

# ★ 2025 ★ ANNUAL REPORT ★



**SIoux VALLEY**  
**ENERGY** A Touchstone Energy® Cooperative

★ Colman ★ Brandon ★ Pipestone ★ Hartford ★

ANNUAL REPORT of Sioux Valley-Southwestern Electric Cooperative, Inc.,  
PO Box 216, 23491 471st Ave, Colman, SD 57017

## BOARD OF DIRECTORS



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



**Dave Daniel**  
Board Vice President  
Wentworth, S.D.  
District 4 Director



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



**Ann Vostad**  
Board Treasurer  
Volga, S.D.  
District 2 Director



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



**Gary Fish**  
Board Member  
Brandon, S.D.  
District 6 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



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

### CONTACT US

**Outages:**  
800.234.1960  
**Member Services:**  
877.511.8062  
**Address:**  
23491 471st Ave  
Colman, SD 57017



<https://www.siouxvalleyenergy.com>

## STRATEGIC LEADERSHIP TEAM



**Tim McCarthy**  
General Manager /  
Chief Executive Officer



**Jason Maxwell**  
Chief Financial Officer



**Kimberlee Hansen**  
Vice President of Human Resources and Member Services



**Justin Moose**  
Vice President of Technology



**Ted Smith**  
Vice President of Engineering and Operations



**Carrie Vugteveen**  
Vice President of Public Relations



**Brenda Schelhaas**  
Executive Assistant



## MEETING THE DEMAND

Sioux Valley Energy's legacy (residential, farm, and business) membership surpassed the 30,000 mark in 2026 and is expected to nearly double within the next 25 to 30 years. While the growth rates are impressive; the amount of electricity each member consumes is equally as remarkable. The average electricity use for SVE farm members in 1950 was only 213 kWh per month. Today's average for rural residential members is 1,693 kWh per month!

To meet our legacy members' reliability expectations and electrical needs, SVE and its power suppliers are making huge system investments. Those investments include building new power plants and larger transmission and distribution lines to provide the power that our legacy membership needs available around the clock. Those investments, while crucial, do come at a cost.

SVE members have experienced three years of back-to-back rate increases and more are anticipated moving forward. Those rate pressures are primarily driven by higher power supply costs. We are budgeting an approximate \$9 million increase in the cost of power in 2026. SVE is also facing rate pressure from the distribution (local) side of the system with higher costs for nearly everything including materials, fleet, tools, equipment, transformers, line, financing, etc. The combination of these factors has led to higher electric rates for members.

As costs continue to rise, it has become imperative that SVE adjust the structure of its residential and general service electric bills to more closely align with how the Cooperative is charged by its power suppliers. Approximately half of SVE's power bill from its suppliers comes from demand charges. In fact, SVE paid more than \$32 million in demand last year. Depending on the time of year, between 50 and 70 percent of those demand costs can be attributed to our residential and general service members.

Right now, residential and general service members pay a blended rate – meaning that demand is combined with



**Dan Leuthold**  
Board President



**Tim McCarthy**  
General Manager/CEO


energy and basic service charges. In 2027, Sioux Valley Energy will move away from rate blending and break out all components, including a dedicated charge for demand.

We understand that our members are facing increasing costs in all areas of their lives, including the cost of electricity. No one wants to see their electric bills go up or the structure of those bills change. However, to effectively serve the membership, adjustments will be necessary.

While we can't change the fact that costs are increasing, we can make a commitment to you that we will always be focused on our members.

That commitment includes a dedication to safe and reliable electricity; service excellence; concern for community; and transparency in all that we do.

It's a pledge of responsible preparation; steady leadership; and continued stewardship.

 Our unwavering commitment during times of both opportunity and challenges is to Serve Our Members. *Always*. It's what we do. It's how we live.

Watch the SVE Commitment Video <https://www.siouxvalleyenergy.com/about-sioux-valley-energy>

# MINUTES OF THE ANNUAL MEETING OF THE MEMBERSHIP OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.

June 10, 2025

Pursuant to notice having been given on the 19th day of May 2025, the Annual Meeting of the members of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba Sioux Valley Energy) was held on Tuesday, June 10, 2025 in three locations. The main meeting site was at West Central High School, Hartford, SD with remote meeting sites at Sioux Valley School, Volga, SD and Generations Event Center, Luverne, MN. A member appreciation event featuring a meal and bingo was held in conjunction with the meetings in all three locations.

Carrie Vugteveen, Vice President of Public Relations, welcomed the remote meeting sites in Volga and Luverne and the members watching via livestream.

Carrie Vugteveen then introduced Travis Kuehl, Hartford City Council President, who offered an official welcome to all Sioux Valley Energy members.

Jason Maxwell, CFO, thanked the Bingo callers from the Volga Legion, Luverne Eagles Club, and Hartford American Legion Post 118. He also thanked the serving groups and Tony's Catering.

Jason Maxwell gave the invocation. Justin Moose, Vice President of Technology, introduced the West Central High School Choir who sang the National Anthem.

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

Carrie Vugteveen welcomed former employees and directors, and special guests/dignitaries.

The business meeting was called to order at 7:17 p.m. by Board President Dan Leuthold, who presided as Chairperson, and Donald 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 448 members registered. A motion was made by Janice Wilson and seconded by Sandy Winter to approve the minutes of the June 11, 2024 Annual Meeting as printed in the 2024 Annual Report. The motion carried.

Ann Vostad, Board Treasurer, presented the treasurer's report for 2024. A motion was made by Richard Ankeny and seconded by Greg Benda that the treasurer's report be approved as presented. The motion carried.

## 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:

- Terry Ebright, Manager of Safety - 25 years
- Gwen Larsen, Receptionist - 25 years
- Reggie Gassman, Beneficial Electrification Specialist - 25 years
- Dana Foster, Customer Electrical Services Technician - 25 years
- Tony Remund, Lead Journey Lineworker - 30 years
- Paul Anderson, Journey Lineworker - 35 years
- Joan Wangberg, Member Services Representative - 40 years

Manager McCarthy recognized the students who will be part of the next EmPOWER Youth Leadership Program. He also introduced the EmPOWER scholarship recipients for this past school year.

## ADJOURNMENT

There being no further business to come before the meeting, Dan Leuthold declared the meeting adjourned at 7:36 p.m.

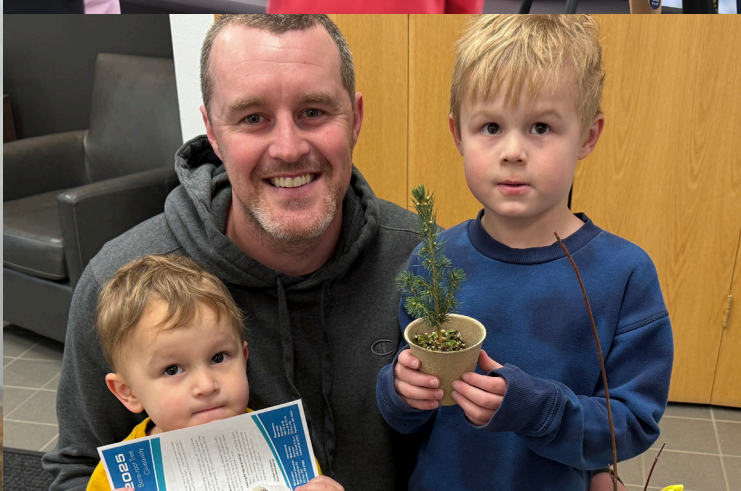
Donald DeGreef, Secretary



**Don DeGreef**  
Board Secretary



Sioux Valley Energy was busy in 2025 from fully integrating all of its Minnesota members into the cooperative power supply system to classroom education efforts, a Safety Day event, Co-op Month activities, a three-location annual meeting, and the yearly tree giveaway. In addition, employees gave back to area communities through volunteer efforts and members provided more than \$135,000 to worthy causes by rounding up their electric bills through Operation Round Up®.





★ By the **NUMBERS**  
**34** miles of line constructed

**111** dedicated employees

**811** new meters

**30,557** total services

**706** members received rebates

**\$1.85 million**  
savings from load management

**\$893,676**  
spent on energy efficiency programs

**\$114.39 million**  
total operating revenue

**\$385 million** total utility plant

**99.989%** rate of reliability

**60.44** average outage minutes

**960 million** kWhs sold

**\$2.9 million**  
capital credit/estate retirement

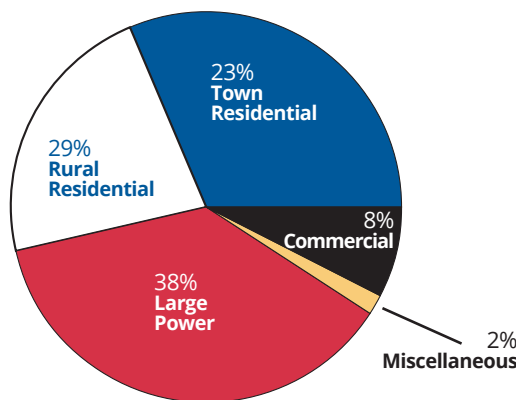


**SIOUX VALLEY ENERGY**  
**STATEMENT OF OPERATIONS**

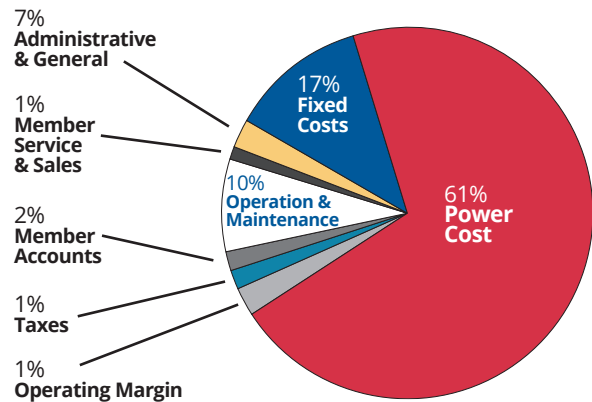
For Years Ended December 31, 2025 and December 31, 2024

	2025	2024
<b>Operating Revenues:</b>		
Revenue from Electric Sales	\$114,390,199	\$103,538,442
<b>Total Operating Revenue</b>	<b>\$114,390,199</b>	<b>\$103,538,442</b>
<b>Operating Expenses:</b>		
Cost of Power	70,169,004	63,492,186
System Operations and Maintenance	11,252,244	10,663,894
Member Accounts Expense	2,197,330	2,005,599
Member Service and Sales Expense	1,252,961	1,149,761
Administrative and General Expense	7,737,203	6,982,666
Depreciation	9,869,401	9,047,034
Interest	8,416,494	7,421,774
Taxes	1,456,585	1,389,353
Other Expense	156,528	187,446
<b>Total Operating Expenses</b>	<b>\$112,507,750</b>	<b>\$102,339,713</b>
<b>Operating Margins</b>	<b>\$1,882,449</b>	<b>\$1,198,729</b>
<b>Non-operating Margins</b>		
Merchandising	(648,345)	(528,251)
Interest Income	391,714	303,307
Gain (Loss) on Sale of Equipment or Property	(80,256)	(56,917)
<b>Total Non-operating Margins</b>	<b>(336,887)</b>	<b>(281,861)</b>
<b>Capital Credits from Associated Organizations</b>	<b>5,455,590</b>	<b>4,823,827</b>
<b>Net Margins</b>	<b>\$7,001,152</b>	<b>\$5,740,695</b>

**2025 Revenue Categories**

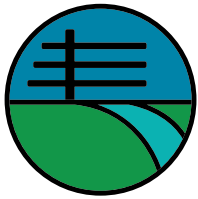


**How the Dollars Were Spent: 2025**



**SIOUX VALLEY ENERGY**  
**BALANCE SHEET** December 31, 2025, and 2024

	2025	2024
<b>Assets:</b>		
Distribution and General Plant	\$385,586,063	\$359,670,009
Less Depreciation	73,578,998	69,376,313
<b>Net Plant</b>	<b>312,007,065</b>	<b>290,293,696</b>
<b>Other Property and Investments</b>		
Investments	69,522,543	67,777,404
<b>Investments</b>	<b>69,522,543</b>	<b>67,777,404</b>
<b>Current Assets:</b>		
Cash	5,073,590	5,634,509
Accounts Receivable	11,815,127	10,472,045
Inventory	6,823,673	7,965,680
Other Current Assets	1,052,527	1,056,128
<b>Total Current Assets</b>	<b>24,764,917</b>	<b>25,128,362</b>
<b>Deferred Debits</b>	<b>1,167,565</b>	<b>1,483,733</b>
<b>Total Assets</b>	<b>\$407,462,090</b>	<b>\$384,683,195</b>
<b>Equities:</b>		
Patronage Capital	\$117,141,420	\$113,037,468
Other Equities	5,949,313	5,540,508
<b>Total Equities</b>	<b>123,090,733</b>	<b>118,577,976</b>
<b>Liabilities:</b>		
<b>Long-term Debt</b>		
	<b>244,126,383</b>	<b>211,774,556</b>
<b>Current Liabilities</b>		
Current Maturities of Long-term Debt	9,571,000	8,819,000
Notes Payable	13,000,000	28,000,000
Current Lease Liability - Operating	53,745	43,635
Accounts payable	7,347,841	7,486,223
Other Current and Accrued Liabilities	6,031,789	5,787,707
<b>Total Current Liabilities</b>	<b>36,004,375</b>	<b>50,136,565</b>
<b>Other Liabilities</b>		
Member Deposits	841,567	788,412
Deferred Credits	3,399,032	3,405,686
<b>Total Liabilities</b>	<b>284,371,357</b>	<b>266,105,219</b>
<b>Total Equities and Liabilities</b>	<b>\$407,462,090</b>	<b>\$384,683,195</b>



**SIoux  
VALLEY  
ENERGY**

A Touchstone Energy® Cooperative



★ Sioux Valley Energy Employees ★ As of May 1, 2026 ★

- |                  |                  |                  |                 |                  |                  |                  |
|------------------|------------------|------------------|-----------------|------------------|------------------|------------------|
| Cole Anderson    | Andrew Chmela    | Dana Foster      | Adrian Ilchuk   | Jordan Long      | Stacey Pierce    | Kit Talich       |
| Paul Anderson    | Alex Christensen | Peyton Friesz    | David Jensen    | Casey Lowe       | Terry Plecity    | Kyle Thomson     |
| Patricia Ball    | Chinelle         | Dean             | Lisa Johnson    | Jace Martens     | Trevor Reif      | Michael Uhing    |
| Eliza Barrón     | Christensen      | Fuerstenberg     | Robert Johnson  | Jason Maxwell    | Tony Remund      | Derry            |
| Matthew Behlings | Jan Christiansen | Reggie Gassman   | Joshua Kearin   | Tim McCarthy     | Jeremy Rollag    | Van Hofwegen     |
| Sam Berninzoni   | Travis Denison   | Chris Graff      | Brenda Kleinjan | Brian Meyer      | Jager Rus        | Amy Voelker      |
| Joshua Bjorklund | Brett Denman     | Sheila Gross     | Holly Kruger    | Justin Moose     | Jason Sage       | Larry Voss       |
| Brian Bjorum     | Matthew          | Ryan Gruber      | Toni Kruger     | Tyler Mutziger   | Paul Schamber    | Carrie Vugteveen |
| Angela Boughton  | Determan         | Kim Hansen       | Parker Kuchta   | Craig Namken     | Brenda Schelhaas | Joan Wangberg    |
| Eli Bowen        | Ross Dixon       | Kim C. Hansen    | Jim Kuyper      | Steve Neises     | Tim              | Michele Wanner   |
| Kim Brown        | Tanner Donelan   | Sarina Hanson    | Chad Lade       | Michele Nielson  | Schoolmeister    | Chad Williams    |
| Shawn Bruns      | Dan Doyle        | Sharla Haugen    | Brandon Lane    | Bry Nord         | Tom Sebert       | Molly Williams   |
| Jay Buchholz     | Tim Durst        | Landon Hazelton  | Jason Langford  | Kim O'Farrell    | Matt Seivert     | Kendra Wire      |
| Derek Bundesen   | Steven Dvergsten | Melissa Hennings | Gwen Larsen     | Michael Oines    | Karen Sherman    | Sandy Zwart      |
| Cody Bunkers     | Jake Dybedahl    | Daren Hoffer     | Jody Lebahn     | Ryan Olson       | Nicolas Smith    |                  |
| Molly Burmeister | Josh Entzel      | Amanda Hoffman   | Kara LeBrun     | Elliot Ostercamp | Ted Smith        |                  |
| Heather Buss     | Cathy Feste      | Ryan Hyland      | Derek Locke     | Garth Park       | Colton Spader    |                  |