	67,355
Other current and accrued liabilities	2,233,774	2,003,294
Total Current Liabilities	\$13,459,381	\$12,903,326
LONG-TERM DEBT, Less Current Maturities		
Federal Financing Bank Mortgage Notes	\$50,363,460	\$46,434,646
Rural Utilities Service Loan	-0-	12,340,115
Rural Utilities Service Advance Payments	(14,918,844)	(15,665,153)
National Rural Utilities Cooperative Finance Corporation (Secured Promissory Notes)	16,235,290	4,802,824
CoBank	4,802,524	5,195,783
Total Long-Term Debt	\$56,482,430	\$53,108,215
DEFERRED CREDITS	\$1,551,075	\$1,880,197
TOTAL EQUITIES AND LIABILITIES	\$115,110,072	\$110,025,563

Instruct from which the vacancy was created. C. At the Annual Meeting of Members to be held in 2020, 2021, and 2022, elections will be conducted for the purpose of electing directors. Approximately

PROGRAMS THAT BENEFIT OUR LOCAL COMMUNITIES

MiEnergy Cooperative would like to remind members of two programs that have been successful at Hawkeye REC and Tri-County Electric Cooperative that are now expanded to all members of MiEnergy Cooperative. These two programs are RECare and Operation Round Up. Hawkeye REC launched RECare in 1989. Tri-County Electric launched Operation Round Up in 2002.



RECare Program

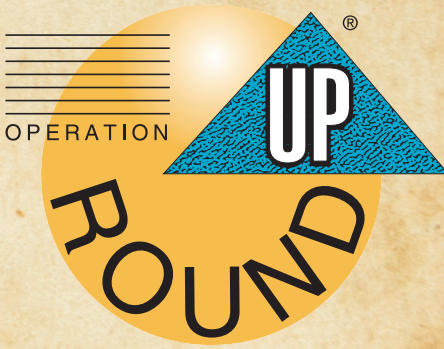
RECare is a consumer contribution fund in which members like you assist other members who need help in paying utility bills. Consider a one-time, tax-deductible contribution or enroll to provide monthly contributions. Whether it is \$1, \$5, or \$10 a month or a single donation of any amount of your choice, when combined with those of other generous members, your assistance can go a long way in helping others. MiEnergy Cooperative appreciates your generosity and the pledges given by members to help our members in need. What a great way to show you care about your community and know that you can make a difference! Visit www.MiEnergy.coop today to fill out a donation form or call 1-800-432-2285.

- **Minnesota Members:** To apply for RECare funds, please contact the MiEnergy office at 800-432-2285.
- **Iowa Members:** To apply for RECare funds, please contact Northeast Iowa Community Action offices in Chickasaw, Howard and Winneshiek counties.

Operation Round Up

Operation Round Up is a voluntary community support program that helps local organizations and worthy causes via spare change. MiEnergy members can choose to have their monthly electric bills rounded up to the next dollar, with the exceeding cents going towards Operation Round Up. The average annual contribution from a cooperative member is \$6. The most a member could contribute is \$11.88 (99¢ a month). All donations are tax-deductible. The program operates on the idea that small change can make a big difference.

The Operation Round Up Trust Board chooses where the funds get donated and the amount of the donation based on an application process. The trust board members include: Tom Tibor, of Minnesota City, president; John Bronk, of Winona, vice president; Margaret Knutson, of Houston, secretary/treasurer; Larry Hafner, of La Crescent; Allen Hanson, of Preston; Miriam Harstad, of Harmony; Arlene Hegge, of La Crescent; Janelle Mahr, of Lime Springs; and Shannon Schmelzer, of Cresco. To participate or for an application call 1-800-432-2285 or visit www.MiEnergy.coop.



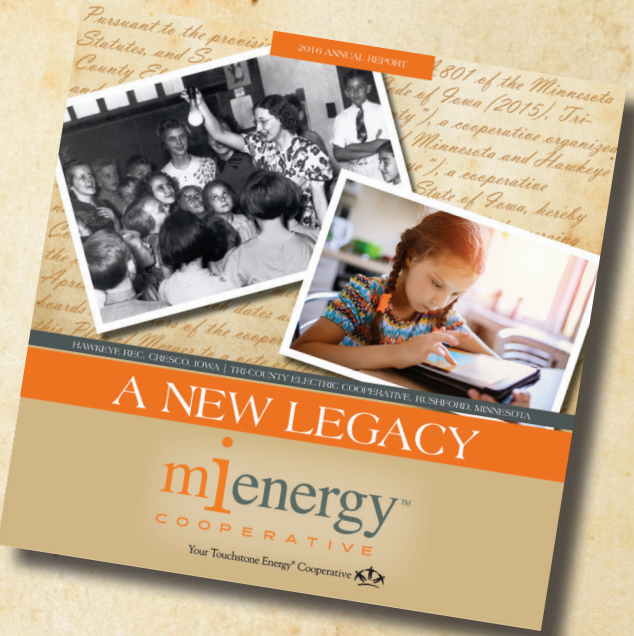
Bring this Registration Card to the Annual Meeting

See you at the Mabel Community Center on Wednesday, April 19.

Card must be turned in by 7 p.m. to be eligible for the prize drawing. Must be present to win.



MiEnergy Cooperative's 1st Annual Meeting will be held Wednesday, April 19, 2017, at the Mabel Community Center, 201 South Main Street, Mabel, Minn. Registration begins at 6 p.m. with coffee and kolaches served. The one-hour business meeting will start promptly at 7 p.m. The official order of business for the meeting is on the front inside cover of this annual report.



Online resources

Website: www.MiEnergy.coop

The MiEnergy Cooperative website gives members access to forms, program details and services, power outage information, rebates and much more.

- **PDF FORMS.** MiEnergy Cooperative offers a number of fillable PDF forms on our website.
- **REBATE FORMS.** The co-op offers residential, agricultural, commercial, industrial and custom rebates. Remember, appliances must be Energy Star rated to qualify for a rebate.
- **OUTAGE MAPS.** View real-time power outages on your computer, smart phone or tablet.
- **ACCOUNT MANAGEMENT.** View and manage your electric account online by visiting SmartHub on MiEnergy's website.

Social Media

Keep up-to-date with news and information regarding your local electric cooperative. Find outage information, energy saving tips, pictures, co-op news and legislative efforts just to name a few things. Like and follow @MiEnergyCoop on Facebook, Twitter, Instagram and YouTube. #MiEnergyCooperative #spotusinorangeandgray



Bring this registration card to the Annual Meeting for your chance to win a prize.

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COOPERATIVE

Your Touchstone Energy® Cooperative 

IOWA PO Box 90, Cresco, IA 52136
MINNESOTA PO Box 626, Rushford, MN 55971

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DPC

New location!

See you at the
Mabel Community
Center on
Wednesday, April 19.

Card must be turned in by
7 p.m. to be eligible for the prize



shall be maintained. The office in Rushford
ated as the official business headquarters off
of merger: (1) The two cooperatives shall be
erative, that being MiEnergy, the survivor e

HAWKEYE REC, CRESCO, IOWA | TRI-COUNTY ELECTRIC COOPERATIVE, RUSHFORD, MINNESOTA

A NEW LEGACY

HAWKEYE REC 2016

230,888,996 | kilowatt-hours sold

2,118 | miles of line maintained

6,799 | number of meters served

\$25,109,626 | operating revenue

\$16,446,700 | cost of purchased power

TRI-COUNTY ELECTRIC COOPERATIVE 2016

400,683,882 | kilowatt-hours sold

3,679 | miles of line maintained

15,874 | number of meters served

\$46,165,529 | operating revenue

\$30,538,537 | cost of purchased power



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