



SIoux VALLEY
ENERGY A Touchstone Energy® Cooperative 



2022 ANNUAL REPORT

Serving Our Members. *Always.*

BOARD OF DIRECTORS



Gary Fish
Board President
Brandon, S.D.
District 6 Director



Dan Leuthold
Board Vice President
Ellsworth, Minn.
District 8 Director



Dave Daniel
Board Treasurer
Wentworth, S.D.
District 4 Director



Don DeGreef
Board Secretary
Brookings, S.D.
District 1 Director



Rodney DeMent
Board Member
Humboldt, S.D.
District 7 Director



Dr. Leslie Heinemann
Board Member
Flandreau, S.D.
District 3 Director



Gregg Johnson
Board Member
Pipestone, Minn.
District 9 Director



Mark Rogen
Board Member
Garretson, S.D.
District 6 Director



Lucas Roskamp
Board Member
Jasper, Minn.
District 10 Director



Ann Vostad
Board Member
Volga, S.D.
District 2 Director



Allan Weinacht
Board Member
Colton, S.D.
District 5 Director

CONTACT US

Outages:
800.234.1960
Member Services:
877.511.8062
Address:
47092 SD Hwy 34
Colman, SD 57017



STRATEGIC LEADERSHIP TEAM



Tim McCarthy
General
Manager/Chief
Executive Officer



Debra Biever
Vice President
of Human
Resources And
Member Services



Carrie Vugteveen
Vice President of
Public Relations



Jason Maxwell
Chief
Financial
Officer



Ted Smith
Vice President
of Engineering
and Operations



Justin Moose
Vice President of
Technology



Brenda Schelhaas
Executive
Assistant

Growth Continues for Sioux Valley Energy

Sioux Valley Energy had an exceptionally busy year in 2022. The Co-op received over 600 new service requests. We constructed or replaced 111 miles of line and took nearly 284,000 phone calls from members. More than 900,000 megawatt hours were purchased from our power suppliers and we returned over \$2 million dollars in capital credits to the membership. Those are some pretty large numbers that are very telling of the growth the Cooperative is seeing within its service territory.

Beneficial electrification continues to be a concept that Sioux Valley Energy promotes and educates on. A new community solar project was unveiled in 2022 and we just broke ground. The solar array will have 140 panels with a total capacity of 60 kW and a maximum output of 50 kW. Members of SVE had the opportunity to purchase the output of one or more panels in the form of a 20-year subscription where the output is credited to their bill every month. We sold all 140 panel subscriptions.

While 2022 could be deemed a successful year for the Cooperative, the year wasn't without its challenges. A derecho hit the SVE system in May of 2022, knocking out power to thousands. At the height of the storm, SVE had 12,000 members without power and in total, throughout a five day period, the Cooperative had over 23,000 members out of power at one point or another. The longest duration for some members was around five days. Over 4,400 calls came into Sioux Valley Energy Thursday through Monday after the storm, compared to 450 during the same time period on a normal week. An additional



Gary Fish
Board President

Tim McCarthy
General Manager/CEO

60 field personnel from other co-ops and contractors traveled to the SVE service territory to help with the restoration efforts. Storm losses came in at \$4.1 million.

We are pleased to report that the Cooperative is in strong financial condition, holding rates steady both in 2022 and now in 2023 through the help of deferred revenue. This is notable given the supply chain issues, increasing labor costs, and higher interest rates we have seen moving into 2023. We do anticipate rate adjustments in the future but hope to hold them to a minimum.

We are grateful to our employees who work day in and day out to serve our members, always. We are also thankful to our members' support for and engagement with the Cooperative. As always, we look forward to serving you in 2023 and beyond.

2022 ANNUAL MEETING MINUTES

Minutes of the Annual Meeting

of the membership of the Sioux Valley-Southwestern Electric Cooperative, Inc.

June 7, 2022

Pursuant to notice having been given on the 18th day of May 2022, the annual meeting of the members of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba Sioux Valley Energy) was held on Tuesday, June 7, 2022 at the Sioux Falls Convention Center, Sioux Falls, SD. A member appreciation event featuring The Abbey Road Band was held in conjunction with the meeting.

Carrie Vugteveen, Vice President of Public Relations, gave the invocation and Cathy Strand, a Sioux Valley Energy member from Brookings, led the National Anthem.

Carrie Vugteveen introduced the members of the Sioux Valley Energy Board of Directors.

Carrie Vugteveen welcomed former employees and directors, special guests/dignitaries, legislators, G&T representatives, and the Sioux Valley Energy Operation Round Up directors.

The business meeting was called to order at 7:10 p.m. by Board Vice President Dan Leuthold, who presided as Chairperson, and Don DeGreef, Board Secretary, acted as Secretary for the meeting.

The Secretary presented the Notice of the Meeting and the Proof of Mailing and reported that a quorum was present with 373 members registered. A motion was made by Rodney DeMent and seconded by Henning Hansen to approve the minutes of the June 8, 2021 annual meeting as printed in the 2021 Annual Report. The motion carried.

Dave Daniel, Board Treasurer, presented the treasurer's report for 2021. A motion was made by Arlyn Zylstra and seconded by Greg Benda that the treasurer's report be approved as presented. The motion carried.

Chairperson Leuthold recognized Cooperative Attorney Alan Peterson who is retiring this year. Attorney Peterson served as Sioux Valley Energy's legal counsel for 16 years.

GENERAL MANAGER/CEO REPORT/ EMPLOYEE AWARDS

The management report was presented by General Manager/CEO Tim McCarthy. As part of the management report, Manager McCarthy recognized the following Sioux Valley Energy employees for their years of service with the Cooperative:

- Lori George, Public Relations Coordinator – 25 years
- Lisa Johnson, Accountant – 25 years
- Justin Moose, Vice President of Technology – 25 years
- Ryan Olson, Right-of-Way Specialist – 25 years.

Manager McCarthy recognized the students who will be part of the next EmPOWER Youth Leadership Program.

ADJOURNMENT

There being no further business to come before the meeting, Dan Leuthold declared the meeting adjourned at 7:25 p.m.

Don DeGreef, Secretary

2022 HIGHLIGHTS



← EMPLOYEES CONNECTED

Through the Co-op's Community Connections program and O.N.E. W.A.Y. program, Co-op employees performed hundreds of hours of community service throughout the region. Among the projects employees participated in was preparing meal boxes at Feeding South Dakota.



→ SAFETY RECOGNIZED

Members of Sioux Valley Energy's Safety Steering Committee received a Meritorious Achievement Award for the Co-op's safety culture. The award was presented during the South Dakota Safety Council's Governor's Workplace Safety Awards luncheon.



↑ DERECHO DAMAGE FELT THROUGHOUT TERRITORY

A derecho whipped through Sioux Valley Energy's service territory on May 12, leaving a 50 mile by 100 mile damage path. At the height of the storm, SVE had 12,000 members without power. The longest duration for some members was five days. More than 4,400 calls came into SVE from Thursday through Monday after the storm.



→ SAFETY DAY 2022

More than 700 people attended Sioux Valley Energy's second Safety Day event at the Brandon Service Center. While at the event, they learned about electrical safety and much more. Booths included electrical demonstrations, driving simulators, Call Before You Dig, UTV safety, fire trucks, police cars, an ambulance, bike safety and vaping/smoking prevention education.



↑ NATIONAL DRIVE ELECTRIC WEEK RIDE AND DRIVE HELD

Sioux Valley Energy's Beneficial Electrification Department hosted the second annual Sioux Falls Area Ride and Drive and Electric Vehicle show in September at the W.H. Lyon Fairgrounds in Sioux Falls. Assisting with the sponsorship were Southeastern Electric Cooperative, East River Electric Power Cooperative, Xcel Energy, and the City of Sioux Falls.



← EMPOWER REBOOT

In the Fall of 2022, 40 teenagers started their journey with EmPOWER Youth Leadership. During four sessions held in the 2022-23 school year, students developed a comprehensive understanding of cooperatives while developing their leadership skills in a fun, interactive, and challenging way. Participants learned about the cooperative business model, explored career options, and more.

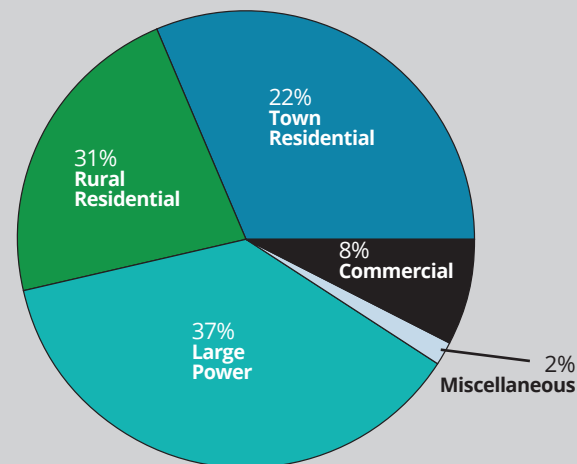
FINANCIALS

SIOUX VALLEY ENERGY STATEMENT OF OPERATIONS

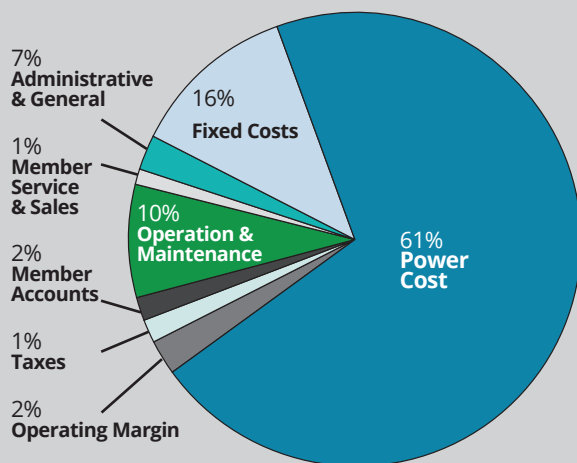
For Years Ended December 31, 2022 and December 31, 2021

	2022	2021
Operating Revenues:		
Revenue from Electric Sales	\$92,637,236	\$91,851,633
Total Operating Revenue	92,637,236	91,851,633
Operating Expenses:		
Cost of Power	56,807,142	57,977,676
System Operations and Maintenance	10,078,185	8,574,251
Member Accounts Expense	1,854,397	1,685,256
Member Service and Sales Expense	1,002,342	787,478
Administrative and General Expense	5,980,441	5,107,198
Depreciation	7,719,748	7,263,567
Interest	5,953,105	5,757,767
Taxes	1,343,608	1,273,775
Other Expense	111,827	67,268
Total Operating Expenses	90,850,795	88,494,236
Operating Margins	1,786,441	3,357,397
Non-operating Margins		
Merchandising	(673,240)	(576,892)
Interest Income	214,095	190,080
Gain (Loss) on Sale of Equipment or Property	(50,394)	(20,980)
Total Non-operating Margins	(509,539)	(407,792)
Capital Credits from Associated Organizations	7,630,264	3,589,586
Net Margins	\$8,907,166	\$6,539,191

2022 Revenue Categories



How the Dollars Were Spent in 2022



2022 BY THE NUMBER

SIOUX VALLEY ENERGY BALANCE SHEET

December 31, 2022 and 2021

	2022	2021
Assets:		
Distribution and General Plant	\$298,146,501	\$274,089,523
Less Depreciation	60,602,258	56,028,275
Net Plant	237,544,243	218,061,248
Operating ROU Asset	240,374	
Less: Amortization	56,066	
Net ROU Asset	184,308	
Investments	59,622,779	55,194,098
Current Assets:		
Cash and Cash Equivalents	7,619,107	8,012,353
Accounts Receivable	11,244,429	10,063,726
Inventory	9,361,971	7,076,490
Other Current Assets	823,085	741,239
Total Current Assets	29,048,592	25,893,808
Deferred Debits	503,476	470,355
Total Assets	\$326,903,398	\$299,619,509
Equities:		
Patronage Capital	103,455,226	97,131,730
Other Equities	4,583,636	4,266,197
Total Equities	108,038,862	101,397,927
Liabilities:		
Long-term Debt	191,216,967	175,588,212
Current Liabilities		
Current Maturities of Long-term Debt	7,685,000	6,702,000
Notes Payable	58,669	-
Accounts payable	8,100,930	6,220,443
Other Current and Accrued Liabilities	5,148,562	5,949,974
Total Current Liabilities	20,993,161	18,872,417
Other Liabilities		
Member Deposits	921,602	689,521
Deferred Credits	5,732,806	3,071,432
Total Equities and Liabilities	\$326,903,398	\$299,619,509

1,004

new meters
added



28,506

total services

864

rebates to
members totaling

\$1,092,428

for energy efficiency



\$1.6

million
in savings from
load management

\$2.57

million
capital credit/estate
retirement



\$92.6

million
total operating
revenue

111

miles
of line constructed



total utility
plant reaches

\$286.8
million

759

average
outage minutes



99.85%

reliability



897

million
kWhs Sold

109

employees



SERVING OUR MEMBERS. *Always.* **SIoux VALLEY ENERGY EMPLOYEES**



Cole Anderson	Chinelle Christensen	Chris Graff	Brenda Kleinjan	Justin Moose	Brenda Schelhaas
Paul Anderson	Jan Christiansen	Sheila Gross	Holly Kruger	Craig Namken	Tim Schoolmeester
Deborah Barger	Matthew Determan	Ryan Gruber	Toni Kruger	Steve Neises	Tom Sebert
Bruce Barrick	Ross Dixon	Kim Hansen	Parker Kuchta	LeAnn Nelson	Matt Seivert
Eliza Barron	Tanner Donelan	Kim C Hansen	Jim Kuyper	Michele Nielson	Nicolas Smith
Matthew Behlings	Dan Doyle	Sarina Hanson	Chad Lade	Michael Oines	Ted Smith
Debra Biever	Tim Durst	Sharla Haugen	Brandon Lane	Ryan Olson	Kyle Thomson
Joshua Bjorklund	Steven Dvergsten	Melissa Hennings	Jason Langford	Elliot Ostercamp	Michael Uhing
Brian Bjorum	Jake Dybedahl	Daren Hoffer	Gwen Larsen	Garth Park	Derry Van Hofwegen
Angela Boughton	Terry Ebright	Amanda Hoffman	Jody Lebahn	Stacey Pierce	Amy Voelker
Kim Brendsel	Josh Entzel	Jeffery Huebner	Kara LeBrun	Ben Pierson	Larry Voss
Kim Brown	Tim Fey	Ryan Hyland	Derek Locke	Terry Plecity	Carrie Vugteveen
Shawn Bruns	Dana Foster	Adrian Ilchuk	Jordan Long	Trevor Reif	Joan Wangberg
Jay Buchholz	Peyton Friesz	David Jensen	Casey Lowe	Tony Remund	Michele Wanner
Derek Bundesen	Cody Fritz	Lisa Johnson	Jace Martens	Jeremy Rollag	Chad Williams
Cody Bunkers	Reggie Gassman	Nolan Johnson	Jason Maxwell	Jager Rus	Molly Williams
Molly Burmeister	Jim George	Robert Johnson	Tim McCarthy	Jason Sage	Kendra Wire
Heather Buss	Lori George	Joshua Kearin	Brian Meyer	Paul Schamber	Sandy Zwart
Alex Christensen					

Sioux Valley Energy is an equal opportunity provider and employer.