

COOPERATIVE CONNECTIONS



Building Communities

REED Fund Helps
Support Local Growth
Pages 8-9

DERs and the
Electrical Grid
Pages 12-13

Dave Eide, right, presents a check to Jason Foster, left, fire chief of Garden City Fire Department. Through the REED fund, the department secured a loan to renovate the fire hall.

Finding the Right Balance



Chris Larson,
General Manager

As the General Manager of Clay-Union Electric, I often hear from members about the need for new services or upgrades to our existing infrastructure. Whether it's extending

power lines to a new development or upgrading equipment to handle increased demand, these projects are critical to ensuring the reliability and resilience of our electric system. However, they also come with significant costs that must be carefully managed to protect the financial health of the cooperative and ensure fairness to all members.

At the heart of this balancing act is the question of how to allocate these costs. Should the cooperative use an "Aid in Construction" (AIC) policy, where the party requesting the new service or upgrade bears a portion of the cost? Or should we "share" the costs by spreading them across the entire membership through the rate base? Each approach has its merits and challenges, and finding the right balance is key to maintaining both fairness and affordability.

Understanding Aid in Construction Policies - An Aid in Construction policy is designed to ensure that those who directly benefit from new infrastructure bear an appropriate share of the costs. For example, if a developer requests an extension of power lines to serve a new subdivision, the cooperative might require the developer to pay for a portion or all the construction costs. This approach helps protect existing members from having to subsidize projects that primarily benefit a specific individual or group.

AIC policies are particularly important in rural areas, where the cost of extending service can be high due to the greater distances and lower population densities. By requiring beneficiaries to contribute to

these costs, the cooperative can preserve its financial stability and ensure that existing members are not unduly burdened.

The Case for sharing Costs - On the other hand, there are times when it makes sense to share the costs of new services or upgrades. For example, if a project benefits the entire membership by improving system reliability, increasing capacity, or supporting long-term growth, spreading the costs across the rate base may be the fairest approach. This ensures that everyone who benefits from the improvement contributes to its funding.

Sharing costs can also support the cooperative's mission of providing reliable and affordable electricity to all members. For instance, upgrading aging infrastructure often aligns with the broader goals of sustainability and reliability, which benefit the cooperative as a whole.

Finding the Right Balance - The challenge lies in determining when to apply an AIC policy and when to share costs. At Clay-Union Electric, we approach this decision with careful consideration of several factors:

1. Who Benefits? If a project primarily benefits a specific individual or group, an AIC policy is usually appropriate. However, if the benefits are widespread, sharing the costs may be more equitable.

2. Long-Term Value: Projects that enhance the long-term reliability, efficiency, or sustainability of our system are often candidates for cost sharing, as they align with the cooperative's mission and benefit all members over time.

3. Regulatory and Policy Considerations: We ensure that our

approach complies with any applicable regulations and aligns with the principles of fairness and transparency that guide our operations.

As we navigate these decisions, transparency and member engagement are critical. We are committed to keeping our members informed about how these costs are allocated and why. By working together, we can ensure that Clay-Union Electric remains financially strong, fair, and responsive to the needs of our members.

In closing, balancing the costs of new services and upgrades is not a one-size-fits-all proposition. By thoughtfully applying AIC policies and cost sharing where appropriate, we can continue to meet the needs of our growing and evolving membership while staying true to the cooperative principles that guide us.

Thank you again, for allowing us to provide your electric service needs.
Chris Larson, General Manager
clarson@clayunionelectric.coop

Core Values Foundation are our

- Integrity**
Members first - every day
- Accountability**
Every member has an equal voice
- Commitment to Community**
Improve members' quality of life
- Innovation**
Innovative solutions and state-of-the-art technology

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.

Board of Directors

Tom Larsen, President
Christopher Kinney, Vice President
Mike Slattery, Treasurer
James Ryken, Secretary
Sara Schulte, Asst. Secretary

Staff

Chris Larson, General Manager
Beth Bottolfson, Manager of Finance & Administration
Mike Kruse, Operations Manager
Lori Rueb, Senior Billing Coordinator
Penny Ascheman, Member Services Specialist
Jackie Williams, Marketing/Communications
Electrician Foreman - Vacant
Josh Anthofer, Electrician
Alan Gauer, Crew Foreman
Curt Johnson, Lead Lineman
Nick Buckman, Journeyman Lineman
Travis Wells, Journeyman Lineman
Casey Ihnen, Journeyman Lineman
Quinn Springer, Lead Lineman
Jake Husby, Journeyman Lineman
Clayton Sorensen, Apprentice Lineman

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

CLAY-UNION ELECTRIC SPARKS is published monthly by Clay-Union Electric Corporation, P.O. Box 317, 31321 SD Hwy. 19, Vermillion, SD 57069. Periodicals Postage Paid at Vermillion, S.D., and additional offices. Clay-Union Electric members devote approximately 50 cents a month from their electric payments for a subscription to this publication.

Subscriptions for non-members are available for \$12 annually.

POSTMASTER: Send address changes to Clay-Union Electric Sparks, PO Box 317, Vermillion, SD 57069;
Telephone (605) 624-2673, 1-800-696-2832
Fax (605) 624-5526.

This institution is an equal opportunity provider and employer



Clay-Union Electric
A Touchstone Energy® Cooperative

**89th Annual Meeting
April 8th, 2025
Gayville-Volin School**

Save the Date - more details to follow

COOPERATIVES
PARTNERS IN PROGRESS

YEAR-TO-DATE FINANCIALS

	Nov. 2024	Year To Date
Number of Consumers.....	3,549.....	3,893 Avg.
Total Revenue	\$685,910.....	\$7,977,823
Total Cost of Service.....	\$812,924.....	\$8,885,989
Operating Margins	\$(127,014).....	\$(908,166)
Other Margins.....	\$10,194.....	\$696,471
Total Net Margins.....	\$(116,820).....	\$(211,695)
kWh Purchased.....	7,231,117.....	74,671,353
Cost of Power	\$317,054.....	\$4,229,023
kWh Sales.....	6,806,643.....	70,860,738
Residential Average Usage	1,230.....	1,248
Residential Average Monthly Bill.....	\$150.....	\$151

Fire Safety

Cooking and heating are the leading causes of home fires and fire injuries, and winter months are the peak time for fire-related deaths.

Minimize Your Risks

The good news: Deaths from home fires in the U.S. have trended downward since the 1970s, according to Injury Facts, but even one death from a preventable fire is too many. While fire doesn't discriminate by age, it is the third leading cause of death for children 1 to 14.

When cooking, make fire safety a priority by keeping these tips in mind:

- Be alert; if you are sleepy or have consumed alcohol, don't use the oven or stovetop
- Stay in the kitchen while you are frying, grilling, boiling or broiling food
- When simmering, baking or roasting, check the food regularly, remain in the kitchen while cooking and use a timer
- Keep anything that can catch fire away from your stovetop

Heating is the second leading cause of home fires.

Follow these tips:

- Keep all flammables, like paper, clothing, bedding, drapes or rugs, at least three feet from a space heater, stove or fireplace
- Never leave portable heaters and fireplaces unattended; turn off heaters and make sure fireplace embers are extinguished before leaving the room
- If you must use a space heater, place it on a level, nonflammable surface, like ceramic tile, not on a rug or carpet
- Keep children and pets away from space heaters
- When buying a space heater, look for models that shut off automatically if the heater falls over

Other top causes of fire include smoking, electrical problems and candles. To minimize risks:

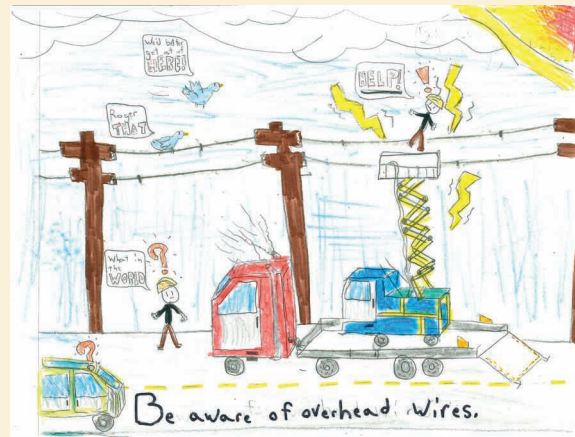
- Institute a "no smoking" policy in the house
- Check all cords and replace any that are frayed or have bare wires
- Switch to flameless candles
- Keep matches and lighters high and out of children's reach in a locked cabinet

Working Smoke Alarms Are a Must

Replacing the Battery on a Smoke Alarm About three out of five fire deaths happen in homes without working smoke alarms. Smoke alarms are a key part of a home fire escape plan providing early warning to reduce your risk of dying in a fire. The National Fire Protection Association recommends you:

- Install smoke alarms on every level of your home, inside bedrooms and outside sleeping areas on the ceiling or high on the wall
- Keep smoke alarms away from the kitchen, at least 10 feet from the stove, to reduce false alarms
- Use special alarms with strobe lights and bed shakers for people who are hard of hearing or deaf
- Test smoke alarms monthly
- Replace batteries in your smoke alarm and carbon monoxide detector annually
- Replace smoke alarms that are 10 or more years old

Source: National Safety Council



"Be aware of overhead wires."

Vance Claeys, Age 11

Vance Claeys cautions readers to be careful when working around power lines. Thank you for your picture, Vance! Vance's parents are Jake and Bridget Claeys, members of Lyon-Lincoln Electric.

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.

SOUP

Sensation

BROCCOLI CHEESE SOUP

Ingredients:

- 1 large pkg. frozen broccoli
- 1/4 cup water
- 3 tbsps. margarine
- 10 oz. package corn
- 1/4 cup chopped carrots
- 1/4 cup chopped onion
- 1/4 tsp. pepper

Cook the above and add
 3 cans cream of potato soup
 3 cups milk
 2 cups shredded Cheddar cheese
 1/2 cup shredded Monterey Jack cheese
 Stir until melted

LaVonne Schmidt
 Sioux Falls, S.D.

NORWEGIAN FRUIT SOUP

Ingredients:

- Bring 1/2 gallon water to a slow boil.
- Add 1 pkg. of sweetened dried cherries, banana chips, apricots, prunes, 2 apples (all cut into pieces)
(Optional to use any dried fruit you wish)
- 1/2 cup golden raisins
- 1/2 cup regular raisins
- 2 whole cloves
- 2 cinnamon sticks
- 1 cup sugar (you can use Splenda)

Method

Boil slowly for one hour add 3 tbsps. tapioca and a large pkg. of cherry jello.
 Refrigerate and serve with whip cream.

Kari Reder
 Warner, S.D.

CABBAGE SOUP

Ingredients:

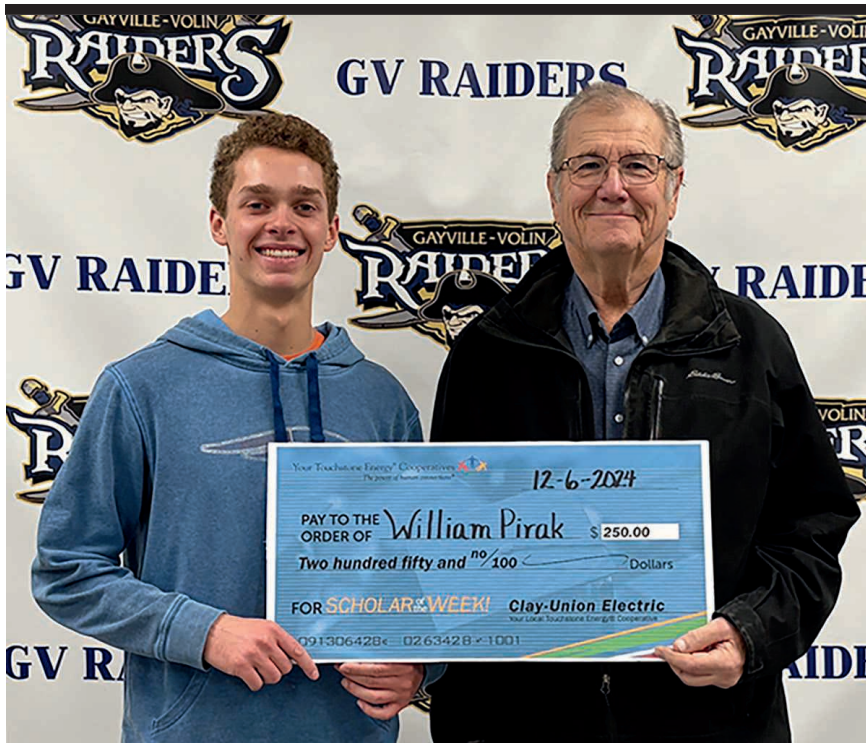
- 1-2 tbsps. vegetable oil
- 1 pkg. (14 oz.) smoked sausage, sliced 1/4 in. thick
- 1 large yellow onion, chopped
- 1 tbsp. tomato paste
- 1 small green cabbage, cored and shredded (about 8 cups)
- 1 medium carrot, finely chopped
- 1 can (14 1/2 oz.) petite diced tomatoes
- 1 1/2 tsps. salt
- 1/2 tsp. garlic powder
- 1/2 tsp. ground black pepper
- 1/4 tsp. onion powder
- 1/8 tsp. crushed red pepper
- 4 cups chicken stock or broth
- 1 can (15 1/2 oz.) white beans, drained and rinsed
- 1 tbsp. white wine vinegar

Method

Heat oil and cook sausage, until browned. Remove from skillet. Add onion and tomato paste; cook and stir until onions are slightly softened and tomato paste has darkened. Add cabbage and carrots to stockpot. Cook, stirring frequently, about 30 minutes or until cabbage has softened and begins to caramelize. Stir in tomatoes, salt and spices. Cook 10 minutes longer or until cabbage is very soft. Return sausage to pot. Stir in stock and beans. Bring to boil. Reduce heat and simmer 10 minutes. Stir in vinegar. Serve hot, sprinkled with freshly grated Parmesan cheese, if desired.

McCormick.com

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 2025. All entries must include your name, mailing address, phone number and cooperative name.



Williams Pirak was presented with a Scholar of the Week check by Board of Director Secretary, Jim Ryken.

TOUCHSTONE ENERGY SCHOLAR OF THE WEEK

William (Will) Pirak, Gayville-Volin Senior was nominated for the Scholar of the Week based on his grades, extra-curricular activities, his commitments to the community and work ethics.

Will has completed dual credits through SDSU while maintaining a 4.16 GPA.

Will's extra-curricular activities have included: Cross Country (state qualifier for four years, team captain as a junior/senior year) • Basketball (varsity player soph/jr/sr years) • Track (state qualifier junior year-and hopeful for spring 2025!) • Student Council (four years) • Fellowship of Christian Athletes (four years) • Mentoring (four years) • Gayville Lutheran Church Youth Group (four years) • Eagle Scout - BSA awarded July 2024 • Boys State representative

(May 2024).

From 2017 to 2022 Will mowed timely for 20+ local customers under the direction of his brothers who started the business, Pirak Brothers Lawn Care.

- Reported time sheets and billing William Pirak Lawn Care 2022-present

- Single handedly, mowed for 15 customers and two cemeteries as needed.

- Scheduled, billed and kept contact with all customers

- Procured new customers

And As he heads to college, has made contact with all his customers and a younger lawn mower in his community making sure customers' lawn are taken care of when he attends UNL this fall.

Will is the son of Tara Olson.

ENERGY EFFICIENCY TIP OF THE MONTH

If you have a home office, look for opportunities to save energy in your workspace. Use ENERGY STAR®-rated equipment, which consumes up to 50% less energy than standard models. Set equipment like printers and scanners to automatically switch to sleep or energy-saver mode when not in use. In addition to saving energy, the equipment will stay cooler, which will help extend its life. Another way to save energy in your home office is to use efficient lamps for task lighting. Replace any older bulbs with energy-saving LEDs.

Source: [energy.gov](https://www.energy.gov)



When the Lights Turned On

Lyle Gehm Remembers the Days Before Power

Jacob Boyko

jacob.boyko@sdrea.coop

For many rural farmers in the 1940s, time seemed to stand still.

The technological advancements born from electrification weren't easily accessible for anyone living off of the electric grid. Kingsbury County-native Lyle Gehm's family was no exception.

The Gehm family's farm seemed to share more similarities with Laura Ingalls' nearby 1880s homestead than it did with the houses just up the road in De Smet.

"You didn't want to get too far away from the stove in the wintertime," Gehm said of freezing nights inside the home. "The stove sat in the middle of the house and bedrooms were scattered around. At night, you'd change the covers around on the bed every so often because we'd lay there and our breath would frost on the covers."

Like other farm families before electrification, the Gehms found creative solutions for everyday challenges. Iron bed warmers helped make getting into a cold bed a little more bearable, but the coldest nights were spent huddling by the stove. Butter and cream were stored in the cistern to stay cool in the summer. Windmills assisted some of the more laborious tasks. The house had several small lights, but they were powered by a battery in the basement.

"I remember mom would run her Maytag washing machine with a gas motor, and we had to stick a pipe out the back of the house for the exhaust," Gehm recalled. "And I remember seeing dad standing with the tire pump, filling a tire."

Gehm says at the time, he never really considered how electricity could change how he lived and worked. So far, his only experience with power was when the family would make the trip into town to shop.

Even Gehm's country school was without electricity; Students squinted down at their workbooks on dreary, cloudy days, while in the wintertime, they took turns standing next to the stove.

The family's way of life drastically changed in 1948 when, after several long years of hard work, crews from Kingsbury



Electric Cooperative finally reached the farm south of De Smet as they worked to put the prairie on the grid.

"The folks told us, 'they're working this way and we're gonna have juice,'" he recalled. "We were happy. It was a great experience getting electricity and seeing all it could do for you."

For 13-year-old Gehm, that meant chores were a little simpler, the lights were a bit brighter and the house was much, much warmer.

"For me as a kid, being warm during the wintertime was a big, big change," Gehm said. "After we got power, dad put in a furnace [with a fan] so we got heat in every room. That made a world of difference, and it changed our lives a lot."

Kingsbury Electric crews didn't look much like they do today, Gehm pointed out. On a small budget with limited manpower, the work crew that arrived on Gehm's farm in 1948 was a rag-tag group of guys working with rudimentary equipment. But they didn't let that stop them from seeing to it that Kingsbury County was electrified.

"The equipment that they'd use to put poles in – it wasn't painted white like it is today," Gehm recalled. "It looked like a bunch of stuff the blacksmith shop made. It probably took those guys an hour to put one pole in. Getting electricity was hard work for those guys."

It was Gehm's deep appreciation to the workers' commitment that led him to run for a seat on the co-op's board of directors in 1977, where he served 12 years.

"It's probably one of the best things that ever happened to peoples' lives, getting electricity," he said. "We were able to do things faster, better, cheaper. Once we had electricity, we didn't want to get rid of it."



Pulse of Life Kids Center in Vermillion, S.D.

BUILDING COMMUNITIES

REED Fund Helps Support Local Growth

Jacob Boyko

jacob.boyko@sdrea.coop

Small towns and rural communities are the backbone of electric cooperatives, with many co-op members relying on their small towns for shopping, childcare, entertainment and other basic needs and services.

That’s why co-ops are working to help keep – and expand – services and job opportunities in small towns using the co-ops’ Rural Electric Economic Development Fund, or REED.

REED is a non-profit organization launched by the electric cooperatives in 1996 to finance community-focused projects across small towns in South Dakota and Western Minnesota where affordable financing can be harder to secure.

REED has multiple sources of funding, but one of the main sources of funding over the years has been the United States Department of Agriculture. REED has utilized both the Rural Economic Development Loan and Grant Program (REDLG) and the Intermediary Relending Program (IRP), which together have amounted to more than \$30 million.

Through the REDLG program, REED

can fund eligible projects at a 0% interest rate. Through the IRP program, REED applies for low-interest loans and then re-lends the money at a rate slightly higher than the USDA rate – but still less than traditional lending sources. This adds money to the fund and perpetuates it for future projects.

Since the fund’s inception, it’s been used to support more than 400 community-focused projects.

East River Electric Business Development Director Mike Jaspers says it’s in co-ops’ best interests to make rural living just as feasible as living in a larger city.

“It comes back to our principle of commitment to community,” Jaspers explained. “REED ensures our membership has their vital needs met, and they can enjoy the amenities of life in a rural setting when they’d otherwise have to go to a larger city to access some of those services.”

Eric Fosheim, East River Electric’s economic development director in charge of the REED fund, said the \$130 million lent by REED has impacted more than 10,000 jobs and amounted to over \$1 billion of economic impact throughout

South Dakota and Western Minnesota.

“Our \$1 million investments help spur \$10 million projects, which means for every \$1 REED invests into a project, it roughly has a \$9 or \$10 impact,” he explained.

As a supplemental lender, REED won’t finance a project alone; organizations still must secure funding from other sources. However, REED’s low interest rates and community focus can be just what a project needs to catalyze it over the finish line.

As members of the REED fund, co-ops can impact economic development projects while letting REED take on the financial risk.

“The co-ops aren’t on the hook and aren’t guaranteeing the loans here,” Fosheim explained. “REED is doing that.”

Pulse of Life Kids Center – Vermillion, S.D.

Pastors Glenn and Angela Pulse had a vision and a calling. Pulse of Life Foursquare Church, which they hoped to start on Vermillion’s Main Street inside an old medical clinic, had the ability to serve a greater need in the community, where the wait lists for childcare sometimes exceeded three months. They had the faith — they just needed some resources.

The church council worked with First Bank & Trust to secure a loan to create the Pulse of Life Kids Center, but the bank couldn’t lend them the entire amount they needed.

“New daycare centers have a high rate

of failure, so we couldn't qualify for all of the money that we needed through bank loans," Angela explained. "Instead of saying no, the bank manager suggested we go about it in a different way. That's how the conversation about the REED fund came up."

Clay-Union Electric Manager Chris Larson said supporting the Pulses, who are members of the co-op, made sense for Vermillion, where challenges from workforce shortages and the lack of childcare options are prevalent.

"It fills a need in our community," Larson said.

Fosheim agrees.

"Workforce challenges have really been an issue in recent years and one way we try to help with that is by investing in daycares," he said. "Daycares don't always look that good on paper from a financial standpoint, so a lot of these organizations have a hard time getting adequate financing."

With the REED fund's \$245,000 loan, the Pulses' vision finally took shape and the Kids Center opened in 2023. Today, the center offers faith-based daycare with a capacity for 43 of the community's children.

"It's encouraging because it puts more options on the table to make these new things possible," Angela said. "There's no way we could have done this without the REED fund."

Fire Station – Garden City, S.D.

In Garden City, a small community northwest of Watertown, a dilapidated fire hall sat rotting into its own footprint.

"It was just in a state of disrepair," said Scott Campbell, treasurer at the Garden City Fire Department. "The walls were pushing out and we had to put plastic over the doors. It was cramped and old. The truck was parked over a basement area, and being heavy and full of water it caused some concern."

Options were narrowing; Garden City would have to act fast or lose their fire station and rely on surrounding communities during an emergency.

Codington-Clark Electric Director



Russel Foster, who also volunteers for the fire hall, approached his co-op's manager, Dave Eide, in 2022 about using REED to breathe new life into Garden City's fire hall.

Eide agreed and helped with the application process, championing the fire hall as a vital need for Garden City, the co-op and co-op members.

"Everybody needs fire protection," Eide explained.

Through REED, the fire hall secured a \$230,000 loan. The new hall features a community room, which Scott said filled a desperate need.

"We had no place to vote, no place for birthday parties," Campbell said. "Township meetings were in houses at kitchen tables."

For Eide, the REED fund is just another example of what co-ops are supposed to do – serve communities.

"It's an extension of what co-ops are in the first place," he said. "We sell power to members and that's one way we help and serve our communities. The REED fund is just another extension of that."

Elder Care – Philip, S.D.

In rural Philip, limited options for elder care had some long-time locals facing tough decisions.

"Our nursing home for a lot of years was not big enough," said Cindy Pfeifle, business manager at Philip Health Services. "Members of our community were having to leave the area when they needed nursing home care."

After applying for a REED loan in 2022 through West Central Electric and securing funding from other community sources, Philip Health Systems renovated and expanded the nursing home, increasing occupancy from 30 beds to 42 beds.

West Central Electric CEO Jeff Birkeland said access to the REED fund is essential for rural areas without much population growth.

"We need to keep our people from moving away and keep our businesses local," Birkeland said. "The best way to do that is by giving them access to very low-interest financing. Saving hundreds of thousands of dollars in interest costs makes projects much more feasible."

Pfeifle says the community support was essential to initiate the project and applauds REED for helping bring opportunities back to small towns.

"It sends a message of support and cooperation and that they understand how important it is to keep services in rural areas for people who live here," Pfeifle said.

The nursing home project was the first in West Central Electric's territory to use the REED fund, but Birkeland hopes many more projects are to come.

"We are a cooperative, so job number one is to take care of our members and do everything we can to help our communities," Birkeland continued. "If somebody comes to you or you see a need in our communities, we're all in."

Board of Director Nomination Petitions Available

Districts #4 & #5

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.

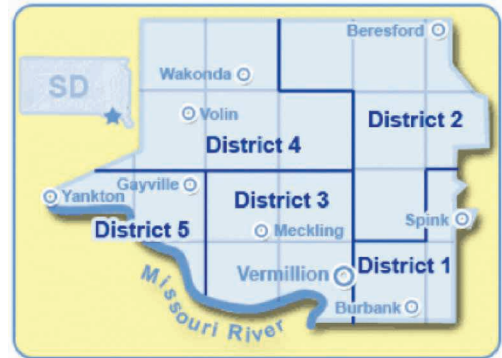
Director Nomination Petitions are available for the nomination of a member in good standing with Clay-Union Electric from District #4 & District #5. Petitions are available at the cooperative office and can be picked up by the person pursuing the position. Clay-Union Electric, 31321 SD Hwy. 19, Vermillion, 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. Friday, February 7th, 2025 or postmarked

no later than February 7th, 2025.

DISTRICT 4: The territory served by Clay-Union Electric beginning at a point on the Northeast corner of the territory at the junction of 458th Ave. and 297th St.; thence south on 458th Ave. to the intersection with 303rd St.; thence east on 303rd St. to the intersection with 464th Ave.; thence south on 464th Ave. to the intersection with 309th St.; thence west on 309th St. to the intersection with 446th Ave.; thence north on 446th Ave. to 297th St.; thence west on 297th St. to the intersection with 458th Ave., the point of beginning.

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



**Clay-Union Electric
Board of Director Districts**

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.

Smart home devices may just seem like cool technology, but they're so much more. These gadgets can help you save energy, which in turn saves you money.



SMART THERMOSTAT

Helps you not waste energy heating or cooling an empty home.



SMART LIGHTS

Bulbs that use 75% less energy, last 25 times longer and can be scheduled to turn off automatically.



SMART APPLIANCES

Appliances with an ENERGY STAR label use less energy. Many also have cool features like sending you an alert when the fridge door is left open.



SMART ELECTRONICS

Again, look for an ENERGY STAR. Enable sleep mode on your computer for even more cost savings.



SMART PLUGS

Many appliances and electronics draw power even when turned off. Smart plugs cut all power.

Have questions about energy-saving smart home devices? Contact your local Touchstone Energy® Cooperative or visit yourcooppower.com today.

RE-ENERGIZING COST SAVINGS



TIPS TO AVOID
**ENERGY
SCAMS**

Scammers will try anything to deceive utility customers, including a tactic that claims customers have overpaid their bill. If you receive a call, text or email from someone claiming you overpaid a utility bill and need to provide your banking or credit card information to receive a credit, it's likely a scam. In most cases, your utility will apply a credit to your account to cover future charges or refund an overpayment with a mailed check.

Source: Utilities United Against Scams



**BASIN ELECTRIC AND CLAY-UNION
TO AWARD \$2000 IN SCHOLARSHIPS**

Each year Basin Electric awards a \$1000 scholarship to a Clay-Union Electric member with the runner up receiving a \$500 scholarship from Clay-Union Electric.

The selection procedure is handled by a committee and the candidates must provide information regarding ACT and SAT ratings, GPA and extracurricular school and comm-unity activities. 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 or four year college, university or vocational/technical school and the parent or guardian must be a member of Clay-Union Electric

Appicaitons can be found at <https://clayunionelectric.coop/scholarship-opportunities>. Applications must be received by Monday, February 3, 2025.

Please mail to: Clay-Union Electric, PO Box 317, Vermillion, SD, 57069 or can be dropped off no later than the date specified

at 31321 SD Hwy. 19, Vermillion, SD 57069. Or emailed to Jackie Williams at: jwilliams@clayunionelectric.coop.

In addition to the Basin Scholarship, Clay-Union Electric awards a \$500 random drawing scholarship each year at our Annual Meeting to be held April 8, 2025 at the Gayville-Volin School.

To be eligible, the student must live full-time in a residence served by Clay-Union Electric and be a graduating senior attending a high school or accredited home

studies program within the counties served by Clay-Union Electric. The student must plan to pursue an academic degree or certification from an accredited university, college, junior college, technical school or other post-

secondary education institution. The student and parent or guardian must attend our annual meeting and be present to win. Scholarship payments will be made directly to the school with funds to be used towards tuition, books or room and board.



Designed by Freepik

**SPACE HEATER
SAFETY TIPS**

- ⚠ Heaters should be placed on level surfaces.
- ⚠ Check heater cords for any damage or fraying.
- ⚠ Avoid using an extension cord to power the heater.





The Waxdahl's solar array and hog farm, east of Flandreau. *Submitted Photo*

DISTRIBUTED ENERGY

Understanding the Impact of DERs to the Electrical Grid

Frank Turner

frank.turner@sdrea.coop

Farming has always been a way of life for fourth-generation producers Matt Waxdahl and his brother, Ben. Growing up just outside of Flandreau, the brothers spent their childhood lending a hand on their grandfather's and father's farms.

Over time, Matt and Ben started their own operation. As the market evolved, so did the brothers. In 2009, they expanded into hog farming, building their first barn. Their success led to the addition of two more barns, the most recent constructed in 2022.

According to Matt, raising hogs comes with one major benefit: temperature-controlled barns.

"It's all under one roof, and it doesn't matter if it's 100 degrees outside or -20, it's always T-shirt weather," said Matt.

However, keeping their hogs on a permanent tropical vacation requires a significant amount of energy. During the summers, industrial fans and a stout ventilation system keep the barn cool, while powerful heaters maintain a comfortable environment in the biting South Dakota winters.

Two years ago, the brothers tackled this energy-intensive challenge by installing a 30-kW solar array. With guidance from Sioux Valley Energy, their local electric cooperative, they determined the project would financially benefit their operation due to availability of tax credits and grant funding.

"We saw that the majority of our power usage was always during the day," Matt explained. "We did some number crunching, and it penciled out."

Distributed Energy Resources

The Waxdahl brothers' decision to invest in a solar array reflects how farmers and ranchers across the state are utilizing Distributed Energy Resources (DERs) like solar panels and on-site wind turbines. While some producers use solar panels to power remote water pumps, others invest in larger systems like solar arrays to offset the energy demands of their farms.

According to Ben Pierson, energy services manager at East River Electric, DERs are not common across the state. However, Pierson noted there are situations where DERs make sense: in remote areas where connecting to the electrical grid is too costly, for businesses or individuals looking to leverage tax credits and grant funds, and

for individuals who want to produce their own energy as a personal or environmental choice.

“The most successful applications of DERs that I’ve seen have been for agricultural operations like hog and dairy farms, where the producer has been able to secure both grant funding and tax incentives,” said Pierson. “It makes sense economically because they are using most their energy during the day when solar is producing.”

Even in the best-case scenarios, DERs still face challenges. Without existing tax breaks and grant funds, the energy savings from Waxdahls’ solar array would not have justified the expense. “It wouldn’t be economically efficient at all without the tax credits and grant funding,” Matt said.

The array has also not been as efficient as the Waxdahls had hoped. While the panel installers projected a return on investment within seven to 10 years, the reality after two years of operation suggests it may take closer to 12 to 15 years for the panels to pay for themselves.

Despite the challenges, Matt considers his solar array a successful addition to his hog operation. “If I had another barn the same size, I would make the same decision to add a solar array,” he said.

The Electrical Grid

While DERs offer renewable energy options at the local level, South Dakota’s electrical grid already incorporates significant contributions from renewable energy sources at a wholesale price.

In fact, Basin Electric Power Cooperative, a generation and transmission cooperative serving South Dakota’s electric cooperatives, began purchasing energy from the Wild Springs Solar Project in 2024. Located near New Underwood, the 128-megawatt facility is the largest solar farm in the state. Basin Electric is set to purchase 114 megawatts of the project’s output, marking its first step into utility-scale solar generation.

The benefits of this project are already underway, said Pierson.

“Building a large-scale solar array is much more economically feasible than

a smaller-scale solar array,” said Pierson. “It lets us implement renewable energy into the portfolio in a cost-effective way.”

According to Pierson, power providers are continually working to implement renewable energy where it makes sense while providing reliable energy at an affordable price.

Connecting to the Grid

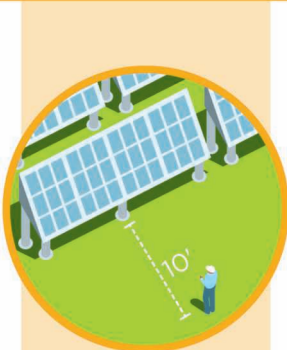
When considering the addition of DERs such as solar panels or an on-site wind turbine, Pierson encouraged members to contact their local electric cooperative to ensure the system is properly sized and safely connected.

When implementing a DER, there are often safety requirements in place to protect both the DER owner and the grid operators.

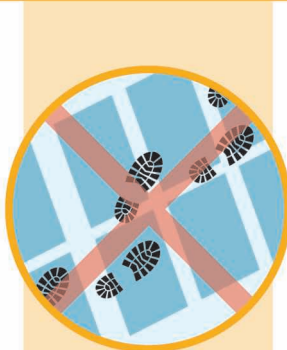
“Especially if you are talking to a third-party vendor, please reach out to your local utility to discuss the pros and cons – and realities – of implementing DERs,” said Pierson. “Utilities can offer unbiased information regarding the expected output and proper sizing of a DER.”

SAFETY NEAR SOLAR

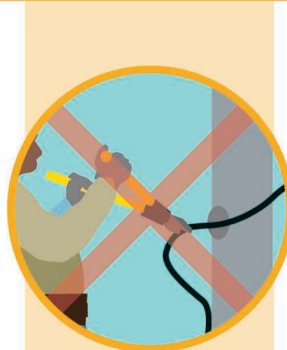
Like any other source of electricity, solar panels can pose potential hazards. Keep these safety tips in mind when you’re near solar panels.



Stay at least 10 feet away from the installation.



Never walk on solar panels.



Never cut any wiring to the solar panels.



Never touch broken or damaged solar panels.

BOARD MEETING SUMMARY

Clay-Union Electric Corporation Board Meeting Summary

NOVEMBER 21, 2024 • VERMILLION, SOUTH DAKOTA

The board meeting was called to order on November 21, 2024, at 8:30 a.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, Mike Slattery, Jim Ryken, and Sara Schulte. Attending staff members included Chris Larson, Beth Bottolfson, Mike Kruse and Jackie Williams.

Agenda (ACTION ITEM) – A motion was made, seconded, and carried to approve the agenda as presented.

Visitors to Be Heard – VCDC representatives, Jim Peterson and Katie Heine on VCDC Capital Campaign.

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 10/25/24.

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

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 – None

Contracts – None

Policy Review – The following policy updates were presented to the board:

- A motion was made, seconded and carried to approve changes to the Holiday Observance Policy 714.
- A motion was made, seconded and carried to approve changes to the Employee Wellness Policy 736.

Work Order and Special Equipment Summary – None

Management Reports:

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

December Board Meeting – The date of December 20th was set as the next regular board meeting to begin at 8:30 a.m.

East River REED/MAC – The REED Board met on November 4th for the annual strategic planning meeting at East River and the ER MAC met the following day.

New Building - Manager Larson reviewed with the Board various warranty and other happenings that are being worked through with Puetz and other contractors.

Rate Notices - Letters went out with this month's billing to notify members of the upcoming rate increase along with a follow up video on Facebook. Irrigation, Large Power and the Multi-Residential Lodging received separate letters.

Clay County Commissioners - The Clay County commissioners met on November 12th. Manager Larson spoke in the open forum and asked them to be mindful of the pre-annexation agreements that the city is asking developers to sign for developments within the JJZA and the ramifications it has to Clay-Union members.

SD Line Patrol - Virtual meetings have started in planning the SD Line Patrol poker run scheduled for September 2025. The event will be hosted by BY, Union and Clay-Union.

Legislative Forum - The legislative forum has been scheduled for November 25th in Yankton at the Best Western Kelly Inn. The social starts at 6:00 pm followed by dinner at 6:30 pm.

Distributed Generation – Manager Larson reported on the consultant from Star Energy that is helping organize our DG program and help form policies that will be fair to individuals who are installing generation but also protect all members from cost shifting.

SDREA Annual Meeting (Action) - A motion was made, seconded, and approved to authorize attendance at the SDREA Annual Meeting that will be held January 16th and 17th in Pierre and name Sara Schulte as the delegate and Chris Kinney as the alternate.

SDREA Director (Action) - A motion was also made, seconded and carried to nominate Tom Larsen to represent Clay-Union on the SDREA Board.

Resolution to Authorize the Amendment for the 401k Plan 2 (Action) - A motion was made, seconded, and carried to approve The Addendum to Adoption Agreement "A" RUS# 42003-002.

NRECA Annual Meeting - The NRECA Annual meeting is March 10th to the 12th in Atlanta, GA.

Nominating Petitions - The announcement for nominating petitions will be in the newsletter that will be coming out at the end of November. District #4 and #5 will be up for nominations. The deadline for returning the petitions is February 7th, 2025.

Safety Day - A Safety Day is being planned with Union County and BY for some time in January or February. We will be the host site for this event.

VCDC Capital Campaign (Action) - A motion was made seconded and approved to donate to the VCDC Grow Vermillion Campaign for \$5,000 with distribution of \$1,000 per year for the years 2025 – 2029 earmarked to be used for Clay County projects.

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

- Billing Activity
- October 2024 Financials
- Capital Credit Checks – General Fund Retirements
- Audit Plans
- Work in Progress

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

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

- Monthly department work summary

- FEMA
- New Services
- Service Upgrades
- October Outage Report
- Wiring

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

Financial Report – Manager of Finance and Administration Bottolfson 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

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

Legal Report – None

Strategic Planning – None

Safety Meeting Minutes – None

Cyber Security – The October Cyber Security report from East River IT was 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

Calendar – The board reviewed the December 2024 calendar.

Executive Session – The board went into Executive Session at 1:02 p.m., Executive Session was adjourned at 1:15 p.m. There was no action taken.

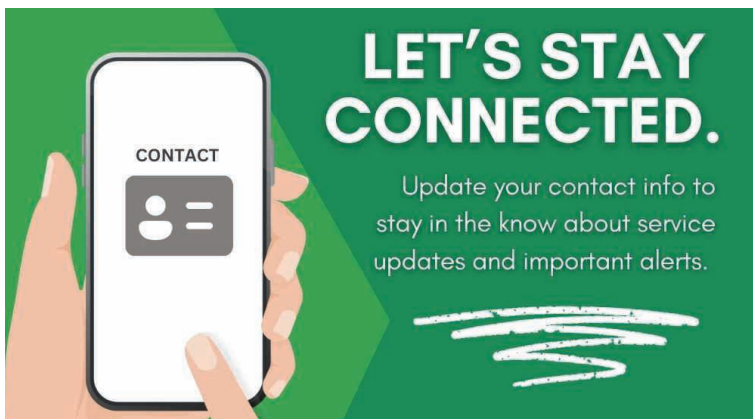
Adjournment – There being no further business, a motion was made, seconded, and carried, to adjourn the meeting at 1:17 p.m.

Thomas Larsen, President

James Ryken, Secretary

Outage Reports

Date	Time	Township	Members	Cause
12/23	3:00 p.m.	Fairview	1	Equipment Failure



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 within 10 days by 8 a.m., a \$25 collection fee will be applied and a final 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.



Bank Draft – Have your payment automatically deducted from your checking or savings account. No fees apply for this service.

Recurring Debit/Credit Card

– You may call in your credit/debit card payment and ask for recurring, it will then bill to that card every month on the 20th (or next business day) of each month until you call to cancel. No fees apply for this service.

Pay by Phone – You may call in your credit/debit card payment each month. No fees apply for this service.

By Mail – Send check or money order with your payment slip. Please be sure to mail early so we receive it by the 20th, we do not go by postage date.

In Office – We accept cash, check and money order or we can take your credit/debit card in our office. No fees apply for this service.

On Line Billing – Pay your bill on line at www.clayunionelectric.coop No fees apply for this service.

Collection Fee	\$25
Standard Reconnect Fee	\$50
Reconnect Fee for Non-Payment.....	\$100
After Hours Reconnect Fee.....	\$150
Insufficient Funds Check Fee	\$30

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 Black Hills Stock Show & Rodeo to win a Blackstone electric grill!

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.

FEB. 1
James River Gobblers Wild Turkey Banquet
5 p.m.
Highland Conference Center
Mitchell, SD
605-999-3208

FEB. 2
Hot Dish Competition Lake County Museum Fundraiser
11 a.m.-1 p.m.
St. Thomas School Gym
Madison, SD
605-256-5308

FEB. 8
Polar Bear Chili Cook-Off
11 a.m.-2 p.m.
Main Street
Hill City, SD

FEB. 8
ALL Ability Skate Day
Disability Awareness & Accessibility Committee
1-3 p.m.
Main Street Square
Rapid City, SD
605-390-4434

FEB. 14-17
11th Annual Frost Fest
9 a.m.-3 p.m.
Brookings, SD
605-692-7444

FEB. 15
Sioux Empire On Tap
Sioux Falls Convention Center
Tickets available online
www.siouxempireontap.com

FEB. 22
Knights of Columbus Ice Fishing Derby
Waubay Lake
Registration 9-10 a.m.
605-881-5075

FEB. 22
Bellator Titans Charter Casino Night Fundraiser
6-11 p.m.
316 2nd St.
Aberdeen, SD

MARCH 8-9
Philip Area Annual Gun Show
Sat. 9 a.m.-5 p.m.
Sun. 9 a.m.-3 p.m.
American Legion Hall
Phillip, SD
605-859-2135

MARCH 14-15
Badlands Quilter Weekend Getaway
Fri. 5 p.m.
Sat. 8 a.m.
Community Center
Wall, SD
605-685-5718

APRIL 4-5
Annual Schmeckfest
German Heritage Celebration
748 S Main St
Freeman, SD
605-925-4237

APRIL 8
Clay-Union Electric 89th Annual Meeting
Gayville-Volin School
Gayville, SD

APRIL 11-12
Junkin' Market Days Spring Market
Fri. 4-7 p.m.
Sat. 9 a.m.-4 p.m.
\$5 Admission
W.H. Lyon Fairgrounds
Sioux Falls, SD
www.junkinmarketdays.com

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