

COOPERATIVE CONNECTIONS



Fostering Futures

**Mike Rowe Scholarship
Sponsors Co-op Lineman**

Pages 8-9

**Understanding the
Southwest Power Pool**

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Dirty Jobs star Mike Rowe with Work Ethic Scholarship
recipient Tayden Wells at Mitchell Technical College
Submitted Photo

Reliability Requires Investment



**Chris Larson,
General Manager**

As your local power provider, Clay-Union Electric's mission has always been simple: keep the lights on and support the communities we serve. But behind every switch, every warm home and every business that opens its doors is a complex system that requires constant care. Reliable electricity doesn't happen by accident. It requires ongoing investment in our local grid—through system repairs, maintenance, upgrades and the integration of new technologies that help us operate smarter and more efficiently.

Much of the energy system we rely on today was built decades ago. While it continues to serve us well, age alone means that components must be repaired or replaced to maintain performance and safety. From poles and wires to transformers and substations, every part of the grid has a lifespan. Routine maintenance helps extend that lifespan, but eventually equipment must be updated to meet modern standards. These proactive investments reduce the likelihood of outages, shorten restoration times when disruptions do occur and create a stronger backbone for our growing community.

The demands on the electric grid are also evolving. Homes and businesses today use more electricity than ever, and that trend will only continue. Electric vehicles, advanced HVAC systems, smart appliances and new commercial facilities add load to the local distribution system. As these technologies take hold, the grid must be able to support increased demand while maintaining the reliability our members expect. Strategic upgrades such as converting overhead to underground with redundant feeds are essential to ensuring we can meet these needs both today and in the decades ahead.

At the same time, new technologies are

reshaping how we operate. Tools such as advanced meter reading, fault indicators and two-way switches allow us to detect problems faster and respond more effectively. These technologies can isolate problems, reroute power to minimize outages and provide real-time data that helps us plan and maintain equipment more efficiently. Other tools such as volt recorders and infrared cameras help us detect issues before they become problems.

Implementing innovative technologies into the grid is not just a convenience—it is a necessity for ensuring reliability in an increasingly complex energy landscape.

While these improvements require thoughtful planning and financial investment, the return is significant. A stronger grid supports economic growth, improves service quality and enhances safety for our crews and community. Most importantly, it ensures that the essential power you rely on is available whenever

you need it.

Our commitment to reliability runs deeper than infrastructure alone. It reflects our responsibility to the people and communities we serve. Every upgrade, every repair and every technology we deploy is an investment in your daily life—from the comfort of your home to the success of local businesses and schools.

We know that powering our community means preparing for the future, not just maintaining the present. By investing in our local grid today, we are building the foundation for a brighter, more resilient tomorrow.

Thank you again, for allowing us to provide your electric service needs.

Chris Larson

General Manager

clarson@clayunionelectric.coop

COOPERATIVE CONNECTIONS

CLAY-UNION ELECTRIC SPARKS

(USPS 116-800)

Office Hours
Monday through Friday
7:30 a.m. to 4:00 p.m.
31321 SD Hwy. 19, Vermillion, S.D.
605-624-2673

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POWER FAILURE - 24-hour service In case of Power Failure Call: **1-800-696-2832 or 624-2673**

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This institution is an equal opportunity provider and employer



Your Touchstone Energy® Cooperative



BASIN ELECTRIC SCHOLARSHIP APPLICATIONS DUE BY FEBRUARY 3RD

The Basin Electric Scholarship Program will award more than 150 scholarships in 2026.

- Basin Electric will award \$2,500 in scholarships to Clay-Union Electric members (2-\$1,250 scholarships).
- The Cooperative Member Employee Dependent Scholarship will be \$1,000 each.

All scholarships must be used for educational expenses, and recipients must enroll in college in the fall semester of the school year for which the scholarship is awarded.

Scholarship checks will be made payable to the student's college, university, or technical school and will be distributed by Basin Electric in August.

The applicant must be a student who is enrolled or planning to enroll in a full-time graduate or undergraduate course of study at an accredited, two year or four year college, university, or vocational/technical school and parent or guardian must be a member of Clay-Union Electric.

Applications are available on our website at <https://clayunionelectric.coop/scholarship-opportunities> or call 605-624-2673 to request one.

Completed applications must be received by February 3rd, 2026 and can be emailed to jwilliams@clayunionelectric.coop, dropped off at 31321 SD Hwy. 19 or mailed to PO Box 317, Vermillion, SD 57069.

YEAR-TO-DATE FINANCIALS

| | November 2025 | Year To Date |
|---------------------------------------|------------------|--------------|
| Number of Consumers..... | 3,564..... | 3,918 Avg. |
| Total Revenue | \$793,653..... | \$8,916,376 |
| Total Cost of Service..... | \$896,976..... | \$9,315,141 |
| Operating Margins | \$(103,323)..... | \$(398,765) |
| Other Margins..... | \$(3,975)..... | \$91,901 |
| Total Net Margins..... | \$(107,298)..... | \$(306,864) |
| kWh Purchased..... | 5,177,335..... | 29,254,464 |
| Cost of Power | \$494,797 | \$5,077,447 |
| kWh Sales..... | 7,066,8878 | 69,490,518 |
| Residential Average Usage | 1,259..... | 1,279 |
| Residential Average Monthly Bill..... | \$172 | \$175 |

FIVE WAYS TO SAFEGUARD YOUR HOME THIS WINTER

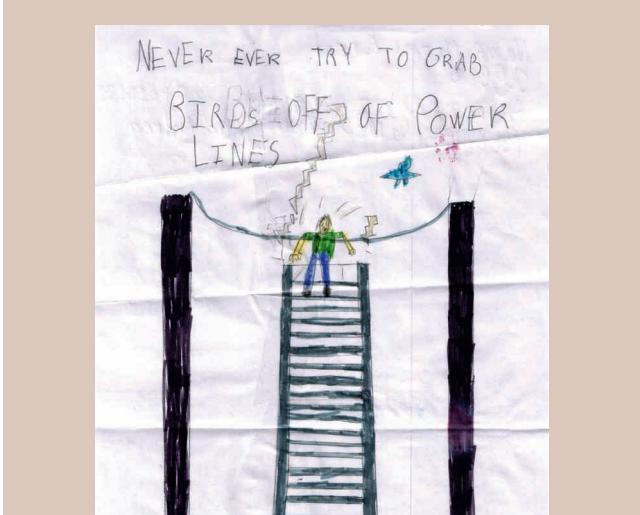
As the temperatures drop and the days grow shorter, there's a natural inclination to create a warm and cozy haven at home. Unfortunately, as we see increased use of heating equipment, candles and electrical items, the number of home fires tends to increase during winter months.

Here are five ways you can safeguard your home for the winter season.

1. Ensure carbon monoxide and smoke detectors are working properly. If your detectors are battery-operated, replace the batteries annually. Test the detectors once a month and give them a good dusting to ensure the sensors are clear of dirt and debris.
2. Inspect electrical cords. We depend on more cords during winter, whether for holiday lighting, extension cords or portable heaters. Before using any corded items, double check to make sure cords aren't frayed or cracked. If you use portable space heaters, remember to keep them at least three feet away from flammable items. Use models that include an auto shut-off feature and overheat protection. Space heaters can take a toll on your energy bills. Use them efficiently (to heat smaller spaces) and safely. Never plug a space heater into a power strip. Speaking of power strips...
3. Avoid overloading electrical outlets and power strips. When overloaded with electrical items, outlets and power strips can overheat and catch fire. If you use power strips for multiple devices, make sure the strip can handle the electrical load. For a safer bet, look for power strips that include surge protection.
4. Clean the fireplace to improve safety and efficiency. There's nothing better than a warm fire on a chilly night, but it's important to maintain your fireplace for safety. As wood burns, a sticky substance known as creosote builds up in the chimney. When creosote buildup becomes too thick, a chimney fire can ignite. The chimney should be cleaned at least once a year to reduce fire risks. Regular cleaning

also improves air flow and limits the amount of carbon monoxide that seeps indoors.

5. Practice safety in the kitchen. As we spend more time in the kitchen during the holiday season, be mindful of potential fire hazards. Never leave food that's cooking on the stovetop unattended. Clean and remove spilled foods from cooking surfaces and be mindful of where you place flammable items like dish towels.



Naomi Krcil, Age 8

Naomi warns readers to never, ever grab birds off power lines. Great job, Naomi! Naomi's parents are Andrew and Andrea Krcil from Dante, 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.

Family Night FAVORITES

Picture by Elena Veselova from Shutterstock

SAUERKRAUT BEEF BAKE

Ingredients:

1 lb ground beef
1 can sauerkraut, rinsed and drained
1/2 cup instant rice
1 can cream of mushroom soup
1 soup can water
2 tbsps. onion soup mix
1 small can sliced mushrooms (optional)

Method

Brown ground beef, drain excess fat. In large bowl, mix all remaining ingredients. Transfer to a greased 2-quart casserole or baking dish.

Cover and bake at 350°F for one hour or until heated through.

Sally Florey
Charles Mix Electric

MINI BBQ BACON CHEDDAR MEATLOAF

Ingredients:

2 lbs. ground beef
6 oz. chili sauce
4 slices bacon, cooked and crumbled
1 1/2 cups sharp cheddar cheese, shredded
1/2 cup panko breadcrumbs
2 large eggs
1 tsp. onion powder
1 tsp. seasoned salt
1 tsp. garlic powder
2 tbsps. Worcestershire sauce
1 tsp. yellow mustard
1/2 cup BBQ sauce

Method

Preheat oven to 425°F.

Cook and crumble bacon.

In a mixing bowl, mix together all meatloaf ingredients except the BBQ sauce.

Divide the mixture into 8 round loaves. Press a small depression into the middle of the meatloaves.

Brush BBQ sauce on top of the meatloaves.

Bake for 25 minutes. Turn on broiler and brown the BBQ sauce for 2 to 5 minutes.

Kayla Beamer
Southeastern Electric

SMOKED MEATLOAF

Ingredients:

1 cup panko breadcrumbs
1 cup whipping cream
1.5 lbs. 93% lean ground beef
1 lb. ground pork
1/2 pkg. bacon
2 eggs, beaten
2 tps. Worcestershire sauce
1-2 tps. minced garlic
1/8 cup ketchup
2 tps. Heifer Dust (spice)
1/2 tsp. ground pepper
1/2 sweet onion, chopped
1/2 green pepper, chopped
1-2 carrots, chopped
1-2 celery stalks, chopped
1/2 carton mushrooms, chopped

Basting Sauce

| | |
|---------------------|-------------|
| Cookies BBQ | Ketchup |
| Brown sugar | Dry mustard |
| Apple cider vinegar | |

Method

Turn Traeger to Smoke then set to 225°F and preheat for 15 minutes.

Combine the vegetables, drizzle with olive oil and microwave for about 2 minutes to soften. Cool for 10 minutes. Mix everything in a large bowl with hands. Form into a large loaf on parchment paper. Place bacon strips on grate pan. Gently flip loaf onto the bacon lined grate pan.

Place on grill and smoke for 45 minutes. Increase temperature to 325°F. Preheat for 10 minutes. Return to grill and insert probe. Cook until internal temperature reaches 160°F – about 1-2 more hours depending on size of loaf.

During the last 15-20 minutes, baste heavily with barbecue sauce mixed with brown sugar, ketchup, mustard and a little apple cider vinegar or apple juice.

Deb Prins
Cam Wal Electric

Please send your favorite 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 2026. All entries must include your name, mailing address, phone number and cooperative name.



PLANNING AHEAD: PROTECTING YOU AS LARGE DATA CENTERS PLAY A BIGGER ROLE IN ENERGY DEMAND

Chris Larson

General Manager

Electricity demand is rising faster than at any point in recent memory, some of it driven by the rapid expansion of large data centers—facilities that require massive amounts of continuous power. National assessments show that demand is increasing especially quickly in areas serving new data centers, making reliability a growing concern for all utilities.

As your member-owned electric cooperative, our commitment is simple: protect your rates, preserve your reliability, and prepare our local grid for the future.

PROTECTING RELIABILITY:

Electric cooperatives across the region are working closely with federal agencies, grid operators, and industry partners to ensure reliability keeps up with rising demand. Cooperative leaders have

emphasized that reliably powering data center growth will require smart policies and coordinated planning.

PROTECTING AFFORDABILITY:

One of our strongest commitments is ensuring that large new energy users do not shift costs onto existing members. Utilities are using well-structured agreements that ensure large projects pay for the infrastructure and power they require, protecting families, farms, and small businesses from carrying the financial burden of high-demand facilities.

WHY RECENT RATE INCREASES HAPPENED:

Recent rate increases were not caused by data centers. Instead, they were driven by traditional growth across our communities, the rising cost of building new generation resources, the retirement of power plants that once supplied affordable baseload energy and the increase in required generation reserve



margins needed to ensure reliability.

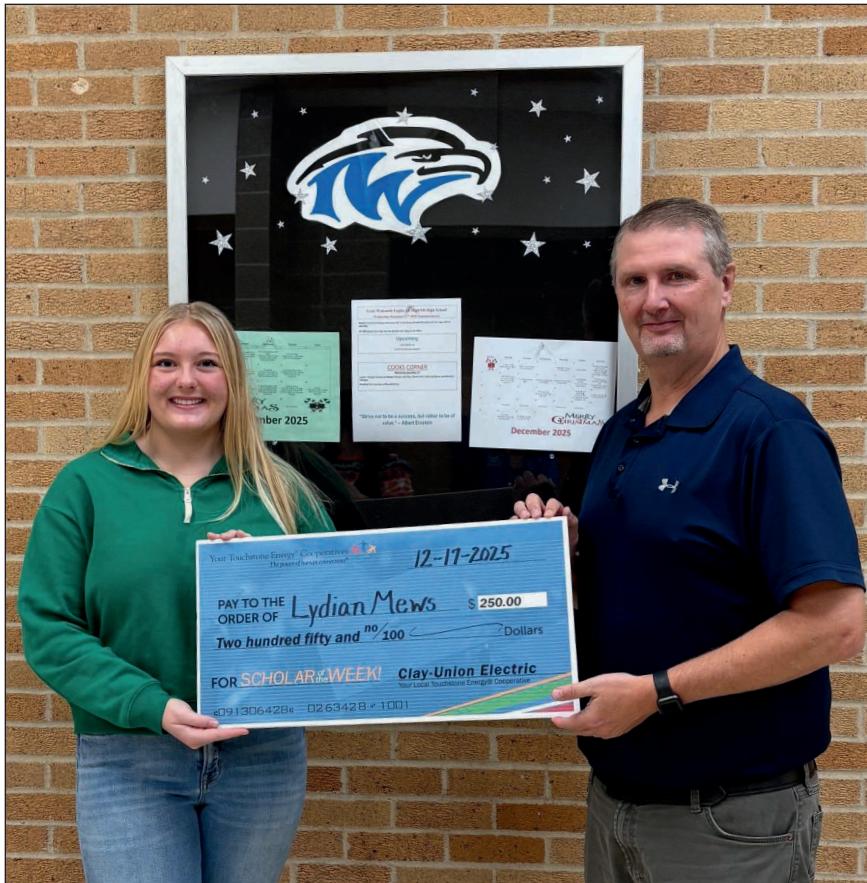
STRENGTHENING SECURITY:

As energy demands grow, so do cybersecurity and physical-security needs. Cooperative leaders nationwide continue to emphasize the importance of improved tools, new technologies, and strong partnerships to protect rural grids.

MEMBERS FIRST—ALWAYS:

Every decision we make centers on you. We continue planning for long-term reliability, advocating for rural-focused policies, and ensuring growth remains both fair and beneficial to our membership.

No matter how new industries or technologies evolve, our mission remains the same: to deliver reliable, affordable, locally governed power you can count on.



LYDIAN MEWS NAMED SCHOLAR OF THE WEEK

Jackie Williams

jwilliams@clayunionelectric.coop

Lydian Mews, an Irene-Wakonda senior, was named the Touchstone Energy Scholar of the week of January 4th, 2026, and was featured on Dakota News Now.

She was nominated by Alannah Vlasman, Guidance Counselor.

Lydian is a 6-year Student Council Member, 2-year Student Council President, 6-year FCCLA Member, 5-year FCCLA Leadership Team, 2-year State FCCLA Leadership Board, 4-Year One Act, 4-year Choir and Band, 2-year All State Choir Delegate, plus more.

Mews had not chosen which school she will attend in the fall as of publication date.

She is the daughter of Mary and Mike Mews of Wakonda, members of Clay-Union Electric.

The Scholar of the Week program is a partnership between Dakota News Now Television, Clay-Union Electric, and other local Touchstone Energy Cooperatives that honors accomplished high school students. As Scholar of the week Lydian was awarded with a \$250 check, presented by General Manager, Chris Larson, and will be eligible for chance to win a scholarship that will be given away in the spring at the annual Scholar of the Week banquet.

Congratulations Lydian!

ENERGY EFFICIENCY TIP OF THE MONTH

Mid-winter is a great time to ensure you're making the most of your home heating system. Replace or clean filters to keep your furnace or heat pump running efficiently. Listen for strange noises and check for uneven heating—these signs indicate that the system may need servicing. Ensure vents and radiators aren't blocked by furniture or rugs as proper airflow helps your system work less and saves energy. A little maintenance along the way can prevent costly repairs and keep your home cozy through winter.



FOSTERING FUTURES

'Mike Rowe Scholarship' Winner Kicks Off Career at Electric Co-op

Jacob Boyko

jacob.boyko@sdrea.coop

For many high schoolers, figuring out the next steps after graduating is a time for making big decisions and answering tough questions. What do I want to do for a career? Should I go to a university or technical college? Will I be able to pay off all of this college debt?

Tayden Wells' mind was already made up following a great high school internship and a little bit of faith and support from others. Wells was awarded numerous scholarships, but none as prestigious – nor time-consuming – as the Work Ethic Scholarship from 'Dirty Jobs' star Mike Rowe.

Discovering the Passion

Growing up around linemen, Tayden had an early appreciation for their work, unpredictable schedules and the expansive grid of wires and poles that keeps everyone's lights on.

"As a child I'd be sitting in the house and all of a sudden, Dad would up and vanish," Tayden explained. "And I always wondered, what's he doing? Where's he going? Why is he going to work on a Saturday or in the middle of the night? And then finally it occurred to me that we rely on the power grid, and when the power goes out, linemen go to work."

Tayden's dad, Travis, is a lineman at Clay-Union Electric in Vermillion, S.D. Tayden recalls the long car rides on hunting trips with his dad and uncle – also a lineman – where the conversations would drift to the power lines outside the truck windows.

"I'd hear them talking, using linemen slang like 'distro' (distribution lines) and 'T-lines' (transmission lines)," Tayden said. "They really sparked my interest."

When Tayden's high school business teacher told students to think about internships, he knew exactly where he wanted to go.

It All Started With an Internship

Tayden's teacher made the call to Union County Electric Cooperative in Elk Point, S.D. After getting the green light from the board of directors, Tayden was cleared to shadow the crew for about 10 hours a week as he learned the ins and outs of the job.

"He was always looking for something to do, and he also asked a lot of questions and had an eagerness to learn," General Manager Matt Klein said about Tayden's work ethic. "When I saw that, I knew he would fit in well with the rest of our team."

Klein offered the high school senior a full-time summer



Tayden Wells of Vermillion is an apprentice lineman at Union County Electric Cooperative in Elk Point.

Submitted Photo

internship where he continued to expand his skills before heading to Mitchell, S.D., in the fall.

Mike Rowe's Work Ethic Scholarship and the S.W.E.A.T. Pledge

With his mind made up after the internship, Tayden's next step was to enroll in the power line program at Mitchell Technical College for a formal education – and find scholarships to help pay for it.

A straight-A student involved in athletics and extracurricular activities, Tayden applied for numerous scholarships, including the highly competitive Work Ethic Scholarship.

The scholarship, founded and administered by Mike Rowe and his foundation, offers millions of dollars to kids around the nation interested in pursuing trade careers.

Electricians, linemen, HVAC, nursing, culinary, automotive, even cosmetology – just no four-year bachelor's degrees.

"We promote skilled trades and want to get people into good-paying jobs without them drowning in debt," explained mikeroweworks President Mary Sullivan, who oversees the scholarship. "It's just heartbreaking seeing the amount of kids taking on college debt and graduating and aren't able to find jobs in their chosen field. Even more heartbreaking – but less reported – is the number of kids that drop out partway through the program with the debt and no piece of paper."

The scholarship's application process is different too – it's intensive, spanning several months and requires applicants to submit a video, answer questionnaires, gather references and think critically about the scholarship's curriculum.

The scholarship attracts thousands of applicants, but by the end, only the most committed, hardest working remain.

"We want to give scholarships to the kids who are passionate – they show up early, stay late and help others," Sullivan explained. "One of the recipients said he applied for 20 scholarships, and if you put all the other 19 into a bucket, ours still took more

Q&A COOPERATIVE CONNECTIONS WITH MIKE ROWE

time – but he said there was a level of pride in receiving it. High school kids today need to see 18-20 year olds who are successful, and the scholarship program allows us to meet students we believe are good representatives for the industry."

Part of the curriculum includes the S.W.E.A.T. Pledge (Skill & Work Ethic Aren't Taboo) video series that walks students through 12 pledges Rowe designed to promote strong work ethic and foster successful careers, which include:

"I do not follow my passion.' I bring it with me. I believe that any job can be done with passion and enthusiasm."

"I deplore debt and do all I can to avoid it. I would rather live in a tent and eat beans than borrow money for a lifestyle I can't afford."

After completing all of the curriculum and proposing a 13th S.W.E.A.T. pledge for a final project, Tayden was awarded \$16,000 to cover his education.

And when Rowe traveled to MTC in 2024, Tayden got the chance to thank Rowe face-to-face.

"Mike told me, from his mouth, that my scholarship was one of the highest amounts they gave out that year," Tayden said. "That was very cool to hear."

Rowe said Tayden stood out among thousands of applicants and embodies the qualities the scholarship promotes.

"Tayden checked all the boxes, and then some," Rowe said. "His references were great, his attitude was great, his essay was great, and his comments about The SWEAT Pledge were spot on. His willingness to pursue a skill that's in demand, along with his attitude and work ethic, make him a perfect example of the qualities we're trying to encourage with our scholarship program. The country needs thousands more like him."

Reflecting On the Journey

Tayden graduated from the power line program in 2025. He credits his success in part to his internship, saying the out-of-classroom experience set him up for a good year of training at MTC and a rewarding career with electric cooperatives.

"I kind of had the upper hand going into the program with my internship," Tayden said. "I was able to see stuff before I went to school, so I kind of had a good understanding of the basics. But for kids coming in, some of them obviously struggle. I'm a very hands-on, visual learner, so because I was able to see it beforehand, the bookwork and the schooling really clicked a lot better with me."

Today, Tayden is a full-time apprentice lineman at Union County Electric, where he continues to accumulate hours and complete coursework to earn his journeyman lineman certification. He encourages other young people not to overlook a career in the trades – or the Work Ethic Scholarship.

"With all of the talk about AI now, the trade jobs are always going to be there," Tayden said. "Without oil fields we wouldn't have gas, and without electricity we wouldn't have lights. Mike realizes that the world revolves around the trades. and he wants to see kids strive and succeed because in the trades there are endless opportunities, just like any other job."

Why is it so important that more young Americans enter the trades, and what does a shortage of skilled workers mean for the country?

For decades, the skills gap has been a tragedy of missed opportunity, both for students who weren't encouraged to consider a lucrative and viable path and the industries that rely on skilled labor. It still is. Today though, it's also a matter of national security. Not a week goes by that MRW doesn't get a call from an industry leader, desperate to hire skilled workers. The US Maritime Industrial Base told me they need 250,000 tradespeople to build nuclear subs. The automotive industry has over 100,000 openings for mechanics and collision repair techs. The energy industry needs half a million electricians, and the construction industry has so many openings they've stopped counting. The skills gap is real, and I can tell you that every CEO and every elected official I know are paying attention like never before.

What's one piece of advice you have for young people who are deciding their career path?

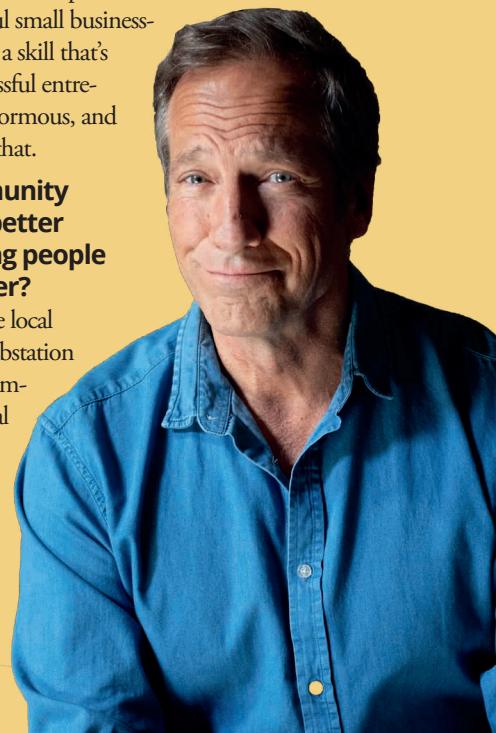
With regard to choosing a career, there's nothing more dangerous than dispensing advice to people you've never met. Same thing with choosing an education. We told an entire generation of kids that a four-year degree was the best path for the most people and then pressured them to borrow whatever it took to buy a degree, regardless of the cost. That kind of cookie-cutter advice was a colossal mistake and a big reason why we have millions of open jobs today that don't require a college diploma and lots of college graduates with a trillion dollars in student debt and no work in their chosen field. The only advice I generically offer to young people is to be very careful about "following your passion." Just because you're passionate about something doesn't mean you can't suck at it. Obviously, it's important to be passionate about whatever you do, but passion – like work ethic – is a choice, and life is a lot easier when you figure out a way to be passionate about whatever it is you're good at. (People hate hearing that, by the way, but it's the truth.)

What do you see as the single biggest misunderstanding young people have about working in the trades today?

The trades are surrounded by dozens of stigmas, stereotypes, myths and misperceptions that dissuade people from giving them an honest look. I guess if I had to pick one, I'd point to the stubborn belief held by many parents that their kids can't make six figures working with their hands. It's laughably and demonstrably false. And fun to disprove. Also – the simple fact that the road to so many successful small businesses often starts with the mastery of a skill that's in demand. The number of successful entrepreneurs in the skilled trades is enormous, and more people need to understand that.

What can teachers, community leaders and co-ops do to better identify and support young people interested in a trade career?

Start a "Career Reality Day" where local linemen, meter technicians and substation operators come in and talk real numbers. Not feel-good fluff, but actual wages, benefits, and career paths. When kids hear that a journeyman lineman can make \$80,000 a year without student loan debt, that gets their attention.





Happy Work Anniversary

Thank you for your dedication to the cooperative and its members!



Chris Larson
General Manager
10 years ~
31 combined years



Penny Ascheman
Member Services Specialist
4 years

Basin Tour - June 8-10, 2026

Registration is now open for members interested in learning more about where your electricity is generated. Basin Electric Power Cooperative is open for tours and we are taking advantage of their offer. This is a FREE opportunity for Clay-Union Electric members to travel with Union County Electric and Bon Homme Yankton Electric members to Beulah, ND by bus with a full schedule planned. Clay-Union will be accepting up to 14 members to attend. Don't wait, apply today.

Name(s) _____
(If registering as a couple include both names)

Address: _____ City: _____

Phone Number: _____ Email: _____

Registration is due by April 1, 2026. Mail to

Clay-Union Electric
PO Box 317, Vermillion, SD 57069

For complete details or to register online visit
<https://clayunionelectric.coop/basin-bus-tour>



Board of Director Nomination Petitions for District #3 Available

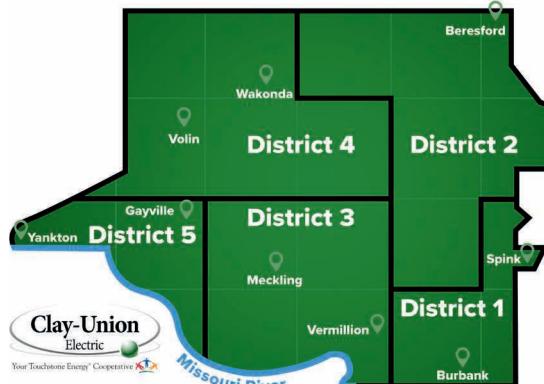
Pursuant to Section 7, Article 3 of the By-Laws of Clay-Union Electric, as amended by the members March 27, 2012, nominations for the Board of Directors of Clay-Union Electric are accomplished by petition.

Director Nomination Petitions are available for the nomination of a member in good standing with Clay-Union Electric from District #3. Petitions are available at the cooperative office and can be picked up by the person pursuing the position. Clay-Union Electric, 31321 SD Hwy. 19, Vermillion, SD. Office hours: Monday through Friday, 7:30 a.m. until 4:00 p.m. Phone: 1-605-624-2673 or 1-800-696-2832.

The completed petitions must be returned to Clay-Union Electric no later than 4 p.m. Thursday, February 13, 2026 or postmarked no later than February 13, 2026.

DISTRICT 3: The territory served by Clay-Union Electric beginning at a point on the Northeast corner of the territory at the junction of 464th Ave. and 309th St.; thence south on 464th

Ave. to where a projection of 464th Ave. meets the Missouri River; thence west along the South Dakota boundary of the Missouri River to a point that would be a projection south of 452nd Ave.; thence north on 452nd Ave. to the intersection with 309th St.; thence east on 309th St. to the intersection with 464th Ave., the point of beginning.



Director Sought for District #5

Jim Ryken District #5 resigned his position on the Clay-Union Electric Board in 2025. Thank you Jim for over 36 years of dedicated service.

Clay-Union Electric By-Laws state that the Board of Directors, by a majority vote of the remaining directors, shall select a new director to fill the vacant director position, provided however, that the successor meet the following qualifications of office.

A. No person shall be eligible to become or remain a director or hold any position of trust in the Cooperative who:

1. Is not a member in good standing and bona fide resident in the area served or to be served by the Cooperative and of the district they are to represent; or

2. Is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative;

3. Has been convicted of, plead guilty or no lo contend-ere to, or received a suspended imposition of sentence for any felony offense;

4. Attends less than two/thirds (2/3) of the monthly board meetings during the past year;

5. Was employed or whose spouse was employed by the Cooperative during any time within the past five (5) years;

6. Is currently employed by the Cooperative or has an immediate member of the family employed by the Cooperative;

7. Lacks the capacity to enter into legal contracts or otherwise meet the requirements of the office.

DISTRICT 5: The territory served by Clay-Union Electric beginning at a point on the Northeast corner of the territory at the junction of 452nd Ave. and 309th St.; thence south on 452nd Ave. to where a projection of 452nd Ave. meets the Missouri River; thence west along the South Dakota boundary of the Missouri River to a point that would be a projection south of 440th Ave.; thence north on 440th Ave. to the intersection with 308th St.; thence east on 308th St. to the intersection with 446th Ave.; the south on 446th Ave. to the intersection with 309th St.; thence east on 309th St. to the intersection with 452nd Ave., the point of beginning.

If you live in District #5 and would like to be considered, please submit a letter of qualifications and why you are interested in serving on the Clay-Union Board of Directors to:

Chris Larson
P.O. Box 317
Vermillion, SD 57069



UNDERSTANDING THE SOUTHWEST POWER POOL

Frank Turner

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When looking at the entire electric grid, electric cooperatives are just one component in a much larger system. Understanding how that system works, and how power is planned and shared across the region, provides important context for decisions that affect reliability, long-term infrastructure investments and, ultimately, the cost of electricity.

Southwest Power Pool

Every electric cooperative in South Dakota operates within the Southwest Power Pool (SPP), a regional transmission organization that oversees the grid. Really, electric cooperatives are all essential pieces of a larger,

regional puzzle that keeps the lights on.

SPP manages a wholesale electricity market and operates transmission lines across all or parts of 14 Midwest states, including South Dakota.

In 2015, East River Electric Power Cooperative joined the Southwest Power Pool along with Basin Electric Power Cooperative and the Western Area Power Administration Upper Great Plains Region. This move allowed electricity generators in the state to participate in a larger regional market, making it easier and more efficient to buy and sell energy across the grid.

Electric cooperatives aren't the only utilities operating within this regional system. Investor-owned utilities and

Basin Electric's trading floor connects the cooperative to the broader wholesale electricity market.

Submitted Photo

municipal utilities also participate in the SPP, all feeding into the same wholesale electricity market. By sharing transmission lines and following the same market rules, these utilities help create a broader, more flexible grid, allowing power to move long distances to where it's needed most.

"SPP is like a traffic director of electricity, because it doesn't own any assets," said Kristi Fiegen, South Dakota Public Utilities Commissioner and chair of the Southwest Power Pool's Regional State Committee. "They direct traffic and work to make sure the transmission lines and generation are bringing electricity to about 18 million customers on a second-by-second basis. That supply has to equal the demand every single second."

Winter Storm Uri

Another important benefit of participating in SPP is its ability to support the grid during extreme weather or unexpected outages, when regional coordination becomes especially important. Because SPP manages electricity across such a large footprint, the system can draw on resources from far beyond state borders. For example, when a power plant in North Dakota goes offline for routine maintenance, electricity from another state can cover the gap. Likewise, during severe winter weather in the South, generation from the Dakotas can help support the southern part of the grid.

That system maintained regional reliability until Feb. 2021, when it was pushed to its limits by Winter Storm Uri, which caused widespread power outages across Texas. According to the Federal Energy Regulatory Commission, 4.5 million people in Texas lost power during the storm.

“Winter Storm Uri woke up the entire nation, because we didn’t know how vulnerable we were,” said Fiegen.

The storm prompted SPP to reexamine how the grid maintains regional reliability during the winter. Part of that change involved increasing the reserve margin — the extra electric generation capacity kept on hand beyond what is normally needed — to help the system withstand extreme cold and unexpected outages. The goal, according to Fiegen, is to ensure enough power is available across the region, especially on the coldest days of the year.

“Since Winter Storm Uri, we have spent much of our time focused on resource adequacy policies,” Fiegen said, referring to SPP leadership and regulatory committees.

Reserve Margin

One significant change set to take effect in the 2026/2027 winter season is SPP’s adoption of a winter planning reserve margin, which increases the amount of generation required to be available during the winter season. The change will apply across the SPP footprint, including impacts to Basin Electric, which supplies power to cooperatives across South Dakota, North Dakota, Montana, Minnesota and much of the Midwest.

Through an increased winter reserve margin, the SPP aims to better prepare the entire SPP footprint for extreme weather and periods of unusually high electricity demand, helping ensure reliable power for homes, businesses and industries across the SPP footprint.

So, what does this mean for cooperative members in South Dakota? Valerie Weigel, senior vice president of Energy Markets and Dakota Coal Operations at Basin Electric, said higher reserve margins mean Basin Electric needs to supply more generation capacity to the SPP market to meet expected peak winter demands, which affects Basin Electric’s wholesale rates for the cooperatives it serves.

“The increase in reserve margins means we need to build additional generation to ensure we have enough accredited resources to meet new planning requirements,” Weigel said. “As we look toward the rate increase in 2026, part of that increase reflects the cost of adding these resources to meet updated market requirements.”

Learning The Lingo

Transmission

High-voltage power lines and related infrastructure that move electricity long distances from power plants to local utilities. Transmission allows electricity to be shared across regions, especially during emergencies or peak demand.

Generation Capacity

The maximum amount of electricity that a utility’s power plant or portfolio of power plants can produce at one time. Capacity matters most during peak demand, when the grid is under the most strain. This may happen during extreme heat or cold, when people are using more electricity to heat or cool their homes.

Southwest Power Pool (SPP)

A regional transmission organization that coordinates electricity transmission and wholesale power markets across 14 Midwestern states, including South Dakota and Minnesota. SPP does not own power plants or transmission lines; instead, it manages how electricity flows across the regional grid.

Regional Transmission Organization (RTO)

A federally approved organization, like SPP, that operates the electric grid across multiple states. RTOs balance supply and demand, manage wholesale electricity markets and plan for long-term grid reliability.

Reserve Margin

The extra amount of generation capacity kept available above expected peak demand. This extra capacity helps the grid handle extreme weather, unexpected outages or sudden increases in electricity use.

BOARD MEETING SUMMARY

Clay-Union Electric Corporation Board Meeting Summary

NOVEMBER 24, 2025 • VERMILLION, SOUTH DAKOTA

The board meeting was called to order on November 24, 2025, at 1:00 p.m. by board President Tom Larsen. The meeting was held in the conference room at the Clay-Union Electric Headquarters.

In attendance were Tom Larsen, Chris Kinney, and Sara Schulte. Mike Slattery was absent, the board seat for District #5 is vacant. Attending staff members included Chris Larson, Beth Bottolfsen, Alan Gauer and Jackie Williams.

Agenda (ACTION ITEM) – A motion was made, seconded, and carried to approve the agenda with the addition of the consideration of approving the engagement agreement for Audit services.

Visitors to Be Heard – None

Approval of Minutes from the October Board Meeting (ACTION ITEM) – A motion was made, seconded, and carried to approve the October board minutes held on 10/24/25.

Approval of Minutes from the October Executive Session (ACTION ITEM) – A motion was made, seconded, and carried to approve the October executive session held on 10/24/25.

Check List & Electronic Funds Transfer – The board reviewed the EFT/ACH payments, and the monthly check list as presented.

New Members and Refunds (ACTION ITEM) – A motion was made, seconded, and carried to approve new members, refunds and credit deposits as presented.

Early Retirement of Capital Credits (ACTION ITEM) – A motion was made, seconded, and carried to approve Early Retirement of Capital Credits as presented.

Contracts – None

Policy Review (ACTION ITEM) – A motion was made, seconded and carried to approve changes to Rate Tariff Policy's: 801, Single Phase; 802, Campground and Multi Residential Lodging; 805, Small Three Phase; 807, Large Power; 813, Three Phase Irrigation; and 819, Large Power with Generator, all with an effective start date of 01/1/2026.

Work Order and Special Equipment Summary – None

REED Loan – None

Management Reports:

A. Manager's Report – Manager Larson provided reports on the monthly activities:

December Board Meeting – The date of December 19, was set as the next regular board meeting to begin at 8:30 a.m.

East River REED/MAC – Manager Larson reported on the REED Board and MAC Meeting held October 1st in Madison.

Director Seat – Advertising for individuals interested in the

open seat of the board of directors was in the newsletter.

Annual Meeting Date – The annual meeting will be on April 14th with a backup date of April 21st in Wakonda at the school.

Legislative Forum – The legislative forum has been scheduled for November 24th in Yankton at the Best Western Kelly Inn.

Rate Notices – Letters will go out in December's billing for November usage to notify members of the upcoming rate increase. Irrigation, Large Power and the Multi-Residential Lodging will receive separate letters.

SDREA Managers – The managers met in Sioux Falls on November 12th and 13th.

NRECA Annual Meeting – The NRECA Annual meeting is March 9th to the 11th in Nashville, TN.

SDREA Annual Meeting (Action) – A motion was made, seconded, and approved to authorize attendance to the SDREA Annual Meeting January 15th and 16th in Pierre. Chris Kinney will be the delegate; Tom Larsen will be the alternate.

Munger Ground Annexation (Action) – A motion was made, seconded, and approved to authorize Tom Larsen, to sign the agreement to finalize the transfer of service rights for Munger Tract 4, North of Hwy. 50 bypass as of December 1st, 2025.

Communications and Marketing Committee – The meeting was held on November 3rd in Madison.

Audit (Action) – A motion was made, seconded, and approved to authorize Manager Larson to sign the engagement letter for 2026 audit services, 990 preparation and certain annual payroll reports with Eide Bailly.

Executive Session – The board went into Executive Session at 2:00 p.m., Executive Session was adjourned at 2:30 p.m. There was no action taken.

B. Administrative Report – Manager of Finance and Administration Bottolfsen reviewed the following reports with the board:

- Billing Activities
- October Financials
- Treasury Direct Loan Advance
- Audit Plans
- **Annual Inventory Adjustment (ACTION ITEM)**

- A motion was made, seconded, and carried, to approve the annual inventory adjustment.

All reports were posted to the website earlier for board review.

C. Operations Report – Operations Manager Gauer reviewed the following reports with the board:

- Monthly department work summary
- New Services
- Retired Services
- October Outage Report
- Damage to Clay-Union Electric
- Service Upgrades
- Wiring

All reports were posted to the website earlier for board review.

Financial Report – Manager of Finance and Administration

Bottolfsen reviewed the following reports with the board:

- Actual to Budget
- Balance Sheet
- Interest Income
- kWh Sales Report
- Large Power
- Line Loss
- Operating Statement
- Power Bill
- Summary of Purchased Power
- Wiring Income & Expense

All reports were posted to the website earlier for board review.

Legal Report – None

Strategic Planning – None

Safety Meeting Minutes – The October and November Safety Meeting Minutes were posted to the website for the board to review and was discussed during the meeting.

Cyber Security – The October Cyber Security report from East River IT were posted to the website for the board to review and was discussed during the meeting.

Video and/or Meeting Reports –

- East River Report
- East River Financials
- Basin Reports
- SDREA Reports

Calendar – The board reviewed the December 2025 calendar.

Adjournment – There being no further business, a motion was made, seconded, and carried, to adjourn the meeting at 3:00 p.m.

Thomas Larsen, President

Sara Schulte, Secretary



Outage Reports

| Cause | Date | Time | Township | Members |
|-------------------|-------|------------|-----------------|---------|
| Locate Contractor | 12/5 | 11:00 a.m. | Norway | 3 |
| URD Fault | 12/15 | 7:00 a.m. | Spirit Mound | 6 |
| Wind | 12/19 | 2:00 p.m. | Marindahl/Volin | 35 |

Office Hours and Due Dates

Our office hours are Monday – Friday, 7:30 a.m. to 4 p.m. Please remember your **PAYMENT DUE DATE is the 20th of EACH MONTH**. Your payment must ARRIVE in our office on the 20th to avoid any penalties. Please allow mailing time as we go by the received date, **NOT the postmark**. If the 20th falls on a weekend or holiday, payment is due the following business day. If payment is still not received by the first of the following month, a \$30 collection fee will be applied and a disconnect notice will be mailed. If disconnection for nonpayment occurs, all past and current energy charges, a reconnect fee and sufficient credit deposit will be required before the meter can be reinstalled.

FOR YOUR CONVENIENCE, WE ALSO ACCEPT THESE PAYMENT OPTIONS:

Online Billing:

www.clayunionelectric.coop

Set up your user profile to manage your account, pay your bill and receive billing notification emails.



Bank Draft: Have your payment automatically deducted from your checking or savings account on the due date.



Recurring Credit/Debit Card: Have your payment automatically deducted from your card on the due date.



By Phone: Call in your credit/debit card payment.

In Office: We accept cash, check, money order or credit/debit card.

By Mail: Send check or money order with your payment slip.

Drop Box: Located on the right side of our main entrance at 31321 SD Hwy 19.

There are no additional fees to use any of the above payment methods.

Collection Fee \$30

Trip Charge-Reconnect Fee

During Business Hours..... \$75

Dishonored Payment \$40

Delinquent Accounts (gross rate)

10 percent on the first \$200 plus 2 percent on the balance.

REGISTER TO WIN!

Bring this coupon and mailing label to the Touchstone Energy® Cooperatives booth at the Black Hills Stock Show & Rodeo to win a prize!

Your Phone Number: _____

Your E-mail Address: _____



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.

JAN. 30-FEB. 7
Annual Black Hills Stock Show
Central States Fairgrounds
Rapid City, SD
www.centralstatesfairinc.com
605-355-3861

FEB. 1
The Great Lake County Hotdish Competition
11:30-1:30 p.m.
St. Thomas School Gym
Madison, SD
605-256-5308

FEB. 6-7
31st Annual Dinner Theater
Reliance Legion Hall
Reliance, SD
Tickets: 605-730-0553

FEB. 7-8
The Black Market/Formerly Benson's Flea Market
Sioux Falls, SD
605-332-6004

FEB. 13-16
12th Annual Frost Fest
Brookings, SD

FEB. 14
Polar Bear Chili Cook-Off
11 a.m.-2 p.m.
Hill City, SD

FEB. 20-22
Winterfest
Fireworks, Parade of Lights,
Bonfire, Snowshoeing
Lead, SD
www.leadmethere.com/winterfest

FEB. 21
Knights of Columbus Fishing Derby & Raffle
10 a.m.-2 p.m.
Enemy Swim Lake, Waubay, SD
605-881-5075

FEB. 21
All Ability Skate
12-3 p.m.
Main Street Square
Rapid City, SD
disabilityaac@rcgov.org

FEB. 21
Bellator Titans Casino Night Fundraiser
6-11 p.m.
City Lights Bar & Event Center
Aberdeen, SD

FEB. 22
C Street Brass
4 p.m.
Johnson Fine Arts Center
Aberdeen, SD

FEB. 24
Life as an Astronaut
Free Presentation by NASA
Astronaut Charles Gemar
7-8 p.m.
DSU Science Center
Madison, SD
605-256-5308

MARCH 5
SD Jazz Festival
7:30 p.m.
Johnson Fine Arts Center
Aberdeen, SD

MARCH 7
Free Christian Men's Event
The Barn at Aspen Acres
8:30 a.m.-1:30 p.m.
Spearfish, SD
Register: RiseUpMen.com

MARCH 14
St. Uhro Finnish Festival
11 a.m. Main Street Parade
12 p.m. Community Ctr. Lunch
Lake Norden, SD
605-881-1758

MARCH 20-21
Badlands Quilters Getaway
Fri. 5:30 p.m. Start
Sat. 8 a.m. Start
Wall Community Center
Wall, SD
605-279-2807

Note: We publish contact information as provided. If no phone number is given, none will be listed. Please call ahead to verify the event is still being held.