

# New EPA Rules Threaten Affordability and Reliability



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The U.S. Environmental Protection Agency (EPA) recently issued its final rules on new environmental regulations that seek to put additional pressure on your electric rates and possibly impact the reliability of our electric system. This comes at a time when our members are already facing rate increases from higher costs of supplies, materials, financing, and power supply.

#### What are the new rules?

The new regulations further restrict carbon emissions, metals emissions, wastewater, and coal ash at power plants. There are already rules in place for the regulation of these things and our wholesale power supplier, Basin Electric, has invested more than \$2 billion as of 2022 into making sure they meet or exceed all environmental requirements under existing state programs. Now the game has changed, and the EPA wants power generators to implement a technology (carbon capture and sequestration) that, while promising, is not yet widely commercially available.

#### How will this impact me?

According to Basin Electric, the new EPA rules "attempt to force utilities into a decision to either install unproven, extremely expensive technology on an unrealistic timeline that relies on infrastructure that is not yet available, or prematurely retire power generation facilities". Those two choices – install expensive technology that may not work or shut down power plants well before they should be retired – are very concerning.

# What happens if we have to shut down power plants?

I will be frank...we will likely face reliability issues if we are forced to prematurely retire power generation facilities. There is an ongoing increase in demand for electricity as more consumers add electric appliances or equipment to their households and as various industries require more and more electricity. The national organization that advocates for Sioux Valley Energy members – the National Rural Electric

Cooperative Association (NRECA) – reports that "grid planners forecast electricity demand to grow by 38 gigawatts through 2028, the equivalent of adding another California to the grid". When you add that much demand to the system while simultaneously shutting down power plants that provide "base load" electricity (always on, 24/7) without replacing it with adequate base load resources, there will be reliability issues. Intermittent generation resources such as wind and solar offer good diversification to the overall mix, but they won't sufficiently replace base load generation.

#### Is there anything that can be done about this?

While the new rules have been finalized, the compliance period begins in 2026 when states must have plans in place dealing with emissions requirements, so power generators such as Basin Electric will need to work towards meeting the new regulations. However, NRECA filed a lawsuit on April 9 challenging the EPA over its unlawful power plant rule and South Dakota's Attorney General and another two dozen states have also filed suit against the EPA for similar reasons. These lawsuits will seek to put the regulations on hold until the courts decide on the merits of the arguments and legality of the rules.

Sioux Valley Energy is concerned about these new regulations because we believe we need an "all of the above" strategy, utilizing BOTH existing fossil fuel (coal/natural gas) and carbon-free resources such as hydro, wind, and solar. Basin Electric's existing fossil-fuel generating plants have a lot of life left in them. The premature shut-down of generation facilities would negatively impact Sioux Valley Energy members through rates and reliability.

For more detailed information on the new regulations, you can go to the EPA's webpage: https://www.epa.gov/stationary-sources-air-pollution/greenhouse-gas-standards-and-guidelines-fossil-fuel-fired-power.

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(USPS No. 497-440)

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Sioux Valley Energy Cooperative Connections is the monthly publication for the members of Sioux Valley Energy, PO Box 216, Colman, SD 57017. Families subscribe to Sioux Valley Energy Cooperative Connections as part of their electric cooperative membership. The purpose of Sioux Valley Energy Cooperative Connections is to provide reliable, helpful information to Sioux Valley Energy members on electric cooperative matters and better living.

**Subscription information:** Sioux Valley Energy members devote 50 cents from their monthly electric payments for a subscription. Non-member subscriptions are available for \$12 annually. Periodicals Postage Paid at Colman, SD 57017 and at additional mailing offices.

POSTMASTER: Please send address changes to *Sioux Valley Energy Cooperative Connections*, PO Box 216, Colman, SD 57017; telephone 605-534-3535; toll free 800-234-1960.

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# DELL RAPIDS SENIOR WINS BASIN ELECTRIC SCHOLARSHIP

Luke Schoolmeester of Dell Rapids has received a \$1,000 scholarship from Basin Electric Power Cooperative (BEPC) designated for dependent children of cooperative employees within the Basin Electric membership. He is the son of Sioux Valley Energy staking engineer Tim Schoolmeester and Jenny Schoolmeester.

Each year, Basin Electric awards more than \$170,000 in



scholarships. A majority of these (136) are awarded to children of cooperative members. (Sioux Valley Energy's winners were named in the May issue of this publication.) An additional 40 scholarships are awarded to the children of BEPC and its subsidiary employees, and dependents of cooperative employees.

Schoolmeester attends Dell Rapids High School and plans to attend South Dakota State University to major in mechanical engineering or architecture.

# Scholar of the Year

Sioux Valley Energy celebrated its Touchstone Energy® Scholars at the annual Scholar of the Year banquet held at South Dakota State University's McCrory Gardens at the end of April. John Mortrude of Dell Rapids High School and Kadence Bowne of Deubrook High School were on hand for the event.

SDSU President Barry Dunn spoke to the group.

Congratulations to all of the talented young people who were chosen as a Touchstone Energy Scholar of the Week throughout the school year.



# Prepare Your Family for Fire Emergencies

In only a matter of minutes, a small house fire can rage out of control, reaching temperatures of up to 1,500°F. In most cases, you have one to two minutes to get out safely.

We practice fire emergency drills at work and school, but don't forget to create and practice a home escape plan, as well. It is beneficial to keep your plan visible, like on the refrigerator, to help family and visitors remember what to do. The Federal Emergency Management Agency (FEMA) stresses that even children as young as three years old can understand an escape plan.

#### **Helpful Planning Tips:**

- Plan for two ways to escape from each room.
- Pick a meeting location away from your home.
- Plan for everyone in your home, including babies and others who may need help to escape.
- Teach children not to hide during a fire; they must get out and stay out.



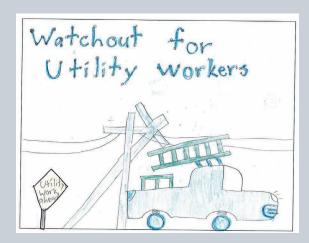
 Practice your escape drill with everyone in your family at least twice a year.

#### Ways to Stay Safe:

- Clear toys, furniture and other clutter from exits.
- Check that windows open easily fix any that stick.
- Test the batteries in your smoke alarms monthly.
- Be sure that security bars on doors and windows have a quick-release latch, and everyone knows how to open them.

#### **Special Considerations for Apartment Buildings:**

- If you live in a multi-story apartment building, map out as many escape routes as possible to get to the stairways on your floor.
- If you live in a high-rise, plan to use the stairs never the elevator to escape a fire.
- A secondary route might be a window onto an adjacent roof or a collapsible ladder for escape from upper-story windows – purchase only collapsible ladders evaluated by a nationally recognized laboratory, such as Underwriters Laboratory (UL).

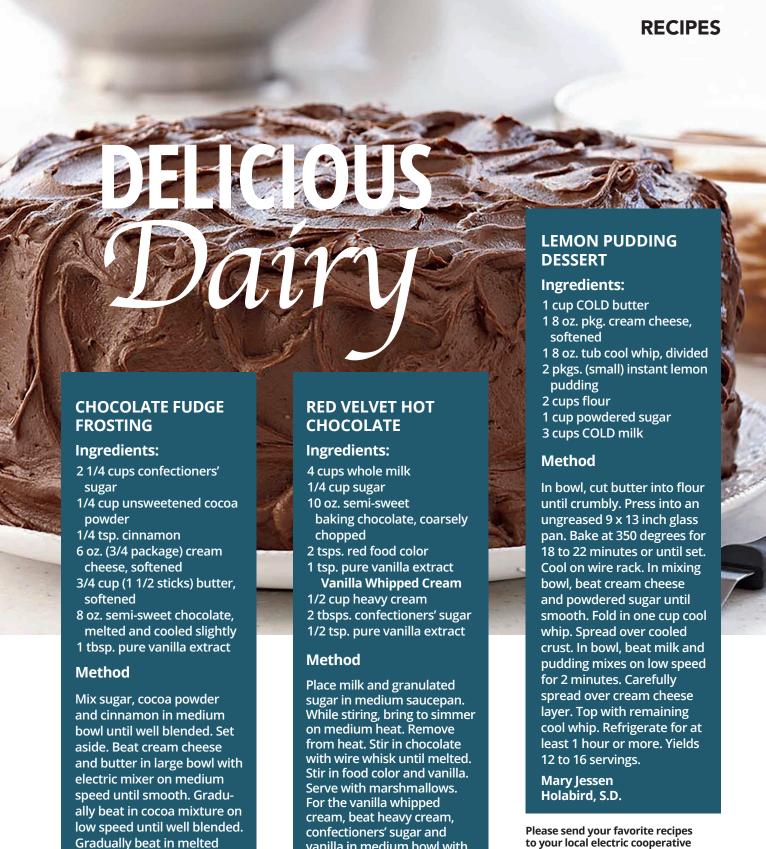


#### **Stay Away from Power Lines**

#### Reese Rindels, Age 9

Reese Rindels cautions readers to watch out for utility workers. Reese's parents are Rochelle and Kyle Rindels, members of Sioux Valley Energy.

Kids, send your drawing with an electrical safety tip to your local electric cooperative (address found on Page 3). If your poster is published, you'll receive a prize. All entries must include your name, age, mailing address and the names of your parents. Colored drawings are encouraged.



confectioners' sugar and vanilla in medium bowl with electric mixer on high speed

McCormick.com

until stiff peaks form.

chocolate then vanilla until

well blended.

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to your local electric cooperative (address found on Page 3). Each recipe printed will be entered into a drawing for a prize in December 2024. All entries must include your name, mailing address, phone number and cooperative name.

# **Grow Your Summer Energy Savings**



Sheila Gross
Energy Services
Specialist

Contact Sheila Gross at sheila.gross@ siouxvalleyenergy. com to learn more. Check out our rebates and incentives here: Are you ready to grow your summer energy savings? Let's explore five ways to beat the heat and save money!

Raising your thermostat by even one degree during the summer months is an easy way to save energy and lower your bill. The Department of Energy estimates savings of about 1% for each degree of thermostat adjustment per eight-hour period. Programmable thermostats are a great tool to conveniently manage your settings.

Window coverings can enhance the esthetics of your home and help save energy. Coverings like blinds, shades, and curtains can be used to block unwanted heat gain from the summer sun. Be strategic about which coverings you open and close throughout the day. To let the natural light in, open the coverings on windows that don't get direct sunlight.

Summertime is a great time to work on your weatherization to-do list. Weatherizing your home improves comfort and energy savings all

year-round. According to Energystar.gov, air leaks around windows and doors and insufficient insulation can waste 20% or more of the energy used to heat or cool a home. Caulking and weatherstripping are simple, low-cost projects.

Ceiling fans can make you feel a few degrees cooler as the summer temperatures rise. Operate fans in a counterclockwise direction for maximum cooling. Remember, ceiling fans cool people, not rooms, so turn them off in unoccupied rooms.

Hot water plays an important role in everyone's life and is typically the second largest energy expense in a home. You can reduce your bills by turning down the water heater thermostat to 120 degrees, insulating hot water lines, and conserving hot water usage.

Sioux Valley Energy offers energy audits if you are looking for additional ways to grow your energy savings.



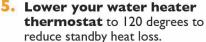
# 5 WAYS TO SAVE THIS SUMMER

When summer temperatures rise, so do our energy bills. Here are a few ways you can reduce energy use and grow your summer savings.

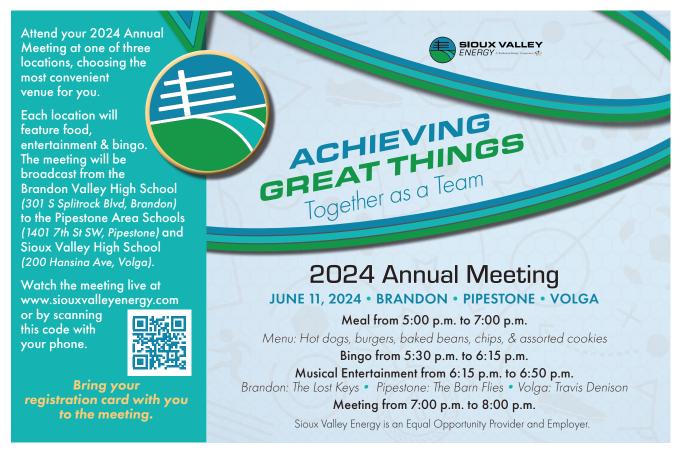
- Raise your thermostat.
  The smaller the difference between the indoor and outdoor temp, the more you'll save.
- Install window coverings like blinds or light-blocking curtains to prevent indoor heat gain during the day.

Source: Dept. of Energ

- Seal leaks with caulk and weatherstripping around windows and exterior doors. Air leaks force your air conditioner to work harder and run longer than necessary.
- Run ceiling fans for additional cooling but turn them off when you leave the room.







# **ANNUAL MEETING SET FOR JUNE 11**

#### Meeting to be held concurrently in Brandon, Pipestone, and Volga

Sioux Valley Energy's Annual Meeting will look similar to last year's with members attending in three different locations.

The Annual Meeting will take place on Tuesday, June 11, with a complimentary meal running from 5:00 p.m. to 7:00 p.m. Bingo will begin at 5:30 p.m., and local



musical entertainment will start at 6:15 p.m. with the meeting portion of the evening following at 7:00 p.m.

The main meeting site will be located at the Brandon Valley High School in Brandon, S.D., with two remote locations at Sioux Valley School in Volga, S.D., and the Pipestone Area High School in Pipestone, Minn. Members who are not able to attend can watch the meeting on a livestream that will be broadcast on the Sioux Valley Energy website. Scan the QR code above to access the livestreamed version.

Members will receive an invitation postcard (above) in the mail prior to the meeting.

Entertainment will be unique to each location with The Lost Keys performing in Brandon, The Barn Flies in Pipestone, and Travis Denison in Volga.

A copy of the Cooperative's 2023 Annual Report is inserted into this edition of the newsletter.



# South Dakota's Century Farms

**Shannon Marvel** 

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# Soukup Homestead: Raising families and farmers for over 125 years

Nestled in the heart of southcentral South Dakota lies a cherished piece of land with a name that's been long-established in Charles Mix County – the Soukup Homestead.

Almost anyone with Wagner ties knows a Soukup.

There are even a few members of the Soukup family who are also part of South Dakota's rural electric cooperative family, including Charles Mix Electric District 1 Director Denise Soukup.

But it all had to start somewhere, and good things take time.

That was the case for the Soukup's Century Farm and the Gronseth/Fiegel/Nelson/Evans homestead, a farm located near Britton that's served by Lake Region Electric.

Really, it's a common theme for Century Farm families to be located within rural electric cooperative service areas.

The South Dakota Farm Bureau and the South Dakota Department of Agriculture and Natural Resources began the Century Farm Program in 1984 to recognize farm and ranch families who have kept the farm in the family for 100 years or more.

Farms reaching the milestone of 125 years, known as

Quasquicentennial Farms, and the venerable Sesquicentennial Farms, marking an impressive 150 years, are also given their due recognition.

With over 3,000 families honored to date, the program continues to shine a light on the enduring legacy of South Dakota's agricultural heritage. To qualify for these prestigious honors, farms must encompass at least 80 acres and provide documented proof of their original purchase date. That means a family member must have always had ownership of the land over the last 100 years, including during the Great Depression and Dust Bowl.

The annual award presentation is a cherished tradition held at the South Dakota State Fair.

After migrating with family from what is now known today as the Czech Republic in the late 1800s, Joseph and Mary Soukup



Tom Soukup stands beside his Farmall Red International Harvester 460 tractor. *Photo courtesy of Linda Soukup* 

came to the Dakota Territory at a time when most of the land open for settlement had already been settled.

While living in Tabor with family, Joseph Soukup applied for a homestead on reservation land that was now open for settlement at the U.S. Land Office in town of Mitchell on Jan. 30, 1896.

"In the following five years he built a frame house 13 feet by 18 feet in order to establish a residence, then a grainery, a corn crib, and he also fenced in 80 acres," said Linda Soukup, the wife of Tom Soukup. Her husband is Joseph and Mary's grandson.

Joseph and Mary raised ten children on the very homestead that Tom and Linda raised their kids.

"There's a lot of pride in the heritage and the legacy of, you know, having it passed down," Linda said. A new house was built on the site of Joseph and Mary's original home's structure in 1952.

That's where Tom and Linda lived and became the third generation to live on the homestead.

"When we lived here and Tom's parents and their brothers and sisters used to all come here," Linda said, as she started walking towards one of the farm buildings on the property referred to as "the shed."

"And they would butcher hogs and cattle and we would process them down there. We had a meat cooler in the basement. And then one of the families owned the meat saw and one owned the sausage stuffer," she recalled. "That was always kind of what we did until, well, families got bigger, and you couldn't. You just couldn't keep up, you know? We could have had a critter in there all the time," she said.

Tom and Linda raised their children -Becky, David, Kathy and Mary - in the house as well.

Their son David works as a project engineer for Phillips Petroleum in Texas. Two of their daughters live in different towns but remain relatively close to the homestead.

Kathy Jaeger lives in Tyndall and Mary Ringling lives in Platte. In 1996, their daughter Becky and her husband, Mike

Brunsing were living in Montana when Tom and Linda decided to move into town, so in 1998 the Brunsings moved back to South Dakota and began helping Tom on the farm while living in the house.

Becky raised three children of her own in the house she grew up in herself.

Becky and Mike still live on the homestead but in a more recently built home.

Now her son Dylan, 28, is raising his own family in the 1952 farmhouse.

In doing so, he became the fifth generation on the homestead.

Dylan and his wife, Keely, have two sons - a 20-month-old and an infant born in late March.

#### After 126 years, Torger **Gronseth's homestead continues** to bring family together.

It's hard for Carol Evans to put into words how she feels when she reflects on the 126 years of history of her family's farm in Marshall County.

"It's so important to us," Evans said. Then she takes pause.

"I'm sorry, it's emotional for me," she says, before telling her family's - and the farm's – origin story.

In 1872, her great grandfather, Torger Gronseth, immigrated to America from Norway at only 14 years old.

He made the trip to join his eldest brother in Minnesota. He officially "staked his claim" and homesteaded in the Pleasant Valley Township of Marshall County in 1901.

Over the next two decades, Torger and his wife, Berthe Lea, amassed over 960 acres of undeveloped land in the Coteau de Prairie of northeastern South Dakota.

To each of their six children, Torger bequeathed a quarter of land.

The pioneering couple sold a quarter to their daughter, Louise, upon her marriage to George Fiegel for \$1.

While they were building the house that Carol and Frank Evans now call home, the Fiegels welcomed their first child.

"All of them were born in that house built in 1920. The first born was born on the actual homestead. The house was being built when my first aunt was born," Evans

Louise and George owned the house and quarter of land until 1972, at which point ownership was passed onto their daughter Joyce and her husband Orvin Nelson.

"We bought the house in 2011. Last year after my mom passed, we were able to buy the entire quarter," she recalled.

Carol and Frank then got to work refurbishing the 800-square-foot house.

The Evans live in Arizona in the fall, winter, and spring months, but spent years renovating the farmhouse over the course of several summers.

'We go back in May every year, and we've renovated the house from the chimney to the basement," Evans said.

Their summer stay at the farm begins with the help of Lake Region Electric Association.

"The first thing we do when we get there is turn the power on. Then we turn the water on and then we mow," she said.

The week over the Fourth of July holiday is especially meaningful to Carol. That's when her grandchildren make their pilgrimage back to the Gronseth/Fiegel/ Nelson/Evans homestead.

"They're always here around Fort Sisseton Days," Evans said.

The traditional agenda for the kiddos also includes picnics at Roy Lake, routine farm work, and touching up the paint on an American Flag pallet display located at the base of Torger Gronseth's tombstone.

"Every one of the kids has learned how to drive when they're back in South Dakota – because it's safe," Evans said.

Evans ensures the next generation knows their family history.

"They know their great grandpa was only 14 years old when he left Norway. The strength of the person to do that – the longevity of our genetic background, the struggle, and the fact that we're so fortunate – are something they'll understand," Evans said.

"And that it's home. It's never going to the farm. It's going home."

# IS YOUR INFO UP TO DATE?

#### **Contact Info Request**

Sioux Valley Energy is working to update all its members' contact information. If your account has been identified as missing information you will be contacted by a Member Services Representative over the next few months by letter and/or phone call. There

are multiple methods to update your account information – you may call Member Services directly at 877-511-8062 or return the paperwork sent with a letter.



#### WHY IS THIS INFO NECESSARY?

Sioux Valley Energy follows what is called the "Red Flag Rule" to protect its members from identity theft and fraud. This requires members to provide SVE certain identifying information (or a password in lieu of) to verify their identification when calling about their account. We are working to collect this information to protect our members. Additionally, on occasion, Sioux Valley Energy has to schedule planned outages, interrupting members' power so that line workers can safely accomplish their task of maintaining system reliability. When possible, lines are worked on while energized, but sometimes an outage must occur. Your Co-op sends alerts about such outages to members who will be affected. However, these messages can only be delivered if we have up-todate contact information.

The information that often needs updating is the primary and secondary phone numbers, email addresses, spouse's names, last names, and other identifying information that directly links you to your electric account.

#### **REGISTER ONLINE WITH SMARTHUB**

By registering for Sioux Valley Energy's online account system, SmartHub, you may change your notification methods to email or text. To download the SmartHub app, scan this code:





#### **ALLOCATION NOTICE INCLUDED IN JUNE BILL**

Sioux Valley Energy members will notice an extra sheet of paper with their June bill indicating the amount of their 2023 capital credit allocation. (Those receiving their bill via SmartHub can view the statement on line.)

Each year, after the Cooperative's financials have been audited and the Cooperative's books have been closed, the allocation is calculated for each member-owner.

Allocated capital credits appear as an entry on the permanent financial records of the Cooperative and reflect your investment in SVE. When capital credits are retired, a bill credit is issued to you (or check, if you no longer are a member), and your ownership in the Cooperative is reduced. The Board of Directors determines the amount and timing of capital credit retirements.

#### **ALLOCATION**

An allocation is made annually for each member based on the amount of electricity purchased. The allocation is the member's share of the net margins. The Co-op sets this money aside to be used as operating capital for improvements and maintenance over a period of years.



When a person establishes service with us, they become a member and are eligible for capital credits.

Capital credits represent a member's share of the Cooperative's margins during the time they have membership.





At the end of each year, any funds remaining after expenses (margins) are allocated to the member's account based on percentage of electricity purchased.

The allocated funds are used as operating capital for system improvements and maintenance until the Board of Directors retires capital credits.





Sioux Valley Energy strives to deliver affordable and reliable electricity to its more than 29,000 members. Part of that effort involves ensuring the right-of-way around power lines is clear. Tree limbs blowing into the lines can cause interruptions and lengthy outages. Additionally, safety is an issue when trees are too near the line. Since 2017, your Cooperative has had the Line Clearance Division of Friest Tree Experts of Harrisburg, S.D., do the vitally important work of tree trimming and, when

necessary, tree removal.

"We trim trees for power companies in six different states, both distribution and transmission, plus we run two crews in Sioux Falls working on residences, colleges, and hospitals around South Dakota," said Alex Friest, owner of Friest Tree Experts.

"The normal tree maintenance we do for Sioux Valley Energy is a five-year rotation plan of the maps we go through annually and the distance required to get those trees on a permanent schedule to get through the cycle," he continued.

Friest's workforce consists of more than 50 people.

"It starts at top with management. The general foreman oversees crews and day-to-day operations, foremen who do the trimming, and then the groundsmen who are doing chipping and the clean up when everything is cut," Friest said.

"The equipment varies on what we're doing whether it's trimming or tree removal. It ranges from 75-foot bucket trucks down to 40-foot buckets, chippers, stump grinders, lifts for getting into tight spaces, skid loaders, and dump trucks.

The goal is to get clear space of 10 feet from the three-phase and single-phase powerlines and the trees. For secondary – or tap lines – that go to residences, the target is 3 to 5 feet.

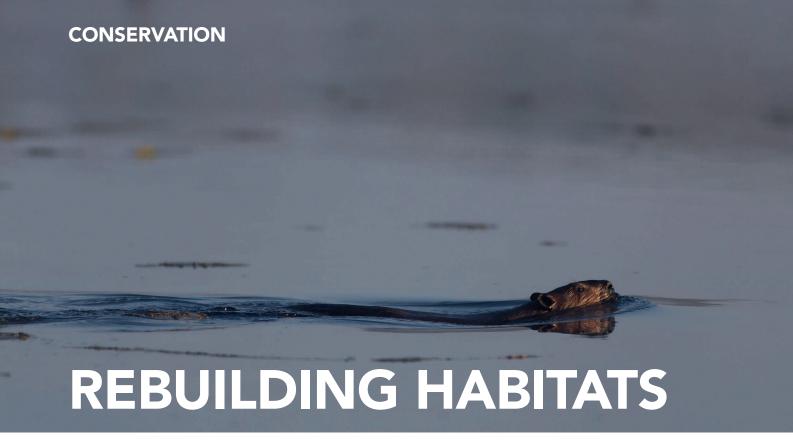
"Once all the cutting is done, the guys get out on the lawns and ditches, raking and blowing the properties and the road we were working from. We want to ensure the property is cleaner than when we showed up," Friest said.

Friest's crews are trained in special cuts for trimming and have two certified arborists on staff. And, safety is a priority for Friest and his crews. In addition to CPR training and safety training on traffic control and cone placement, crews undergo utility clearance training through the International Society of Arboriculture.

"If we are working on individual yards, we cone off driveways to alert people that we're there. If we're on the roadways, we put cones out around the vehicles on the road and a tree sign on each end (of the work zone)," Friest said.

"When we're working on roadways, please drive slow and pay attention. Drive with caution. We're trimming to maintain the reliability of Sioux Valley Energy's electricity," Friest said.





Beavers provide many environmental benefits including drought resilience, flood control and wildlife habitat. Photo Credit: Richard Hamilton Smith.

# **BEAVER-INSPIRED** STREAM RESTORATION

#### **Frank Turner**

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Centuries ago, the arrival of European traders in North America marked the beginning of a multicentury hunt for furs. The pelt of the North American beaver was at the forefront of this fur trade, prized for its use in crafting felt hats. These stylish hats fueled an ever-increasing demand for beaver furs that persisted for centuries, leading to a severe decline in beaver populations. By the early 1900s, beavers had become critically endangered, nearly vanishing from the expansive wetlands across the continent.

As the beavers dwindled, so did their dams. Lazy streams and rivers, once

tamed by beaver dams, began to flow more rapidly. The disappearance of the dams caused waterways to narrow and floodplains essential to willow trees and cottonwoods to vanish. The loss of these beaver-engineered habitats set the stage for the significant erosion of precious prairie lands.

In 2020, The Nature Conservancy set out to combat these issues by launching a project in partnership with the Natural Resources Conservation Service, South Dakota State University and local conservation agencies to restore stream health in western South Dakota.

"Our West River streams make up a small percentage of the total landscape - just under two percent of our total acreage is stream and valley

bottom," said Lori Brown, riparian health program manager with The Nature Conservancy. "Yet, nearly everything in the prairie depends on these streams, including us in our rural communities."

Prior to launching the project, The Nature Conservancy engaged local landowners in discussions to best understand their challenges and needs. During the discussions, several landowners faced similar issues: streams were eroding the land, fence lines were being washed away, and the water table was too low. Despite having effective tools for managing grasslands, landowners lacked the means to best maintain healthy

"We needed to explore options

that any landowner could implement - strategies that didn't require a hydrologist to implement or an engineer to design," Brown said. "Our ranchers and landowners are some of the best stewards of the land. A lot of them are hungry for information and tools that can help them help the land."

The solution was simple, inspired by the ingenious works of an aquatic rodent: an artificial beaver dam. After all, if a beaver can engineer a dam, why can't a landowner?

Known as beaver analog devices, these simple speedbump-like structures quickly became integral to a broader strategy known as process-based restoration, a method that uses nature to help nature. Composed of locally sourced sticks, rocks and mud, beaver analog devices replicate a key natural process once performed naturally by beavers centuries ago. When established correctly, they filter water,

slow fast-flowing streams, and even recreate floodplains.

After settling on a solution, The Nature Conservancy set out to implement the idea in the real world, working with 10 landowners to help build and record the effects of the simulated beaver dams.

"Every day that I go out to one of these sites and I see that the beaver dams that we have built aren't totally washed out, it absolutely amazes me," Brown said. "I've read the manuals and I know how it's supposed to work, but I'm always in awe at what we are able to accomplish with the right building blocks in place."

After four years of the project, Brown said there is a lot to be excited about as the benefits of the project are evident. Signs of stream restoration are well underway. Sediment is accumulating rather than eroding, and revitalized floodplains are sprouting new willow trees.

"Without any planting on our part, woody species are now returning to these stream channels," Brown said. "The next step will be to lean into the success of this project. We want to act as a support for our conservation partners and other interested landowners that want to see their stream condition improve on their properties."

Others have been inspired by demonstrations led by The Nature Conservancy and other conservation organizations in the state to take action to slow down and hold water.

"We are just starting to see some of the effects from our outreach and education side of this project," said Brown. "The most rewarding part of this effort has been hearing the stories from local ranchers and landowners and hearing them get excited about the project."



A rock structure installed to help prevent headcuts from eroding upstream reaches. Photo Credit: Joe Dickie, Generation Photography, Inc.

# Who Powers You?

Two additional finalists for the Who Powers You Contest hail from Sioux Valley Energy's area. Rare by Design and its founder, Kendra Gottsleben, were the featured nominees during the Who Powers You segment on *Keloland Living* April 15, while Mandi Haase of Brandon was a finalist May 2. Member-owners, employees, and citizens who live or work within the service territory of the region's Touchstone Energy® Cooperatives are eligible to be nominated for the Who Powers You contest.

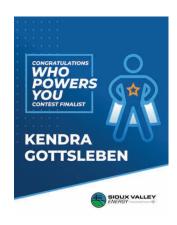
Gottsleben's nominator wrote, "Rare by Design is a local grassroots non-profit dedicated to challenging stigmas and rearranging mindsets about individuals living with rare diseases and disabilities on various fronts, through various means. They work hard to set a precedent for South Dakota and Sioux Falls on what diversity and inclusion really look like in all parts of society, which means including disability. Their projects and events strive to foster community engagement, human growth, self-advocacy, and empowerment."

Learn more about Rare by Design at https://www.rarebydesign.org/

Haase's nominator wrote, "Mandi is the person that lights up a dog's world with no questions asked. She welcomes all dogs that need a variety of things from just love to full on major medical help. In addition to caring for dogs, Mandi cares for her family and not just any family....a family that loves bigger than most. A family that can turn any Tuesday into the most amazing adventure. They are a family that opens their doors to not just a dog that needs help but also a human friend that needs just a little extra too."

Three final winners will be selected by a panel of judges based on the impact that they have on the community. The winners will be announced on *Keloland Living* on May 30, 2024. The Who Powers You Contest grand prize winner will receive a \$3,000 prize. A second place winner will receive \$1,500 and the contest's third place winner will receive \$500.

A recap of the segment is also available on the contest's webpage at WhoPowersYouContest. com as well as at https://www.keloland.com/keloland-living/shining-a-light-on-the-who-powers-you-contest-nominees/





#### **Fault Indicators: SVE Partners with Smart Grid Solutions**

Sioux Valley Energy and Smart Grid Solutions have partnered to receive grant funding through the Energizing Rural Communities initiative to implement a wireless fault indicator system in four different areas of the Cooperative's service territory. The wireless fault indicator



systems continuously monitor the grid and instantly report disturbances, such as downed lines or underground cable failures. This undertaking is designed to significantly boost the reliability and performance of the local power grid. The systems were installed near Magnolia and Steen in Minnesota

and Colton and Chester in South Dakota.

The Energizing Rural Communities grant, sponsored by the U.S. Department of Energy, is a strategic initiative designed to uplift small communities through enhanced energy solutions. Its primary aim is to fund projects that can demonstrate significant improvements in the energy infrastructure of rural areas, focusing on increasing efficiency, reliability, and sustainability. This grant recognizes the unique challenges faced by smaller communities – such as limited resources and remote locations – and seeks to empower them with tools and technologies.



#### **CO-OP CONNECTIONS® CARD**

The Co-op Connections Card is a partnership between Sioux Valley Energy and local businesses! Each member can download the card for free on the app by scanning the QR code. You get your Co-op Connections Card simply because you're a member of Sioux Valley Energy. Each month, we'll include a listing of businesses participating in the program. Below are businesses located in Colman, Crooks, Dell Rapids, Edgerton, Egan, Elkton, Garretson, Hardwick, Hartford, Humboldt and Lake Norden:

#### COLMAN

Colman Building Center, Inc

#### **CROOKS**

Pump N Stuff

#### **DELL RAPIDS**

Dell Rapids Ace Hardware Dells Theatre LLC Pizza Ranch

#### **EDGERTON**

Douglas J Vermeer O.D. M&H Hardware Tinklenberg Lumber & Hardware

#### EGAN

Blue Jays

#### **ELKTON**

The Knotty Pine Supper Club

#### **GARRETSON**

Nordstrom's EWE Pullet Nordstrom's Full-Service Auto Recycling Nordstrom's Installation & Diagnostic Center

#### **HARDWICK**

VanDerBrink Auctions, LLC

#### **HARTFORD**

Eich Law Office, Prof. LCC Hartford Ace Hardware Hartford Building Center Tammen Auto & Tire Inc

#### **HUMBOLDT**

N-Rich Plant Food & Fertilizer, Inc

**LAKE NORDEN** Klassy Kuts Salon

Scan the QR code to access the Sioux Valley Energy website where you can download the Cooperative Connections Card app for mobile devices.

# KIDS' SAFETY POSTERS HIT AREA BILLBOARDS

### Safety artwork to be placed along highways

Four students were the winners of this year's Safety Poster Contest sponsored by Sioux Valley Energy's Safety Steering Committee. Each of the winners will have their safety poster made into a billboard that will be erected in the Coop's service territory. Sioux Valley members attending the Cooperative's District Meetings this spring were able to vote for one of 12 posters that made the semi-final round. Each of the winning artists also received a billboard replica courtesy of Lamar Signs.





**SVE Safety Steering Committee members** posed with the winning students and their posters. **TOP: Chris Graff** and Amy Voelker pose with Brandon Elementary's Jayleen V. and her poster "Look Before You Plav." Middle: Jeremy Rollag poses with Colman-Egan student Knox R. and his poster, "Be SLOW when near workers." **Bottom: Voelker** and Terry Ebright with Robert Bennis **Elementary students** Rylie S. ("If you see a power line fall, give somebody a call!") and Frankie D. ("Be **Careful by Power** Lines Your Life Is on the Line.")





To have your event listed on this page, send complete information, including date, event, place and contact to your local electric cooperative. Include your name, address and daytime telephone number. Information must be submitted at least eight weeks prior to your event. Please call ahead to confirm date, time and location of event.

#### MAY 31-JUNE 2 Lake Andes Fish Days Citywide

Lake Andes, SD

#### MAY 31-JUNE 2 Fort Sisseton Historical Festival

11907 434th Ave. Lake City, SD 605-910-4465

#### JUNE 1 LaFramboise Island Bike Race

10:30 a.m. S. Poplar Ave. Pierre, SD 605-222-0338

#### JUNE 1 Annual Casey Tibbs Match of Champions

Stanley County Fairgrounds Fort Pierre, SD 605-494-1094

## JUNE 1-2 We Love Locals Weekend

10 a.m.-6 p.m. Keystone, SD

#### JUNE 1-2 South Dakota Veg Fest

11 a.m.-4 p.m. The Good Earth Farm Lennox, SD 605-929-7394

#### JUNE 1-2 Deadwood Michelson Trail Marathon

Trailhead at Engine House Deadwood, SD

#### JUNE 6-9 Wheel Jam

South Dakota State Fairgrounds Huron, SD 605-353-7340

### JUNE 7-9 Family Fun Weekend

Wylie Park Aberdeen, SD 605-626-7015

#### JUNE 8

Grace's Gas-Guzzlers Car Show, Carnival & Silent Auction

Grace Lutheran Church Watertown, SD

### JUNE 9 Brookings Car Show

11:30 a.m.-3 p.m. Pioneer Park Brookings, SD

#### JUNE 12-13 Rangeland & Soil Days

Contest

Codington County Extension Building Watertown, SD

#### **JUNE 20**

Prairie Partners Master Gardeners Garden Walk Aberdeen, SD

#### **JUNE 11-13**

National Plowing Contest 44855 212th St. Arlington, SD

#### **JULY 13**

#### 9th Annual Auto Value Car Show

11 a.m.-4 p.m. Hav-A-Rest Campground Redfield, SD

#### **JULY 18-21**

Pioneer Days

Parade, Chili Cookoff & Demo Derby White, SD

#### **JULY 25**

Groton Summer Downtown Sip & Shop

5-8 p.m. Groton, SD

#### JULY 26-28 Clear Lake Days

ClearLakeDays.com Clear Lake, SD

#### AUG. 10 Camaro Fun Days

10 a.m.-2:30 p.m. Pioneer Park Brookings, SD

> Note: Please make sure to call ahead to verify the event is still being held.



# 2023 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



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





#### 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

# Continued Load Growth: 2023 Overview

Sioux Valley Energy is a growing electric utility with consistent positive load growth year after year. The average load growth in 2023 was just over four percent. This growth requires significant investment but also contributed to the Cooperative's ability to delay a rate increase until 2024. In 2023, Sioux Valley Energy added more than 670 new services to the system; constructed or replaced 105 miles of line; and handled more than 235,000 phone calls from members. Nearly 955,000 megawatt hours were purchased from our power suppliers, and we returned \$2.88 million in capital credits to the membership.

The Cooperative remains in strong financial condition, with rates holding steady in 2023 through the help of deferred revenue, growth (as mentioned above), and a temporary reduction in line replacement. However, a rate adjustment was approved by the Board of Directors starting in April 2024 due to ongoing rate pressures resulting from increased costs for material, equipment, operations, financing, and power supply. Current financial forecasts do indicate the need for future rate increases as well.

A 140-panel, 60kW community solar array was commissioned on June 6, 2023 on the grounds of the Colman headquarters. Sioux Valley Energy members had the opportunity to purchase a subscription for the panels. During its first six months of service in 2023, the array generated 51,335 kWhs for a capacity factor of 20.5 percent. Revenue generated through the end of 2023 for the participating members was \$5,267 which equates to \$37.62 per subscription. In 2023, the array offset a total of \$1,815 in demand costs for the Cooperative.

Approximately 50 percent of Sioux Valley Energy's power bill from its power suppliers is based on demand. In efforts to reduce those demand charges, the Cooperative launched a residential coincidental peak demand rate pilot program



**Gary Fish** Board President

Tim McCarthy General Manager/CEO

in 2023. Once the pilot concludes, the Cooperative plans to analyze its effectiveness and survey participating members to gain insight from them. The Sioux Valley Energy internal rate committee routinely reviews other rate strategies that may reduce peak demand on the electric system.

An adjustment was made to the Cooperative's annual meeting format in 2023, hosting the event in three locations. Hartford served as the main meeting site with the meeting livestreamed to two remote locations in Volga and Luverne. This format resulted in increased attendance with more than 1,400 people taking part in the three locations. The three locations allowed more people to take part, and the Board of Directors made the decision to utilize the three-location format again in 2024.

Each year is unique and 2023 was no exception, but what doesn't change is our employees' commitment to members. The mission statement of "Serving Our Members. Always." is more than just a tag line for our employees. They live it each day and we thank them for all that they do for the Sioux Valley Energy membership!

# Minutes of the Annual Meeting

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

#### June 6, 2023

Pursuant to notice having been given on the 18th day of May 2023, the annual meeting of the members of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba Sioux Valley Energy) was held on Tuesday, June 6, 2023, in three locations. The main meeting site was at West Central School, Hartford, SD with remote meeting sites at Sioux Valley School, Volga, SD and Generations Event Center, Luverne, MN. A member appreciation event featuring The Barn Flies was held in conjunction with the meeting in Hartford. Entertainment was provided by Allie LaRock in Luverne, MN.

Carrie Vugteveen, Vice President of Public Relations, gave the invocation and The Barn Flies 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 President Gary Fish, 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 530 members registered. A motion was made by Gaylord Hansen and seconded by Kris Nordby to approve the minutes of the June 7, 2022 annual meeting as printed in the 2022 Annual Report. The motion carried.

Dave Daniel, Board Treasurer, presented the treasurer's report for 2022. A motion was made by Arnold Lusch and seconded by Zena Honnellio 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:

- LeAnn Nelson, Manager of Accounting 25 years
- Chad Williams, Operations Manager 25 years
- Kimberlee Hansen, Vice President of Human Resources and Member Services – 30 years
- Jim Kuyper, Lead Staking Engineer 30 years

Board President Fish presented a Resolution of Appreciation to Debra Biever. Debra Biever dedicated 27 years of her career to Sioux Valley Energy.

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, Gary Fish declared the meeting adjourned at 7:30 p.m. Don DeGreef, Secretary

#### 2023 HIGHLIGHTS

#### C.L.A.S.S. Grants

Sioux Valley Energy provided a total of \$5,000 in C.L.A.S.S. (Cooperative Learning and Scholarship Supplies) grants to 10 area teachers. Teachers (or friends and family on their behalf) submitted an online entry to the Cooperative, and grant recipients were selected through a drawing which was held live via Facebook





#### Community Solar

A 140-panel, 60kW community solar array was commissioned on June 6, 2023, on the grounds of the Colman headquarters. During its first six months of service in 2023, the array generated 51,335 kWhs for a capacity factor of 20.5 percent. In 2023, the array offset a total of \$1,815 in demand costs for the Cooperative.

#### National Attention

Sioux Valley Energy employees and members were featured in national Touchstone Energy Cooperative commercials and advertisements. Film crews were on location in the Cooperative's service area in June 2023 to shoot the ads. The commercials focused on both safety and committment to community.



#### Annual Meeting x3

Sioux Valley Energy's annual meeting was held in three locations in June 2023. Hartford served as the main meeting site with the meeting livestreamed to two remote locations in Volga and Luverne. This format resulted in increased attendance with more than 1,400 people taking part in the three locations.





#### **Updated** Logo

The Cooperative logo underwent a refresh in 2023. The logo reflects the historical and highly recognizable brand of the Cooperative. There are three horizontal lines signifying the member, the board, and employees.



Sioux Valley Energy began construction in July 2023 on a facility expansion project at its Brandon location. The expansion of the current facility will add offices, truck and wash bays, additional space for the warehouse, and a training facility for employees.

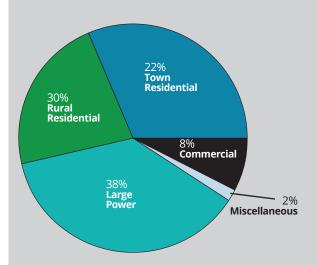
#### **FINANCIALS**

## SIOUX VALLEY ENERGY STATEMENT OF OPERATIONS

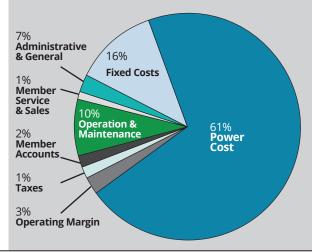
For Years Ended December 31, 2023 and December 31, 2022

Tot rears Ended December 51, 2025 and 1	2023	2022
Operating Revenues:		
Revenue from Electric Sales	\$100,147,813	\$92,637,236
<b>Total Operating Revenue</b>	\$100,147,813	\$92,637,236
Operating Expenses:		
Cost of Power	61,065,030	56,807,142
System Operations and Maintenance	10,371,177	9,671,731
Member Accounts Expense	1,947,283	1,854,398
Member Service and Sales Expense	1,039,791	1,002,341
Administrative and General Expense	6,750,580	6,386,894
Depreciation	8,288,325	7,719,747
Interest	6,564,734	5,953,105
Taxes	1,389,905	1,343,609
Other Expense	135,594	111,827
<b>Total Operating Expenses</b>	\$97,552,419	\$90,850,794
Operating Margins	\$2,595,394	\$1,786,442
Non-operating Margins		
Merchandising	(449,957)	(673,239)
Interest Income	446,064	214,094
Gain (Loss) on Sale of Equipment		
or Property	(1,231)	(50,394)
Total Non-operating Margins	(5,124)	(509,539)
Capital Credits from Associated		
Organizations	5,951,026	7,630,264
Net Margins	\$8,541,296	\$8,907,167

#### 2023 Revenue Categories



#### How the Dollars Were Spent in 2023



#### 2023 BY THE NUMBER

#### SIOUX VALLEY ENERGY

#### **BALANCE SHEET** December 31, 2023 and 2022

	2023	2022
Assets:		
Distribution and General Plant	\$325,307,819	\$295,031,290
Less Depreciation	63,448,023	60,658,323
Net Plant	261,859,796	234,372,967
Other Property and Investments		
Investments	63,959,026	59,622,779
Investments	63,959,026	59,622,779
Current Assets:		
Cash	6,264,035	7,619,107
Accounts Receivable	9,116,774	11,244,428
Inventory	8,603,386	9,361,972
Other Current Assets	1,026,971	823,085
Total Current Assets	25,011,166	29,048,592
Deferred Debits	1,419,581	3,859,062
Total Assets	\$352,249,569	\$326,903,400
Equities:		
Patronage Capital	\$109,076,994	\$103,455,226
Other Equities	5,067,408	4,583,636
Total Equities	114,144,402	108,038,862
Liabilities:		
Long-term Debt	208,582,737	191,089,578
Current Liabilities		
Current Maturities of Long-term Debt	8,821,000	7,685,000
Notes Payable	5,000,000	-
Current Lease Liability - Operating	41,689	-
Accounts payable	5,831,768	8,100,931
Other Current and Accrued Liabilities	5,434,629	5,334,621
Total Current Liabilities	25,129,086	21,120,552
Other Liabilities		
Member Deposits	836,840	921,602
Deferred Credits	3,556,504	5,732,806
Total Liabilities	238,105,167	218,864,538
Total Equities and Liabilities	\$352,249,569	\$326,903,400

- 677 new meters added
- **29,082** total services
- **706** rebates to members totaling
- \$887,819 for energy efficiency
- \$1.75 million in savings from load management
- \$2.88 million capital credit/ estate retirement
- \$100.14 million total operating revenue
- 105 miles of line constructed
- total utility plant reaches \$311 million
- **63** average outage minutes
- **99.988%** reliability
- 933 million kWhs sold
- 110 employees

## SERVING OUR MEMBERS. Always. SIOUX VALLEY ENERGY EMPLOYEES



Cole Anderson Paul Anderson Deborah Barger Bruce Barrick Fliza Barron Matthew Behlings Joshua Bjorklund Brian Bjorum Angela Boughton Kim Brown Shawn Bruns Jay Buchholz Derek Bundesen Cody Bunkers Molly Burmeister **Heather Buss** 

Andrew Chmela

Alex Christensen Chinelle Christensen Jan Christiansen Matthew

Matthew
Determan
Ross Dixon
Tanner Donelan
Dan Doyle
Tim Durst
Steven Dvergsten
Jake Dybedahl
Terry Ebright
Josh Entzel
Cathy Feste

Tim Fey

Dana Foster

Pevton Friesz Cody Fritz Reggie Gassman Jim George Lori George Chris Graff Sheila Gross Ryan Gruber Kim Hansen Kim C Hansen Sarina Hanson Sharla Haugen Landon Hazelton Melissa Hennings Daren Hoffer Amanda Hoffman Jeffery Huebner

Ryan Hyland Adrian Ilchuk David Jensen Lisa Johnson Robert Johnson Ioshua Kearin Brenda Kleinjan Holly Kruger Toni Kruger Parker Kuchta Jim Kuyper Chad Lade **Brandon Lane** Jason Langford Gwen Larsen Jody Lebahn Kara LeBrun

Derek Locke Jordan Long Casey Lowe lace Martens lason Maxwell Tim McCarthy Brian Meyer Justin Moose Craig Namken Steve Neises Michele Nielson Kim O'Farrell Michael Oines Rvan Olson Elliot Ostercamp Garth Park

Stacey Pierce

Ben Pierson
Terry Plecity
Trevor Reif
Tony Remund
Jeremy Rollag
Jager Rus
Jason Sage
Paul Schamber
Brenda Schelhaas
Tim

Schoolmeester Tom Sebert Matt Seivert Nicolas Smith Ted Smith Colton Spader Kyle Thomson Michael Uhing Derry

Van Hofwegen Amy Voelker Larry Voss Carrie Vugteveen Joan Wangberg Michele Wanner Chad Williams Molly Williams Kendra Wire Sandy Zwart