



Cooperative Connections



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Coming to S.D.**

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Grain Bin
Safety**

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Rates to Increase in September



Tim McCarthy, GM/CEO

tim.mccarthy@siouxvalleyenergy.com

This past winter we announced a rate increase which was scheduled to take place in May but to assist our members during the COVID-19 pandemic we delayed it. Our goal was to hold the rate increase off until September. It looks as though we will be able to accomplish that. However, the new adjustment will go into effect with September bills. Significant budget cuts and delays (\$400,000-plus each month) allowed us to postpone the increase by nearly four months but that delay is no longer sustainable.

When we announced the rate increase, we provided an in-depth explanation of why it was needed, but we would like to go over it again.

The rate increase is needed because of an anticipated \$4 million revenue shortfall this year. Last year we had an approximate \$2.6 million shortfall, but we were able to use deferred revenue and internal efficiencies to delay the need for a rate increase until May of 2020 (now September 2020).

Sioux Valley Energy has over 6,100 miles of electric line—that is enough to stretch from Sioux Falls to Tokyo, Japan. Those lines cover over 3,800 square miles or 2.5 million acres which is three times the size of the state of Rhode Island or one and a half times the size of Delaware. Our system also has over 16,000 transformers on it and almost 52,000 poles. If you convert our system peak, which is 150 megawatts to horsepower units, it would take over 1,000 - 200 horsepower tractors to supply the required energy and our demand is growing by over 30 tractors each year. Now that you understand the size and scope of just Sioux Valley's system, multiply that for our power supplier's transmission—it is simply massive.

All of these poles, wires and equipment need to work together to meet an ever-increasing demand. One of the issues facing not only Sioux Valley Energy, but utilities nationwide is aging infrastructure. Right now, approximately one-third of Sioux Valley Energy's electric system needs to be replaced. Some of that was built back in the 1940s and '50s. Four years ago, we increased our replacement plan and each year our goal is to build 125 miles of new electric line and associated equipment. We plan to invest more than \$18 million on electric infrastructure in 2020. At this pace, it will take up to 20 years to update and modernize the system. Our transmission suppliers are facing the same issue of aging infrastructure and so they too are investing significant capital in the transmission system.

This investment on the distribution and transmission level has led to increased costs resulting in upward pressure on rates. If you combine the increased investment with the fact that we had a wholesale power increase of 13 percent three years ago (we absorbed all but four percent), you end up with a revenue shortfall. As a result, there will be a rate increase this year. The overall average increase for all rate classes will equate to about 7.5 percent. Each rate class will be a little different depending on actual costs. Even with this increase, we remain below the 13 percent increase mentioned above.

Some of the methods we have used over the last several years to hold rate increases to a minimum have been to utilize revenue deferral, improve internal efficiencies and avoid adding labor. We will again use some deferred revenue this year, but unfortunately, that will not be enough.

While we continue to seek internal efficiencies to help offset potential future increases, we are at the point of needing to add more labor resources to keep up with increasing growth and demand.

Looking forward, we hope to be able to hold these rates solid for the next three years. This is our goal. And while circumstances can change, our promise to you is that we will work hard to achieve this goal.

Our SMEC members will see a different increase than our legacy members. The overall average increase for our SMEC members will be five percent. The reason this increase is less than our legacy members is because it was part of an agreement we made with the Minnesota Public Utilities Commission (PUC) when Sioux Valley,

Continues on page 3.

Sioux Valley Energy

Cooperative Connections

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Sioux Valley Energy is an equal opportunity provider and employer.

Manager Column, Continued from Page 2

along with several other co-ops, purchased the Alliant Energy assets in Minnesota. The agreement we made with the PUC restricted any rate increases until 2019 and would allow up to a five percent rate increase in 2019 and 2020. So, when our legacy members received rate increases in 2017, SMEC rates remained unchanged.

We will begin to transition our SMEC rates to the legacy Sioux Valley Energy rates over the next few years. As we start to blend those rates, SMEC members will see gradual adjustments over a period of time to adjust the rate format to what all other members pay.

Of course, it is never fun to announce a rate increase, but we have worked hard to hold it off as long as possible to help our members during a difficult time. If you have any questions on how this will specifically impact your bill starting in September, please give one of our Member Service Representatives a call.

In closing, I would like to thank our members for being so supportive and understanding during these difficult times. Even in the course of the most challenging moments, we will continue "Serving our Members. Always" as we consider rates, programming, reliability and customer service for YOU...the member.



Sioux Empire Fair Ag Appreciation Day

Wednesday, August 5, 2020

Complimentary lunch served 11:00 a.m. to 1:00 p.m.

Sponsored by:



No tickets needed this year

Focus on These Safe Practices Away From the Workplace

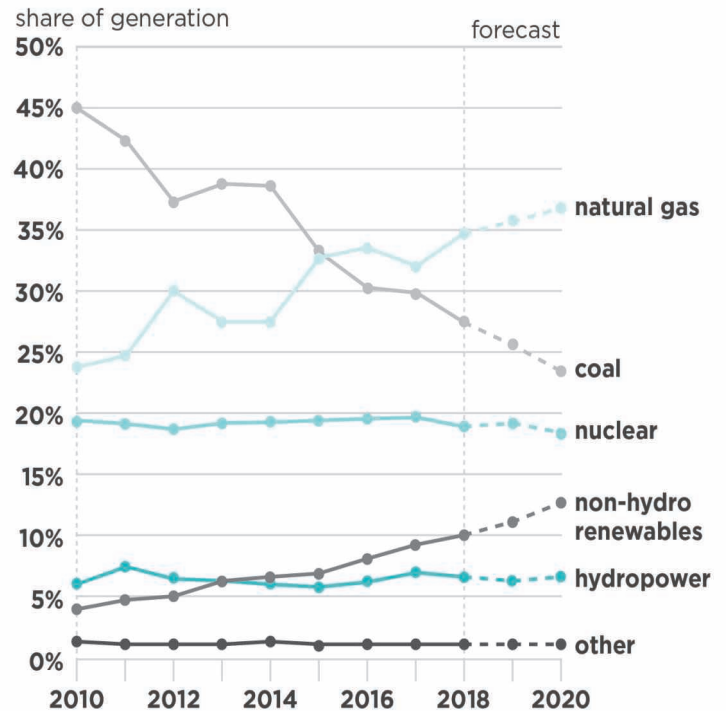
While your local electric cooperative often focuses on electrical safety and provides reminders to keep you free from harm, there are many other dangers lurking out there that don't necessarily pertain to electrical power.

Read on to see the National Safety Council's list of the top causes of preventable injuries and death away from the workplace. Keep these in mind and help protect you and your family from danger.

- **Poisoning.** In 2011, accidental poisonings overtook car crashes for the first time as the leading cause of unintentional injury-related death for all ages combined. Poisoning deaths are caused by gases, chemicals and other substances, but prescription drug overdose is by far the leading cause.
- **Vehicle crashes.** Roadway crashes are the second-leading cause of unintentional injury-related death overall in the U.S. Impaired driving, distracted driving, exceeding the speed limit and inexperience can often cause a life to be cut tragically short in the blink of an eye.
- **Falls.** Falling is the third-leading cause of unintentional injury-related death over all age groups across the country, but it's the No. 1 cause of death for those who are 65 and older who sometimes have health complications and problems with balancing.
- **Choking and suffocation.** Choking on food or other objects is a primary cause. Suffocation and choking rank higher among the elderly and infants.
- **Drowning.** This is the No. 1 cause of death for children ages 1-4, mostly due to children falling into pools or being left alone unattended in bathtubs.
- **Fires and burns.** Fires often start at night, when families are asleep and most vulnerable. A working smoke alarm will cut in half the chances of dying in a fire.
- **Natural and environmental incidents.** Weather-related disasters claim hundreds of lives per year. You should learn all you can about emergency preparedness and always have an emergency kit on hand.

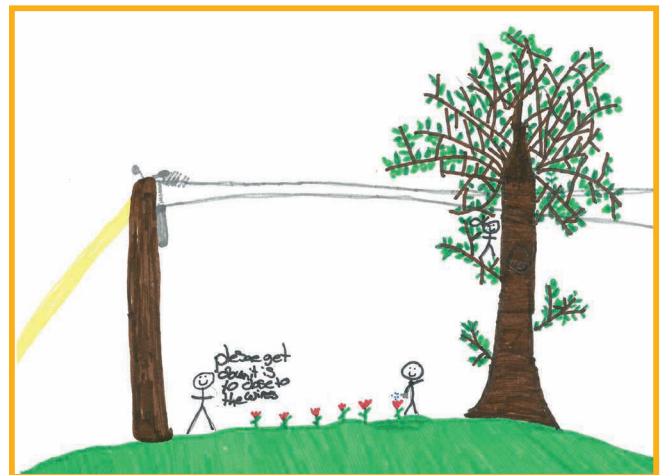
Source: National Safety Council

U.S. ELECTRICITY GENERATION BY ENERGY SOURCE (2010-2020)



Source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, January 2019
 Note: Confidence interval derived from NYMEX options market information

KIDS CORNER SAFETY POSTER



"Please get down - it is too close to the wires!"

Forrest Hawk, 9 years old

Forrest Hawk is the grandson of Steve and Pru Hawk. They are members of Lacreek Electric Association, Inc., Martin, S.D.

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.



Protein-Packed Salads

Ranch, Bacon, Parmesan Salad

1 16 oz. Farfalle (bowtie) pasta	½ cup shredded Parmesan cheese
1 cup prepared ranch dressing	1 carrot, peeled and diced
6 slices bacon	1 stalk celery, diced
	1 red onion, diced

Fill large pot with lightly salted water, bring to rolling boil over high heat. Once water is boiling, stir in bow tie pasta and return to boil. Cook pasta uncovered, stirring occasionally, until pasta has cooked through, but still firm to the bite, about 12 mins. Drain well in a colander set in the sink. Transfer to a bowl, refrigerate until cool, at least 30 mins. Place bacon in a large, deep skillet, cook over med.-high heat, turning occasionally, until evenly browned, about 10 mins. Drain bacon slices on a paper towel-lined plate, let cool, and chop. In a large salad bowl, stir together the ranch dressing, bacon, Parmesan cheese, carrot, celery, and red onion. Lightly stir in cooled pasta to coat with dressing, and refrigerate 2 hours.

Cortney Reedy, Tea, SD

Rotini Salad

1 box rotini	sliced turkey, deli style
celery, green pepper, radishes, cucumber, onion, carrots	mushrooms, chopped
	cheddar cheese, shredded

Cook rotini as directed on package. Chop vegetables. Put all ingredients into a large bowl. Add 1 bottle zesty Italian dressing. Let chill, enjoy. Can add almost any fresh vegetable.

Mary Jessen, Holabird, SD

Broccoli Bacon Salad

Dressing:	2 T. vinegar
1 cup real mayo	Brown 1 pkg. bacon, break into pieces
¼ cup sugar	

Wash two fresh heads of broccoli and cut into bite size pieces. Add ½ cup raisins, ¼ cup purple onion, 1 cup shredded cheese, pepper to taste. Mix well.

Karen Jacobs, Tolstoy, SD

Ring Tuna Salad

1 pkg. ring macaroni cooked and drained	1 cup green olives sliced
4 green onions chopped	2 6 oz. cans Albacore tuna
1 cup frozen peas cooked and drained	2 T. salad dressing mixed with 1 tsp. olive oil

Cook, drain and cool macaroni. Mix first 5 ingredients then add salad dressing and olive oil, which has been whipped together. Store in refrigerator.

Darlene Price, Prairie City, SD

Chicken, Onion, Quinoa Salad

Dressing:	1 tsp. canola oil
¼ cup apple cider vinegar	1 white onion, sliced
2 T. olive oil	3 cups baby kale
1 T. lemon juice	1 red skinned apple, chopped
1 tsp. honey	2 cups cooked chicken, chopped
1 tsp. Dijon mustard	½ tsp. salt
1-½ cups red quinoa, rinsed	¼ tsp. pepper
2-½ cups vegetable broth	

To make the dressing: In a large bowl, whisk vinegar, olive oil, lemon juice, honey and Dijon mustard until well combined. Set aside. In a saucepan, bring quinoa and broth to boil. Simmer, covered, for 12-15 minutes, or until all of the broth has been absorbed. Let cool completely. In a medium skillet, heat canola oil over medium-high heat. Saute onion for 3-5 minutes, or until it is softened and translucent. Remove from heat; let cool completely. In a large bowl, toss onion, kale, apple, chicken, salt and pepper with dressing. Stir in cooled quinoa. www.onions-usa.org.

Please send your favorite vegetarian, garden produce and pasta recipes to your local electric cooperative (address found on Page 3). Each recipe printed will be entered into a drawing for a prize in December 2020. All entries must include your name, mailing address, telephone number and cooperative name.

Rate Increase Effective in September

The Sioux Valley Energy Board of Directors approved an increase in rates and charges affecting prices for the electric service that you receive. The increase will apply to your electric bill beginning in September 2020.

The overall average increase in annual revenues due to the rate adjustment will be approximately 7.5 percent system-wide. SMEC members will see an overall average increase of 5 percent. Please see the 'Manager's Column' on Pages 2 and 3 for more detail on the rate adjustments. The effect of the increase on your bill will vary depending upon the type and extent of usage. The new rates listed by rate classes are posted below, along with SMEC rate adjustments. Please see the full rate schedule for all other rates at www.sioxvalleyenergy.com. Members who are on budget billing will also see a bill revision in September. To obtain an individual rate analysis or to learn more about other rate options such as the Time of Use (TOU) rate, contact the SVE Member Service Department at 800-234-1960.

Electric Rates as of September 2020

SVE Member Class	Basic Service	Energy	Demand	Facility
Farm and Rural Residential	\$55 / mo. (Single Phase)	\$0.1026 / kwh	-	-
	\$100 / mo. (Three Phase)	\$0.1026 / kwh	-	-
Residential	\$20 / mo.	\$0.1026 / kwh	-	-
General Service	\$55 / mo. (Single Phase)	\$0.1026 / kwh	-	-
	\$100 / mo. (Three Phase)	\$0.1026 / kwh	-	-
Large Power	-	\$0.0365 / kwh	\$16.50 / kw	\$1.20 / kva
Electric Heat	-	\$0.0635 / kwh	-	-

SMEC Member Class

Single Phase Residential	\$14.25 / mo.	\$0.11322 / kwh (Summer)	-	-
		\$0.09438 / kwh (Winter - Over 1,000 kwh's rate drops to \$0.06549)	-	-
Single Phase Farm	\$23 / mo.	\$0.10238 / kwh (Summer)	-	-
		\$0.09666 / kwh (Winter)	-	-
General Service	\$23 / mo.	\$0.08597 / kwh (Summer)	-	-
		\$0.06864 / kwh (Winter)	-	-
Large Power	\$250 / mo.	\$0.05231 / kwh (Summer)	\$16.00 / kw (Summer)	
		\$0.0462 / kwh (Winter)	\$11.40 / kw (Winter)	

The percentage increase is different among the rate classes due to varying costs of providing service to each customer class. The different percentages help realign the classes closer to their actual cost of providing service. SVE will begin to transition SMEC rates to the legacy Sioux Valley Energy rates over the next few years. As that rate blending happens, SMEC members will see gradual adjustments over a period of time to adjust the rate format to what all other members pay.

Pumping Up Savings



Sheila Gross

Energy Services Specialist

Heating and cooling use the largest chunk of your home energy dollars. When you choose electric, you know it's clean, reliable, safe – and it can also be very efficient. If you're finding your heating and cooling system isn't quite up to the task these days, or if it's just time for an update, consider installing an efficient heat pump. It's tough to beat the efficiency of an electric heat pump that not only cools your home in the summer, but also heats it in the winter. Heat pumps – geothermal or air-to-air systems including mini-split ductless solutions – are designed to be used in any home whether it's new construction, a renovation project or replacing existing equipment. A heating and cooling system is a major investment in a home and Sioux Valley Energy offers rebate and loan programs to help with your purchase.

Air-to-Air Heat Pump Rebates*

- With Electric Back-up Furnace:
 - \$600 with HSPF rating of 8.5 to 9.9
 - \$800 with HSPF rating of 10 and above
- With Non-Electric Back-up Furnace:
 - \$200 with HSPF rating of 8.5 to 9.9.
 - \$400 with HSPF rating of 10 and above

Geothermal Heat Pump Rebates*

- \$800 (2020 Federal Tax Credit 26 percent)

Electric Heat/Air Conditioning Rate**

- Reduced rate of 6.35 cents/kWh (Compared to regular rate of 10.26 cents/kWh)**
- Available October to April billing cycles
- Sub-meter installation required (Free installation for heat pumps two tons and larger or

electric resistance heat over 5 kW or \$200 fee charged.)

- \$6 monthly AC credit for members who sign up for load management program available May-September billing cycles with minimum total electric usage of 300 kWh

Loans

- Loans up to \$10,000, 5 percent interest with a seven-year term are available to assist qualifying members in purchasing heat pumps.

Ag/Commercial Applications

Rebates are also available for agricultural / commercial building applications – \$50/ton for heat pumps and \$10/kw for electric resistance.

Contact SVE for more details.

** Heat pumps must be a minimum of two ton to qualify for residential rebates. Rebate eligibility once every 10 years per account. ** Former Alliant Energy customers are eligible for heat pump rebate, but not the electric heat rate or air conditioning credit. *** Rates reflect the new rates which will be implemented in September 2020.*

On the chart below, find the type of electric heat you are considering (i.e. air-to-air heat pump; geothermal [ground source] heat pump or electric resistance heat). Find the kWh price for electricity and compare it to prices for propane, natural gas and oil on the same line. For example, geothermal systems, with electricity at 6.35¢/kWh is equal to propane (in a 90% efficient furnace) at 51¢/gallon. If propane costs more, it's a more expensive form of heat.

Energy Cost Comparisons

Electricity (Cents/kWh)	Fuel Oil (60% Eff. \$/gal.)	Propane (90% Eff. \$/gal.)	Propane (95% Eff. \$/gal.)	Propane (98% Eff. \$/gal.)	Natural Gas (90% Eff. \$/gal.)	Natural Gas (95% Eff. \$/gal.)	Natural Gas (98% Eff. \$/gal.)							
Geothermal Heat Pump (300 Percent Efficient Average)														
\$0.0635	=	\$0.51	=	\$0.51	=	\$0.54	=	\$0.56	=	\$0.56	=	\$0.59	=	\$0.61
Air-Source Heat Pump (200 percent Efficient Average)														
\$0.0635	=	\$0.77	=	\$0.77	=	\$0.81	=	\$0.83	=	\$0.84	=	\$0.88	=	\$0.91
Electric Resistance (100 Percent Efficient)														
\$0.0635	=	\$1.54	=	\$1.53	=	\$1.62	=	\$1.67	=	\$1.67	=	\$1.77	=	\$1.82

Tell Me More!

- Heat Pump Rebate
- Electric Heat Rate
- Marathon/Westinghouse Water Heaters
- Energy Audit
- Loan Program
- Electric Vehicle Program
- Time of Use Rate
- SmartHub Account Tool
- Smart Thermostat Rebate
- Commercial/Ag LED Program
- Commercial Heat Rebates
- Irrigation Rebate
- Renewable Energy Credit
- Energy Saving Tips
- Interlock Kit/Generator

Please contact me about the topics above.

Name: _____

Address: _____

City, State, ZIP: _____

Account #: _____

Phone #: _____

Email: _____

Mail this form to:

Sioux Valley Energy,
PO Box 216, Colman, SD 57017



Wild Springs Solar Farm will capture the sun's rays to produce electrical power for South Dakota homes, farms and businesses.

CATCHING RAYS

Wild Springs Solar Farm to Produce Renewable Power

Billy Gibson

Contributing Writer

Business leaders know that diversification is the key to containing costs and surviving sharp economic slumps over the long haul.

That's especially true when it comes to producing the power that keeps South Dakotans supplied with the juice they need to run their homes, farms, irrigation pumps, offices and shops.

Those utilities tasked with keeping the power flowing day and night look for diversification when determining the raw materials they'll use to generate electricity.

The ability to draw from a variety of available resources – coal, natural gas, solar, wind, hydro, biomass, etc. – stabilizes the production process and helps to levelize costs as market rates for any or all of these resources rise and fall over time. This “all-of-the-above” strategy, in turn, makes it easier for producers to engage in long-range forecasting, planning and purchasing for the ultimate benefit of consumers.

That's why it made perfect financial sense for Basin Electric to strike a power purchase agreement with Geronimo Energy, a renewable power generation developer based in Minnesota.

Geronimo Energy is in the early phases of constructing a solar farm called Wild Springs that is expected to generate 128 megawatts (MW) of clean renewable power. When construction is completed in 2022, the \$190 million facility will be the largest grid-scale solar installation in South Dakota.

According to Basin Electric officials, the not-for-profit wholesale power provider jumped at the opportunity to join forces with Geronimo Energy and expand its renewable power portfolio.

“We are excited about adding large-scale solar to our already



Vic Simmons, CEO of Rushmore Electric, delivers a presentation on the Wild Springs Solar Farm.

diverse generation mix,” said Basin CEO and General Manager Paul Sukut. “The board's decision to add solar to our resource portfolio is to continue with our all-of-the-above strategy, as well as solar generation becoming a more economic energy source.”

Basin Electric transmits electricity to 141 member co-op distribution systems in nine states. It also transmits wholesale power to two South Dakota generation and transmission (G&T) co-ops: Rushmore Electric and East River Electric. Those two G&Ts then transmit the power supply to their respective distribution cooperatives. Rushmore Electric is the power provider for West River Electric, which is the closest distribution co-op in proximity to the solar farm. West River Electric owns more than 2,500 miles of power lines and poles in western South Dakota.

Wild Springs will be built on more than 1,000 acres within West River's service area near the town of New Underwood in Pennington County and will help stabilize costs for thousands of

ratepayers throughout the region.

West River CEO/General Manager Dick Johnson said he's happy to have a new neighbor and that the project has garnered the support of community leaders as it will create roughly 150 construction jobs. But he said he's even happier for the members who will benefit from the renewable power generated by the solar farm.

The facility is expected to reduce carbon dioxide emissions by 85,000 metric tons annually, which is the equivalent of taking 18,000 cars off the road every year.

"We're excited that West River's service area will be home to the Wild Springs Solar Project," said Johnson. "This solar energy project will benefit our cooperative family, as well as our local communities. As not-for-profit co-ops that are owned by our members, everything we do goes back to the people we serve."

Johnson pointed out that the project is expected to produce \$17 million in economic benefits through its first 20 years in terms of tax revenue, job creation and contributions to charitable funds. The list of benefits also includes an education fund that plans to donate \$500,000 to local school districts.

Officials at Rushmore Electric said the power purchase agreement is a perfect fit in line with the cooperative's mission and long-term strategy.

"Our cooperative network is always looking to ensure we have a mix of power resources to meet the needs of our membership and renewable energy is an important part of that strategy," said General Manager Vic Simmons. "This project is an important strategic step as we look to the future in continuing our strong history of providing safe, affordable and reliable power."

Geronimo Energy recently completed the 200 MW Crocker Wind Farm in Clark County and also developed the Pierre Solar Project, a joint effort with the City of Pierre and Missouri River Energy Services in Hughes County.

Geronimo Energy President David Reamer said industry analysts often tend to doubt the viability of solar power in the region, but he said the Wild Springs project shows that consumers in more northern climates can also benefit from the renewable resource.

7 Efficient Home Improvement Projects to Help Save Money

The best home upgrades make spaces more livable and energy-efficient and are also cost-effective. Making energy-efficient improvements is a savvy way to save money on utility bills, curb energy consumption and add to the house's value. Consider a variety of home improvement projects, both big and small, that can reduce the financial burden of maintaining your home throughout the year and improve energy efficiency.

Add Insulation - A cost-effective way to save on heating and cooling bills is adding a layer of insulation in the attic where heat loss is typically greatest due to hot air rising. While many newer homes are adequately insulated, those that are several decades old (or older) may benefit from an upgrade in not only the attic but other common problem areas where air can escape such as basements, crawl spaces, fireplaces and ductwork.

Seal Doors and Windows - Windows and doors are common culprits for energy loss. While a complete replacement of doors and windows can be pricey, adding exterior caulk and weather stripping to fill in gaps where air can escape around these openings can make a noticeable difference for a fraction of the cost and make it cheaper to heat and cool your home.

Install Skylights - Skylights are a cost-effective option for transforming any room with natural light while also saving energy. For example, Sun Tunnel Skylights can be installed in 90 minutes and funnel natural light from the roof through the attic and into the room below with an aesthetic that resembles recessed lighting. Customizable with six diffuser film styles to complement interior design, the skylights can make a home more energy-efficient by reducing reliance on artificial lighting.



Reflective Window Film - When the sun shines through windows, it can heat up the home's interior quickly and trigger the air conditioner to turn on. Window coverings, such as blackout curtains, can help, but adding low-e reflective window film to your windowpanes, particularly southern-facing ones, can provide an additional shield from the sun and reduce energy costs.

Install a Programmable Thermostat - A programmable thermostat is an efficient way to control the climate inside your home. Today's smart thermostats not only let homeowners control temperatures from their smart devices but can also learn daily habits and adjust the temperature accordingly with no other manual adjustments necessary.

Replace Appliances - Because appliances like refrigerators and ovens are major energy users, investing in more efficient models provides both cost and energy savings. Additionally, homes more than 15 years old could benefit from updates to the air conditioner or heater as systems 15-20 years old or older may be candidates for replacement.

Ceiling Fans - In comparison to running your air conditioner consistently, the cost of running a ceiling fan (or several) is significantly less. Particularly on days that may not require cooling the entire house completely, fans can provide a gentle breeze and circulate air in the spaces you use most often. Simply adjust the switch to the counterclockwise position to ensure it's pushing air downward during warmer months.

For more information and home improvement ideas, visit whyskylights.com/livelifghter.

2019 Sioux Valley Energy Annual Report

Yearly Performance

Sioux Valley Energy's mission is 'Serving Our Members. Always'. This means that our members are the foundation of every decision that is made at the Cooperative. Each year is unique and 2019 was no exception with it being both productive and eventful. Here is a high-level overview of the year's highlights:

- A total of 115.54 miles of line were constructed: Of that, 0.78 miles was new line and 114.76 miles was rebuilt line. This resulted in a net increase in utility plant of almost \$15.8 million.
- SVE connected 589 new services, for a total of 26,689 services.
- An ice storm hit the SVE system in April, 2019. At the peak, 10,000 members were without power. More than 750 poles were broken and total damage exceeded \$8 million. Fourteen electric cooperatives and four contractors provided SVE with assistance.
- SVE retired a total of \$1.86 million in capital credits. This includes the retirement of estate capital credits and the general retirement in December.
- Over half of SVE's employees took part in the co-op's volunteer program with 55 employees utilizing volunteer hours totaling 376.5 hours.
- We held the fourth annual 'Take Action' meetings in Brandon, Hartford, Brookings and Luverne. Featured speakers were Congressman Dusty Johnson, U.S. Senators John Thune and Mike Rounds, and Minnesota State Representative Joe Schomacker and Minnesota State Senator Bill Weber.
- 4,452 members and guests attended the Cooperative's district meetings and 760 attended the annual meeting in Pipestone.
- The co-op received an ACSI score of 88 from its members and is working towards a goal of 90.
- Nearly \$125,000 in Operation Round Up funds were donated to worthy causes throughout the cooperative service territory.
- Sioux Valley Energy held its first annual 'Safety Day' at the Brandon Service Center with approximately 700 attendees.

Sioux Valley Energy Leadership Team & Board of Directors



Tim McCarthy,
General Manager & CEO



Betty VanDerWerff,
CFO and Dir. of
Finance & Acct.



Ted Smith,
Dir. of Engineering
& Operations



Debra Biever,
Dir. of Customer &
Employee Relations



Carrie Vugteveen,
Dir. of Public Relations



Brenda Schelhaas,
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Allan Weinacht
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Dave Daniel
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Bruce Martinson
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Dan Leuthold
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District 8



Mark Rogen
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District 6



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District 10

Sioux Valley Energy Employees

- | | | | | |
|----------------------|------------------|------------------|------------------|-------------------|
| Amy Voelker | Dave Bormann | Jeremy Rollag | Mark Anderson | Sarina Hanson |
| Angela Boughton | Dave Jensen | Jim George | Matt Behlings | Sharla Haugen |
| Ben Pierson | Dave Ossefoort | Jim Kuyper | Matt Determan | Shawn Bruns |
| Betty VanDerWerff | Deb Barger | Joan Wangberg | Matt Seivert | Sheila Gross |
| Brenda Kleinjan | Debra Biever | Jody Lebahn | Michael Oines | Stacey Pierce |
| Brenda Schelhaas | Derek Locke | Jordan Long | Michele Nielson | Steve Dvergsten |
| Brian Meyer | Eliza Barrón | Josh Bjorkland | Michele Wanner | Steve Neises |
| Bruce Barrick | Elliot Ostercamp | Josh Entzel | Mike Uhing | Tanner Donelan |
| Carrie Vugteveen | Garth Park | Josh Kearin | Molly Burmeister | Ted Smith |
| Casey Lowe | Gwen Larsen | Justin Moose | Molly Williams | Terry Ebright |
| Chad Lade | Heather Buss | Kara LeBrun | Nick Smith | Terry Plecity |
| Chad Williams | Holly Kruger | Kathy Nepp | Paul Anderson | Tim Durst |
| Chinelle Christensen | Jace Martens | Kim C. Hansen | Paul Schamber | Tim Fey |
| Cole Anderson | Jager Rus | Kim Brendsel | Parker Kuchta | Tim McCarthy |
| Cody Bunkers | Jake Dybedahl | Kimberlee Hansen | Reggie Gassman | Tim Schoolmeester |
| Cody Fritz | Jan Christiansen | Kimberly Brown | Robert Johnson | Trevor Reif |
| Craig Namken | Jason Langford | Kyle Thomson | Ryan Gruber | Tom Sebert |
| Dan Doyle | Jason Sage | Leann Nelson | Ryan Hyland | Toni Kruger |
| Dana Foster | Jay Buchholz | Lisa Johnson | Ryan Olson | Tony Remund |
| Daren Hoffer | Jeff Huebner | Lori George | Sandy Zwart | |



**2019 Annual Report Continues on
Pages 14 & 15**

2019 Annual Meeting Minutes

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

June 4, 2019

Pursuant to notice having been given on the 14th day of May, 2019, the annual meeting of the members of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba Sioux Valley Energy) was held on Tuesday, June 4th, 2019 at the Pipestone Area High School, Pipestone, MN. A member appreciation event featuring an activity fair and the 'Divas Through the Decades' Musical Tribute was held in conjunction with the meeting.

Carrie Vugteveen, Director of Communications and Government Relations, introduced Elizabeth Hofer, who performed the National Anthem.

Carrie Vugteveen then introduced the members of the Sioux Valley Energy board of directors, former directors and employees, special guests and dignitaries.

The business meeting was called to order at 6:45 p.m. by Board President Allan Weinacht, who presided as Chairperson and Allan Kooima, 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 232 members registered. A motion was made and seconded to approve the minutes of the June 5th, 2018 annual meeting as printed in the 2018 annual report. Arlyn Zylstra, Board Treasurer, presented the treasurer's report for 2018. A motion was made and seconded that the treasurer's report be approved as presented.

GENERAL MANAGER/CEO REPORT AND AWARD RECOGNITION

The management report was presented by General Manager/CEO Tim McCarthy. Manager McCarthy introduced all the EmPower Youth Leadership scholarship recipients.

In closing, Manager McCarthy also recognized the following Sioux Valley Energy employees who have given twenty-five and thirty years to the Cooperative: Ryan Hyland, Journey Lineman – 25 years and Mark Anderson, Journey Lineman – 30 years.

ADJOURNMENT

There being no further business to come before the meeting, Allan Weinacht declared the meeting adjourned at 7:15 p.m.



Due to recent unusual weather patterns, grain bin safety is more important than ever.

GRAIN BIN SAFETY

Unusually wet year makes grain bin safety on the farm more important than ever

Susan Smith

Contributing Writer

Wet conditions during last year's harvest meant grain went into bins under conditions that aren't ideal.

Wet grain can cause crusting or bridging in bins. Producers try to scrape the crust away from the side, causing a landslide of grain sucking the producer in as it falls. Or they could be working in a bin not realizing they are standing on a bridge of grain that when it falls has nothing beneath it but air. This can also cause entrapment.

Many of these accidents happen in winter and early spring, said Beth Locken, director of safety and environmental at Agtegra Cooperative in Aberdeen. She calls that time period the second harvest when farmers are cleaning out bins for the coming year's crops. While South Dakota and North Dakota don't see the number of entrapment accidents as corn-belt states like Iowa and Illinois, grain bin entrapments are not picky, Locken said.

"We've already seen one (death in South Dakota) in 2020 already and that's too many," she said.

During the third week in February 2020, decreed by U.S. Secretary of Agriculture Sonny Perdue as National Grain Bin Safety Week, Christopher Bauman died at his farm near Elkton while emptying corn. Bauman had a wife and three children.

After Bauman died, Locken and Scott Wheelhouse, safety director of the Agfirst Farmers Cooperative in Aurora, began



Training is an important element in responding to grain bin accidents on the farm.

talking about creating a local day-long seminar on grain bin safety. The morning would focus on a refresher course for first responders who already are trained to rescue someone trapped in a grain bin but maybe haven't had hands-on experience recently, Wheelhouse said. In the afternoon, producers from the area would get information on general grain bin safety and use of rescue equipment.

"We really want to emphasize we don't just want your business, we want your friendship," Wheelhouse said. "We want you alive."

AgTegra sold grain bin entry kits at cost to local producers this year, a service Wheelhouse would like to offer his customers as well. The kits sell for \$460 and include resources on how to use them.

"Mostly the benefit we get out of it is hoping we can educate the family and keep them safe," Locken said.

Purdue University releases an annual report on entrapment injuries and fatalities. The number increased by 9.8 percent in 2019. From 2017 to 2018 the number jumped 23 percent. In the last decade, 370 people died in grain bin accidents.

The number of grain bin accidents increased nearly 10 percent in 2019.



About 10 years ago, Agtegra donated to fire departments in its coverage area grain bin rescue tubes that fit around a submerged person. That includes about 70 departments in northeast and northwest North Dakota and areas along Highways 12 and 281 and I-90. Agtegra deployed a technical rescue team for the last 10 years.

Training paid off during a March grain entrapment.

The team membership and training is widespread for Agtegra employees and first responders.

"Immediate response is of the essence," Locken said. "If something happens on a farmer's bin site, they're not going to call AgTegra, they're going to call the fire department," Locken said.

That widespread training paid off during a March grain entrapment near Pierre.

"We were there providing guidance and additional equipment. We were inside the bin with the fire department just trying to get the victim out of there," she said. "We worked for about five hours and that was a successful response. Not all of them are like that, unfortunately."

The first rule of grain bin safety is not to go into the bin in the first place.

"We always say any time someone needs to go into a bin, stop and talk about it," Locken said. "Have absolutely more than one person there. Make sure the person has a harness and rope attached to the harness and to something attached to the bin that's not going to move."

Locken said turning off equipment like an auger is another good rule of thumb. That way grain isn't being pulled out of the bin as a person works in it.

John Keimig, SDSU Extension Youth Safety Field Specialist, conducts safety programs for 4-H youth. He educates children of producers so they know the rules and can keep an eye on their parents. Most producers know the risks of working around grain bins, he said, but might not consider them during the high pressure of a typical farm day.

"Adults know better," he said. "We get in a hurry. We don't always think and particularly in grain storage that can become very bad very quickly. By working together, we can help each other out if we have to go into a bin and we can save lives."



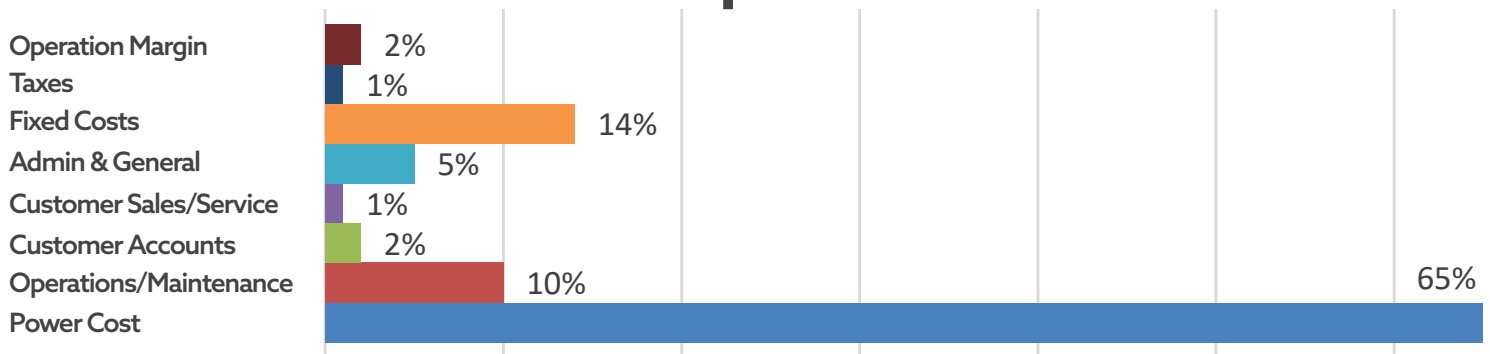
The risks of working around grain bins may be forgotten during the high pressure of an average work day on the farm.

Years Ended December 31, 2018 and 2019

Balance Sheet

	2019	2018
Assets:		
Distribution and General Plant	\$246,566,104	\$228,423,844
Less Depreciation	50,932,190	48,767,309
Net Plant	195,633,914	179,656,535
Other Property and Investments		
Investments	51,235,072	48,993,878
Total other property and investments	51,235,072	48,993,878
Current Assets:		
Cash	7,476,792	6,812,365
Accounts receivable	7,694,931	7,635,930
Inventory	6,237,222	6,291,174
Other current assets	671,587	624,520
Total Current Assets	\$22,080,532	\$21,363,989
Deferred Debits	327,565	141,746
Total Assets	\$269,277,083	\$250,156,148
Equities:		
Patronage capital	89,213,236	85,809,592
Other equities	3,680,184	3,417,512
Total Equities	92,893,420	89,227,104
Liabilities:		
Long-term Debt	157,044,244	139,255,955
Current Liabilities		
Current maturities of long-term debt	6,019,000	5,418,000
Notes Payable	-	2,000,000
Accounts payable	5,869,096	5,543,419
Other current and accrued liabilities	3,832,660	3,534,104
Total current liabilities	15,720,756	16,495,523
Other Liabilities		
Consumer deposits	633,118	455,222
Deferred credits	2,985,545	4,722,344
Total liabilities	176,383,663	160,929,044
Total Equities and Liabilities	\$269,277,083	\$250,156,148

How the Dollars Were Spent

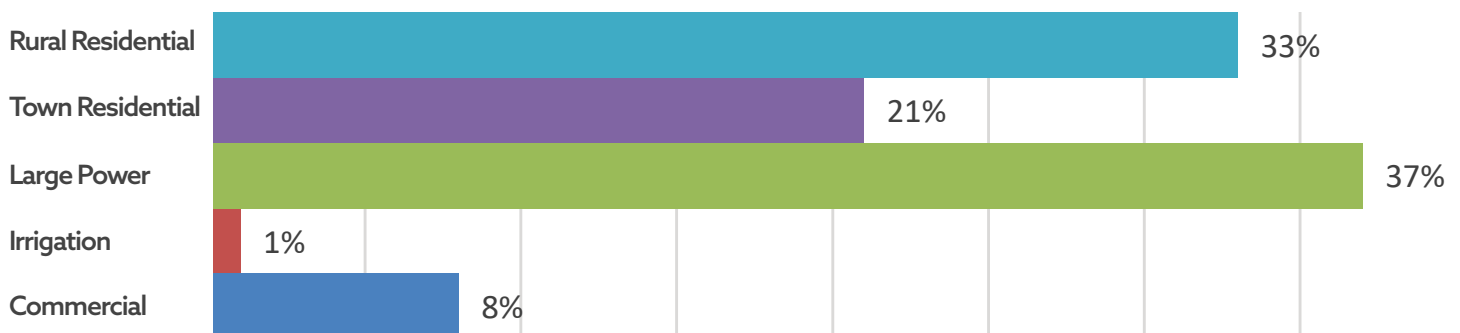


Years Ended December 31, 2018 and 2019

Statement of Operations

	2019	2018
Operating Revenues:		
Revenue from electric sales	86,129,758	83,091,840
Total Operating Revenue	86,129,758	83,091,840
Operating Expenses:		
Cost of Power	56,181,259	55,018,253
System operations and maintenance	8,422,630	7,517,355
Customer accounts expense	1,457,473	1,334,443
Customer service and sales expense	615,430	543,203
Administrative and general expense	4,582,032	4,243,769
Depreciation	5,957,895	5,606,874
Interest	5,672,198	5,244,873
Taxes	1,244,258	1,203,564
Other expense	53,607	48,159
Total operating expenses	84,186,782	80,760,493
Operating margins	1,942,976	2,331,347
Non-operating Margins		
Merchandising	(407,331)	(353,498)
Interest income	514,497	431,147
Gain (Loss) on sale of equipment or property	69,484	(6,833)
Total non-operating margins	176,650	70,816
Capital credits from associated organizations	3,503,012	7,930,516
Net Margins	\$5,622,638	\$10,332,679

Revenue Categories



Register to Win!

Bring this coupon and mailing label to the Touchstone Energy® Cooperatives booth at the South Dakota State Fair to win a prize!

Your Phone Number: _____
Your E-mail Address: _____

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

September 3-5

South Dakota State Fair:
Perfect Vision of Fun,
1060 3rd St. SW, Huron, SD
800-529-0900
www.sdstatefair.com

July 21-25

98th Annual Days of '76 PRCA
Rodeo, Arena, Deadwood,
SD, 1-888-838-BULL,
www.DAYSOF76.com

July 26

15th Annual Car Show
Langford, SD, 10 a.m. - 2 p.m.
605-493-6597

July 31-August 1

Senior Games, Yankton,
SD, Contact Kristi Hauer at
605-665-4685

July 31-August 1

Plein Air & Arts in the Garden,
Wessington Springs, SD,
605-354-3826

August 1

Rockin' Ribfest BBQ
Competition, Wessington
Springs, SD, 605-505-1135

August 1

Foothills Classic, Wessington
Springs, SD, 605-350-1687

August 1, 22

The Murder of Miss Kitty
Comedy Mystery Dinner
Theatre, Holiday Inn Express
& Suites, Deadwood, SD,
605-580-5799

August 8-9

Threshing Show, Twin Brooks,
SD, www.threshingshow.com



August 8-10:
Red Power Round Up
Fairgrounds, Huron, SD
605-460-0197

Photo courtesy: South Dakota Department of Agriculture

August 8-10

Red Power Round Up,
Fairgrounds, Huron, SD,
605-460-0197

August 9

Online Only Bechyn Czech
Festival, Online Concert,
7 p.m., Bechyn,
Minn., 320-522-1218
www.facebook.com/Bechyn-
MinnesotaWorld

August 14-16

Astronomy Festival, Badlands
National Park, Wall, SD,
605-433-5241

August 21-22

Harvest Festival, Elkton, SD,
605-524-2681

August 22

World of Outlaw Sprint Car
Races plus Wissota MWM,
Dakota State Fair Speedway,
Huron, SD, 605-352-4848

September 7

Hidewood Valley Steam
Threshing Show, 1 p.m.,
47326 183rd Ave., Clear Lake,
SD, 605-881-8405

September 12-13

Fall Harvest Festival,
Delmont, SD, 605-928-3792,
www.twinriversoldiron.org

September 13

20th Annual Antique Tractor
and Car Parade, 1 p.m.,
Farmer, SD, 605-239-4498

September 25-27

Coal Springs Threshing
Bee Featuring Massy Harris
Tractors, Meadow, SD,
605-788-2229

September 26

10th Annual ROCS Fall
Festival, 9 a.m. to 2 p.m.,
Springfield, SD,
605-464-7379

September 26

Wheelin' to Wall, Wall
Community Center, Wall, SD

October 7-8

Energize! Explore Innovative
Rural Communities
Conference, Milbank, SD,
<https://extension.sdstate.edu>

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.