

COOPERATIVE CONNECTIONS



Co-ops Power Next Generation

**How Co-ops are
Engaging Youth**
Pages 8-9

**811: Call Before
You Dig**
Pages 12-13



Tom Larsen
Board President

COOPERATIVES PARTNERS IN PROGRESS



Chris Larson
General Manager

Thank you for being a member of Clay-Union Electric. As a member, you choose to be part of an organization that operates based on cooperative principles which include voluntary and open membership, democratic member control, and concern for our community.

We focus on the four core values of Integrity, Accountability, Commitment to Community and Innovation to meet the expectations of you, our member/owners.

Clay-Union Electric is celebrating our 89th year of service to Clay, Union, Yankton, Turner and Lincoln counties.

As we gather for our annual meeting, we want to take this opportunity to discuss the challenges and opportunities ahead for our cooperative.

One of the most important topics we addressed in 2024 was the necessary rate increase implemented on January 1st, 2025, which includes a modest rise in the fixed charge. We understand that any change in rates affects our members, and we do not make these decisions lightly. The fixed charge covers essential costs such as maintaining infrastructure, system upgrades, and administrative expenses. As costs for equipment, labor, and materials continue to rise, this adjustment ensures that we can maintain the high level of service and reliability that our members expect.

By increasing the fixed charge, we are stabilizing revenue streams, which helps prevent large fluctuations in rates due to seasonal changes in electricity use. This structure ensures fairness across all members, including those who use distributed energy resources (DERs) like solar and wind, by ensuring that all members contribute to the costs of maintaining the grid.

The cost for the new building is estimated to be about $\frac{1}{4}$ of the rate increase. The next $\frac{1}{4}$ would be related to costs associated with inflationary increases, maintenance costs and the costs associated with new line builds to continue providing safe and reliable power. The biggest

cost driver of the increase is from the increasing cost of generation and upgrades to the electrical grid.

In response to growing member interest in renewable energy, we have implemented a new DER program that will allow members to integrate renewable energy sources more seamlessly. In 2025, we will have a link to a web portal on our web-page that will provide our members with all documents and procedures needed to help our members and the installers that they choose to help them with their future projects.

The goal of this program is to meet our members' requests for renewable energy options while maintaining grid stability and cost fairness for all members while emphasizing the need to do it in a manner that is safe for everyone.

Looking ahead, strategic planning remains a top priority for the cooperative, with several key factors driving

By taking a proactive approach, we are ensuring that our cooperative remains strong, sustainable, and well-positioned for the future.

decisions. Investments in smart grid technology and automated infrastructure are essential for enhancing outage response and system efficiency. Partnerships with power suppliers will be crucial to ensuring long-term affordability and reliability, especially as more renewable energy is integrated.

Strengthening cybersecurity protections is critical to defending against potential cyber threats and extreme weather events. Additionally, adapting to evolving energy regulations and market conditions will be necessary to maintain compliance and stability. These factors will guide the cooperative's efforts to build a resilient and sustainable energy future.

By taking a proactive approach, we are ensuring that our cooperative remains strong, sustainable, and well-positioned for the future.

Ensuring the safety of our employees and members is a top priority for our cooperative. We are committed to providing a secure environment by implementing comprehensive safety protocols, conducting regular

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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:
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A Touchstone Energy® Cooperative 

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

**Registration & Dinner begins at 5:00 p.m.
6:30 p.m. Meeting Starts**

Complete Annual Report and Agenda in the April Edition



COOPERATIVES
PARTNERS IN PROGRESS

Agenda of Business

- Call to Order 6:30 p.m. Tom Larsen
- National Anthem..... Laney and Emma Andrews
- Invocation Pastor Riter
- Welcome Mayor Catalina Renteria
- Secretary's Report James Ryken
- 88th Annual Meeting Minutes Tom Larsen
- Treasurer's Report Mike Slattery
- Introduction of Guests Chris Kinney
- Elections..... Chris Larson
- East River Report East River Representative
- President & Manager Report Tom Larsen & Chris Larson
- Announcement of Scholarships* Sara Schulte
- Announcement of Door Prize Winners* Tom Larsen

**must be present to win*

Distracted Driving

National Highway Traffic Safety Administration

Distracted driving is any activity that diverts attention from driving, including talking or texting on your phone, eating and drinking, talking to people in your vehicle, fiddling with the stereo, entertainment or navigation system – anything that takes your attention away from the task of safe driving.

Texting is the most alarming distraction. Sending or reading a text takes your eyes off the road for five seconds. At 55 mph, that's like driving the length of an entire football field with your eyes closed.

You cannot drive safely unless the task of driving has your full attention. Any non-driving activity you engage in is a potential distraction and increases your risk of crashing.

Consequences

Using a cell phone while driving creates enormous potential for deaths and injuries on U.S. roads. In 2022, 3,308 people were killed in motor vehicle crashes involving distracted drivers.

Get Involved

We can all play a part in the fight to save lives by ending distracted driving.

APRIL
Distracted Driving Awareness Month
an **nsc** initiative
National Safety Council

Teens

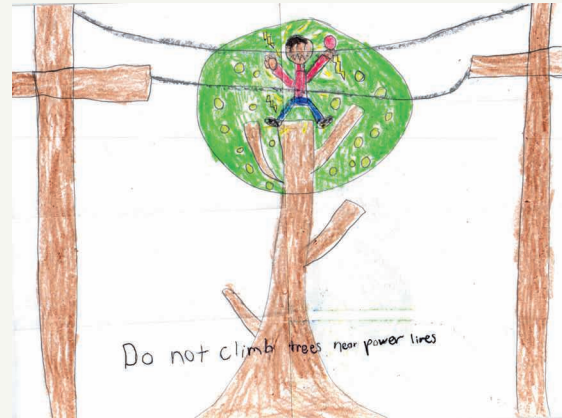
Teens can be the best messengers with their peers, so we encourage them to speak up when they see a friend driving while distracted, to have their friends sign a pledge to never drive distracted, to become involved in their local Students Against Destructive Decisions chapter, and to share messages on social media that remind their friends, family and neighbors not to make the deadly choice to drive distracted.

Parents

Parents first must lead by example – by never driving distracted – as well as have a talk with their young driver about distraction and all of the responsibilities that come with driving. Have everyone in the family sign the pledge to commit to distraction-free driving. Remind your teen driver that in states with graduated driver licensing (GDL), a violation of distracted-driving laws could mean a delayed or suspended license.

Educators and Employers

Educators and employers can play a part, too. Spread the word at your school or workplace about the dangers of distracted driving. Ask your students to commit to distraction-free driving or set a company policy on distracted driving.



“Do not climb trees near power lines.”

Naomi Krcil, Age 7

Naomi cautions readers about the dangers of climbing trees near power lines. Thank you for your picture, Naomi! Naomi's parents are Andrew and Andrea Krcil, members of Charles Mix Electric Association.

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.

Let's Have BRUNCH

EASY BREAKFAST MUFFIN

Ingredients:

2 cups all-purpose flour
1/2 cup granulated sugar
2 tsps. baking powder
1/2 tsp. salt
2 eggs (beaten)
1/2 cup vegetable oil
1/2 cup milk

Method

Preheat the oven to 400°F. Line a 12 cup muffin tin with paper liners or spray each cup with cooking spray. In a mixing bowl, combine flour, sugar, baking powder and salt.

Add in eggs, oil and milk and mix only until combined, don't beat or over mix or they will be dry! Fold in 1/2 cup mix-ins if desired.

Scoop into prepared muffin tin and bake for 15 to 18 minutes or just until golden and a toothpick comes clean. Serve with butter and jam.

Lyon-Lincoln Electric Member

UMM BRUNCH

Ingredients:

Scallops
English Muffin
Eggs

Method

Soak scallops in cold water in fridge for two hours, pat dry, sauté in butter and garlic until opaque (approx. 4 min). Put on toasted English muffin. Cook poached eggs in 10-inch skillet with 1 tbsp. vinegar (3-5 mins.) Remove with slotted spoon and drain on paper towel. Add to the scallops and top with Hollandaise Sauce.

Hollandaise Sauce:

Cut 1/2 stick butter into thirds. In double boiler, combine 1 piece of butter and 3 egg yolks, 1 tbsp. lemon juice and 1 tbsp. water. Place it over boiling water and cook while whisking rapidly. Add remaining butter one at a time, continue to cook. Add salt and pepper to taste.

Kari Reder
Northern Electric Member

SAUSAGE AND EGG TACOS

Ingredients:

4 oz. breakfast sausage, casings removed
1 tbsp. perfect pinch roasted garlic bell pepper seasoning
6 eggs
2 tbsps. milk
1 tbsp. butter
6 small flour tortillas, warmed
1/4 cup shredded Mexican cheese blend
1 med. ripe avocado, peeled, pitted and sliced

Method

Heat medium skillet on medium-high heat. Add sausage and Seasoning; cook and stir until sausage is browned and crumbled. Remove sausage from pan; keep warm. Drain fat from pan.

Beat eggs and milk in medium bowl with wire whisk. Melt butter in same skillet on medium heat. Add egg mixture; cook and stir until eggs are firm.

For each taco, place one tortilla on plate. Top with eggs, sausage, cheese and avocado. Sprinkle with additional seasoning, 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.

YOUR CO-OP'S 2024 ANNUAL REPORT

President & Managers Column Continued from Page 2

training, and maintaining high operational standards. Our employees' well-being is essential to delivering reliable service, and we continually invest in their safety and preparedness. Likewise, we prioritize the safety of our members by upholding rigorous safety measures in power delivery and facility operations. Moving forward, we will continue enhancing our safety programs and fostering a culture of awareness to safeguard our cooperative community.

Strong alliances with other cooperatives and energy providers play a crucial role in maintaining a reliable grid. By working together, cooperatives can share resources, improve response times during outages, and invest in new technologies that enhance service reliability. These partnerships also provide access to a diverse energy portfolio, helping to stabilize costs and ensure long-term sustainability. Through these partners, we strengthen our ability to navigate challenges, such as supply chain disruptions and regulatory changes, while continuing to deliver safe, reliable, and affordable electricity to our members.

Our cooperative is deeply committed to supporting the communities we serve. Through initiatives such as 4-H sponsorships, school safety demonstrations, and our Rural Electric Economic Development Fund, we invest in the well-being and future of our local communities. These programs help educate young people about electrical safety, provide funding for community projects, and promote economic development in rural areas. By engaging with schools, community groups, and local businesses, we strive to make a positive impact that extends beyond electricity. Our commitment to community involvement reflects the cooperative principles of education, concern for the community, and cooperation among cooperatives.

For 89 years, members of our cooperative have stepped

up to serve on the board, guiding the organization through times of change. As we look ahead, we encourage members to consider becoming part of the cooperative's leadership. Just as our predecessors built the foundation of this cooperative, we need dedicated individuals to help shape its future. Serving on the board is an opportunity to be a voice for your fellow members, influence key decisions, and ensure that our cooperative remains strong and member-focused for generations to come. Your involvement is vital in keeping our cooperative rooted in the principles of service, reliability, and community commitment.

This year, we extend our deepest gratitude to Jim Ryken, who is retiring after 36 years of dedicated service on the Clay-Union Electric Board and 27 years on the East River Board with 16 years as East River Board President. His leadership, wisdom, and unwavering commitment have played a vital role in shaping

the cooperative into what it is today. Through decades of service, he has helped navigate industry changes, strengthen our infrastructure, and advocate for the best interests of our members. His contributions will leave a lasting impact, and we thank him for his invaluable service. We wish him all the best in his well-earned retirement and look forward to honoring his legacy as we continue building on the foundation he helped establish.

Thank you for being an integral part of our cooperative family. We appreciate the trust you place in us to provide reliable and affordable electricity. The board and management remain committed to transparency, member engagement, and sound financial stewardship. Your participation in meetings like this helps shape the future of our cooperative, and we encourage you to stay involved.

Tom Larsen, Board President
Chris Larson, General Manager

**Our cooperative is
deeply committed to
supporting the communities
we serve.**

TEENS: Head to North Dakota This Summer for Free!

Clay-Union Electric will be sponsoring an all-expenses-paid excursion to North Dakota. Two area high school students will be randomly drawn to participate on the excursion. The South Dakota Rural Youth Excursion will give these students the opportunity to learn and see where and how electricity is generated.

The Youth Excursion Tour will be held July 21-24, 2025, and is headquartered in Bismarck, N.D. All area high school students whose parents or guardians are members of Clay-Union Electric are eligible to apply.

It's Fun and Free!
Visit North Dakota and learn how you get your energy.
Meet new people and travel this summer!



2024 ANNUAL MEETING MINUTES

(unapproved)

Clay-Union Electric held its 88th annual meeting on April 2nd, 2024, at the Clay-Union headquarters located at 31321 SD Highway 19, Vermillion, SD. The theme for this year's meeting was "Powering Possibilities." Tom Larsen, Board President, called on Maxwell and Julia Kinney to play the National Anthem. Director Larsen then led the attendees in reciting the Pledge of Allegiance. Reverend Terry Anderson, then gave the invocation and welcome.

Larsen announced that the grand prize of \$200 will be drawn at the end of the meeting. The Basin Electric Scholarship, Clay-Union Scholarship, the Milo Gilbertson Scholarship, and two Koble Family Scholarships will be drawn at the end of the meeting.

President Larsen then called the meeting to order and asked Secretary James Ryken to provide the secretary's report. Ryken reported the official meeting notice, presence of a quorum and presented the minutes from the 2023 annual meeting. Ryken reported that these minutes had been published and distributed through the Sparks monthly newsletter to the entire membership.

President Larsen asked for a motion to defer the reading of those minutes. A motion to defer the reading of the minutes was made, seconded, and carried. A motion was then asked to approve the minutes as presented. A motion was made, and seconded to approve the minutes as presented, motion carried.

Treasurer Mike Slattery then presented the treasurer's report.

During the treasurer's report, Slattery highlighted several key categories that included assets, liabilities, member equity, operations expense, and the overall condition of the cooperative. Slattery also talked about generation and the cost of power. Slattery explained that the Margin Stabilization worked like a savings account that the co-op could use it to draw on in case of emergency expenses or revenue shortfalls.

Slattery concluded his report with a review of the year-end audit conducted by a certified public accounting firm, Eide Bailly. This audit is required by the Rural Utilities Service and this review/audit found the cooperative to be in compliance with all accounting and mortgage requirements.

President Larsen then asked for a motion to accept the treasurer's report as presented. A motion was made, and seconded, that the treasurer's report be accepted as presented, motion carried.

Larsen then called on Director Chris Kinney to introduce all the special guests that were attending the meeting.

President, Tom Larsen, then called on Manager, Chris Larson, to conduct the election for director from Districts No. 1 & 2. Manager Larson explained how the By-Laws allow for the nomination of a candidate for a vacant district position. Manager Larson stated that no petition had been filed for the director election of District No. 1. Larson further explained

that the by-laws state that the Board of Directors would appoint a qualified candidate within 6 months of the annual meeting to fill the vacant District No. 1 seat.

Manager Larson then announced that the only petition filed for the director election of District No. 2 was from incumbent director, Chris Kinney. Manager Larson asked for a motion supporting Chris Kinney. A motion was made, and seconded, that Chris Kinney be re-elected as director for District No. 2, motion carried. Manager Larson congratulated Director Kinney on his re-election.

President Larsen then called on guest speaker, Bob Sahr, Chief Executive Officer, for East River Electric headquartered in Madison, South Dakota, to provide a report on the operations of East River and its relationship with Clay-Union. Sahr concluded his report by thanking Manager Larson of Clay-Union Electric and its board of directors for their continued support.

President Larsen and Manager Larson then went into providing a combined annual report. Larsen started by again welcoming everyone to their 88th annual meeting. Larsen then thanked everyone who helped make the annual meeting a success.

Larsen opened by thanking the audience for being members of Clay-Union Electric and that they are choosing to be part of an organization that operates based on cooperative principles.

Manager Larson stated that Clay-Union Electric is celebrating its 88th year of service to Clay, Union, and Yankton counties and moving forward, we are excited about the prospect of developing new and exciting methods to enhance services. Clay-Unions goal remains steadfast – to meet and exceed members' expectations. The members' input has been invaluable in shaping the cooperative, and we will continue to listen, learn, and evolve.

Larsen went on to say that a significant milestone was achieved with the construction of the new headquarters. Larsen emphasized that this undertaking represents Clay-Unions commitment to growth, efficiency, and improved services for the members.

Manager Larson explained how the process of building the new headquarters was a collaborative effort which reflects the forward-looking approach to meeting the evolving needs of the community.

Larsen further announced how grateful the Board and Management were for the support and trust the members have placed in them.

Director Larsen spoke about focusing on a guaranteed supply of power and an unwavering commitment to the upgrade and maintenance of the delivery of that power. Larsen stated that having a reliable and uninterrupted power supply is at the core

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FROM CELEBRATION TO INSPIRATION

Megawatt welcomes members to the football tailgate party hosted by West River Electric.
Photo by Amanda Haugen

How Electric Co-ops Are Powering the Next Generation

Frank Turner

frank.turner@sdrea.coop

April marks Lineman Appreciation Month, the perfect time to spotlight the essential role that electric cooperative employees play in their communities. In line with their commitment to education and community involvement, electric cooperatives are celebrating lineworkers through youth engagement initiatives, and it all stems from one of the electric cooperatives' seven cooperative principles: concern for community. For years, programs such as Cooperatives in the Classroom have provided schoolchildren with innovative, hands-on learning opportunities, demonstrating the critical work electric cooperatives perform in their communities.

Whether it's engaging youth through a Neon Leon safety demonstration or taking students to explore Basin Electric's energy infrastructure during the SDREA Youth Excursion, electric cooperatives across the state are constantly finding new and exciting ways to engage the youth within their communities and inspire the next generation. Below are two new avenues for spurring youth engagement in cooperatives across the state:

Megawatt Mascot

Is it a bird? Is it a plane? No, it's Megawatt, Rushmore Electric Power Cooperative's newest lineman mascot. This summer, select electric cooperatives in western South Dakota are suiting up to introduce Megawatt – a friendly-faced lineman adorned with a hard hat, safety gloves and

bright red cape – to their members.

“The goal is to get younger kids to start thinking about linemen in a certain way – almost larger than life and the backbone of the electric cooperative,” said Rushmore Electric Chief Marketing Officer Matt Brunner. “The hope is that it translates into them considering the lineman profession when they get older.”

Megawatt has already made his debut at several member appreciation events, bringing high-energy fun to parades and tailgates as a true champion of the cooperative spirit. So far, Brunner said the mascot has left a big impression.

“The kids and adults have loved it, and the interactions have been great,” Brunner said. “If nothing else, it's unique. People are constantly asking, ‘Who is that?’ The costume does a great job of starting the conversation: what is a lineman, and what do they do?”

Beyond lineworkers, cooperatives offer a diverse range of career paths.

From engineers to accountants, the cooperative world is full of exciting roles that include opportunities in communications, where professionals share the cooperative's achievements and member services, where employees work directly with the community to meet their needs.

Brunner said he expects the idea to continue gaining momentum over the coming months with new avenues of appreciation for linemen and a better understanding of the day in the life of a lineman, as well as other exciting careers in the electric cooperative industry.

STEM Gains Steam

Jennifer Gross, education and outreach coordinator at East River Electric Power Cooperative, has inspired classrooms for years with a variety of engaging demonstrations, covering everything from science to safety. Last year, Gross introduced a new activity to spark curiosity while incorporating STEM – an approach to education that integrates science, technology, engineering and mathematics into learning. The result led to a crafting activity where kids use simple materials to fashion their own wind turbine.

“We are always trying to come up with new ideas for students,” Gross said. “Incorporating STEM into this project seemed like a natural fit because both teachers and students are very receptive to it.”

The idea is straightforward. Students construct a small-scale turbine from wooden dowels, fins, and a motor capable of generating power. Once completed, they connect their tiny turbine to a multimeter, which measures the energy generated. Instead of relying on natural wind, students use a fan to simulate a windy day. By altering their model turbines, students can find the optimal design for the best output of energy. And just like that, students can step into the role of engineers.



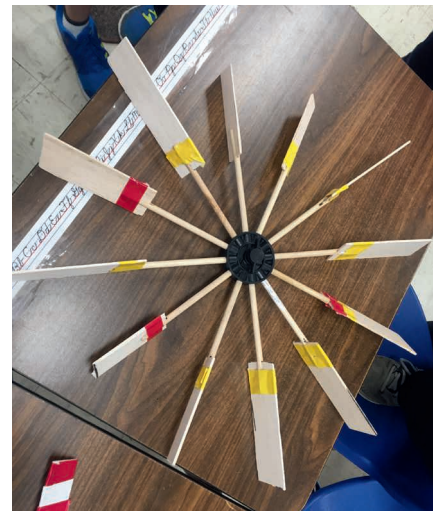
Megawatt is joined by U.S. Air Force personnel enjoying the Annual Base Picnic.
Photo by Amanda Haugen

Gross said the students and the project have a lot in common. Once the building begins, the students' minds begin to whirl – just like a turbine. The activity prompts question after question: Why does the wind blow? How does a wind turbine work? How does the shape and weight of the blade influence the experiment?

“The students enjoy being engineers for this project,” Gross said. “They enjoy having the freedom to choose their materials and design. There's no right or wrong way to do it, and they enjoy that. I mention to the students that careers in wind energy are in high demand and some are 4-year degrees and others are fewer years, but the push for renewable energy sources is growing and our state produces plenty of wind.”

Whether it's through a hands-on activity or an engaging mascot, cooperatives aim to not only educate but inspire, ensuring that today's students can become tomorrow's linemen, engineers, communicators or member service representatives. By

sparkling curiosity and introducing young people to the world of cooperatives early on, they're opening the door to careers that keep communities powered and connected.



This is just one example of how students create wind turbines using materials such as balsa wood, foam, card stock, cardboard and paper cups.
Photo by Jennifer Gross

YOUR CO-OP'S 2024 ANNUAL REPORT

2024 Unapproved Annual Minutes Continued from Page 7

of our mission and that electricity plays an essential role in our members' daily lives.

Manager Larson continued by saying the key elements to forming the bedrock of our commitment to delivering stable, sustainable, and cost-effective electricity start with an enhanced and maintained distribution grid. Furthermore, long-term power contracts and a balanced portfolio of generation sources help solidify the commitment to the members.

Larson explained that maintaining a balanced portfolio of generation sources is integral to the resilience and sustainability of our energy ecosystem. By diversifying our sources of power, we mitigate risks associated with dependence on any single method. This approach not only enhances reliability but also positions us to adapt to changing market dynamics and embrace cleaner, more environmentally friendly technologies.

Director Larsen discussed the challenges that are putting pressure on future rates and the importance of providing services to the members that are affordable. The board and management will be transparent about the challenges we are facing and want to stress to the membership that there is a cost to providing safe and reliable electric service.

Manager Larson followed up by announcing that there is no need for an increase in rates for 2024 mostly due to past sound financial decisions that provided a margin stabilization plan which is helping maintain rate stability. He went on to address the reality of rising costs and that most likely there will need to be a rate increase in 2025.

Director Larson stressed that the safety of our members and employees stands as a fundamental pillar of our success and that a safe and secure environment is essential for everyone.

Manager Larson stated that a commitment to safety is not just a responsibility but a shared value that strengthens our cooperative community.

Larson continued by discussing the need for collaborating with our cooperative partners to enable us to pool resources, share knowledge, and leverage collective strength. Together, we

navigate the challenges of an ever-evolving energy landscape, ensuring that the services we provide meet the highest standards of safety, reliability, and affordability.

By strengthening these cooperative relationships and making strategic investments, we secure the foundation upon which our cooperative stands.

Larson and Larsen ended by thanking the membership and restating the cooperative's commitment to provide safe, reliable, and affordable electric service to the members.

Manager Larson then handed out three service awards and introduced the rest of the employee group to the membership. He then reintroduced the Board of Directors.

President Larsen thanked Manger Larson and then asked if there was any old or new business that needed to be conducted. With no further business, Larsen asked for a motion to adjourn. A motion was made, seconded, and carried to adjourn the annual meeting.

Director Glover then announced the winner of the \$1,000 Basin Electric scholarship as Bayleigh Peterson, originally from Alcester-Hudson High School and now attends the University of South Dakota.

Director Glover then announced the winner of the \$500 Clay-Union Electric scholarship from the Basin Electric Applications as Addison Oyen from Vermillion High School. Ms. Oyen was also a winner of the Clay-Union \$500 random draw scholarship.

Director Glover announced the winner of the Gilbertson family \$500 random draw scholarship as Tayden Wells, Vermillion High School in honor of former director Milo Gilbertson.

Director Glover then announced the winners of the Koble family \$500 and \$300 random draw scholarships as William Anderson, Vermillion High School, and Dylan Springer, Vermillion High School in honor of John and Gundy Koble.

President Larsen announced the winner of the \$200 Grand Prize as Grant Sorenson.

James Ryken, Secretary

Thomas Larsen, President

RANDOM DRAW SCHOLARSHIP OPPORTUNITY

Clay-Union Electric will award two - \$500 academic scholarships to a high school senior who plans to pursue an academic degree or certification from an accredited university, college, junior college, technical school or other post-secondary educational institution. Another \$500 academic scholarship from the Milo Gilbertson Family will also be drawn.

Scholarship payments will be made directly to the college, university or school. The scholarships must be used for the 2025 school year. Funds may be used for tuition, books, room and board.

Eligibility requirements are:

- Live full-time in a residence served by

Clay-Union Electric.

- Be a graduating senior attending a high school or an accredited home extended studies program within the counties served by Clay-Union Electric.
- Attend the annual meeting with a parent/legal guardian who is a member of Clay-Union Electric.

The scholarships will be awarded to the qualifying students the night of the annual meeting, April 8, 2025 at the Gayville-Volin School. In the event a student is unable to fulfill his/her enrollment obligations under this program, the award will be forfeited.

Please apply when registering for the annual meeting at the front desk. Must be registered by 6:30 p.m. and be present to win.

Enter to Win
a
\$500
Scholarship

Treasurer's Report

My report will highlight several key categories, assets, liabilities, member equity, operations expense, and the overall condition of the cooperative.

As of December 31, 2024, the Balance Sheet indicates that we have total assets of \$45.2 million.

Our largest asset is our depreciated investment in electric lines, buildings, and equipment, which represents \$34.2 million.

The long-term debt to the Rural Utilities Service, the Cooperative Finance Corporation and CoBank is \$24.3 million, which is our largest liability.

The interest rates on the loans vary from 1.71% to 5.55%. Our blended cost on our total debt is 3.28%.

The equity, or your ownership in the cooperative, is approximately \$18.1 million.

A review of the Operating Statement for 2024 shows revenue from sales of electricity at \$9.5 million.

In 2024 we withdrew \$650,000 from the margin stabilization account leaving us with a balance of \$560,000. The biggest share of our revenue comes from the rural, irrigation and residential customer class for a total of 75%, while 25% comes from the commercial customer class.

The total cost of providing service for 2024 was approximately \$9.8 million, with 53% of this amount, or approximately \$5.2 million dollars was used to purchase wholesale power from East River Electric.

In 2024 our fixed costs; depreciation, taxes, and interest expense, were approximately \$2.2 million, or 22% of Total Operating Costs.

After receiving pass-through margins of \$450,105 from our power suppliers and lenders, and recording a gain on the sale of the former headquarters, the resulting Net Margin for Clay-Union was \$805,682. These financial statements reflect compliance with all mortgage requirements.

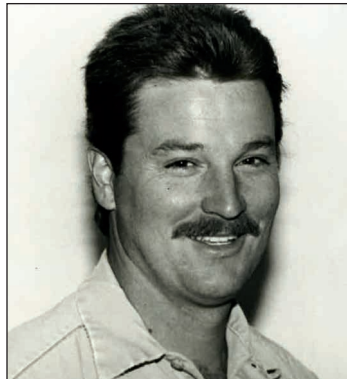
Clay-Union has funded a Margin Stabilization plan that is authorized by the Rural Utilities Service. This plan provides us a "savings account" to draw on in case of emergency expenses or revenue shortfalls. This fund can also be used to defer rate increases. We have drawn on this plan when needed and restore funds to this account whenever possible and still meet our financial requirements.

The cooperative is audited each year by a certified public accounting firm, which expresses an opinion on the fairness of the financial results and financial position of the Cooperative. In addition, representatives from the Rural Utilities Service, South Dakota Department of Revenue and Federated Rural Electric Insurance conduct periodic examinations for compliance of various accounting and mortgage requirements. These audits have found the Cooperative to be following all accounting and mortgage requirements.



Mike Slattery
Treasurer

Retirement Open House



We cordially invite our members and friends to join us for an Open House to honor Mike Kruse, Operations Manager for a Retirement Party

Friday, April 25
2:00-4:00
at the Clay-Union
Headquarters

Mike began his career with Clay-Union in August of 1983 as an apprentice lineman. Mike held the positions of Journeyman Lineman, Lead Lineman and Crew Foreman before taking on the role as Operations Manager in June of 2012.

After more than 41 years of dedication to the position, Mike has decided to retire to play more golf and bowl.



Thank You and Happy Retirement



BOARD OF DIRECTOR JAMES RYKEN RETIRES

Jim Ryken, Board of Director for Clay-Union Electric has chosen not to seek re-election for District #5.

Jim has served on the Board of Directors since 1989. Jim also served on the East River Electric Board for the past 26 years, holding the President position since 2008.

Jim would like to thank the members of Clay-Union Electric for the confidence you have shown in him to serve as your representer for more than 35 years.



DIGGING SAFELY

Call 811 Before You Dig Every Dig. Every Time.

Jocelyn Johnson

jocelyn.johnson@sdra.coop

Every year, underground utility lines are damaged by homeowners and contractors who dig without calling 811. This single call is a crucial step in any project. Striking a water, gas or power line can cause serious injuries, costly repairs and service outages for an entire neighborhood. Whether you're beginning construction on a major project or are simply planting a tree, calling 811 before you dig is a free and simple solution to what could potentially be considerable damage.

What is 811?

The South Dakota One-Call System, or 811, is a mandatory statewide

one-call notification system that was established by South Dakota Statute in 1993. 811 is now recognized as the national "Call Before You Dig" number in the U.S., designed to safeguard people and protect underground utilities. It's a free service that coordinates with your utility providers to help locate and mark underground lines.



Codi Gregg, executive director for South Dakota 811, said, "The main purpose of the program is to avoid digging into any utility and potentially causing a loss of life, loss of property, or any infrastructure buried in the ground."

"We are fully funded by the utilities who want to protect the services they provide," Gregg continued. "It is



GET TO KNOW THE COLOR CODE

Below are The American Public Works Association (APWA) Uniform Color Codes for temporary marking of underground utilities.

 <p>Proposed Excavation</p>	 <p>Electric</p>
 <p>Water</p>	 <p>Communication / CATV</p>
 <p>Reclaimed Water, Irrigation, Slurry</p>	 <p>Temporary Survey Marking</p>
 <p>Gas, Oil, Steam</p>	 <p>Sewer / Storm Drain</p>

South Dakota state law that you contact 811 two business days before you dig.”

South Dakota has underground utility lines for electricity, gas, water, sewage and telecommunications. Inadvertently hitting one of these lines could cause power outages, property damage, water contamination, gas leaks, legal liabilities and injury.

Gregg explained that when an excavator makes the 811 call before they dig, utilities receive the locate and have 48 hours to mark all lines in the designated area with color-coded flags or paint.

“If you happen to dig into a utility or find one that was not located while excavating, you have to report that to 811. If you happen to dig into a gas line or anything toxic, you must call 911 first, then 811.”

How It Works

Contractors, homeowners, ranchers and farmers can easily make a request for underground utility lines to be marked by

following these steps before every project.

1. Call 811 or submit an online request at least 48 hours prior to your project.
 - Information can be found online at www.sdonecall.com.
2. Wait for utility markings.
 - Utility companies will send professionals to mark buried lines using color-coded paint or flags.
3. Get locates on secondary or privately-owned lines if needed.
4. Check markings.
 - Confirm all utility companies listed on your ticket have responded to the request after the two-business days have passed.
5. Dig safely.

Real-Life Examples of Hitting Underground Utility Lines

Contractor Hits Unmarked Secondary Line

Tom Lundberg, member services manager from H-D Electric Cooperative in Clear Lake, S.D., gives the following account of a contact made to a secondary line:

“Normal situations start out like this – South Dakota 811 calls are made from an excavator or member (persons doing the work), and flags and paint go on the ground marking the underground services. This is a normal occurrence. However, some digs are more complicated, and there may be what we call secondary wires, pipes, sewer lines, etc. located in the dig area as well. The words primary and secondary are confusing to some people and they assume that all is well after the 811 call is made. Primary lines are owned and operated by the utility. Secondary lines are member-owned lines that are not marked by any utility. They must be marked by the member-owner of the property.

Unfortunately, we have had many of these lines hit during a dig, which makes it an emergency service call. One example is when we had a 600-amp service for a member that was damaged by a contractor. The call came in to us, and we responded to the site. We realized it could have been a very dangerous situation if the contractor would have entered the dig. Luckily, they guarded the hole until we arrived. The underground wires were extremely damaged, and the contact did not take out the transformer fuse or any kind of overcurrent protection. When I arrived, there was water in the hole, and I could hear the muddy water boiling. At that time, I assumed it was still energized. The first thing I did was turn the power off and assess the extent of the damage. The mud and water were so hot that I had to wait for a while for it to cool off. Repairs were made and everything was put back together. I double checked my work, then turned the power back on. This happened because secondary locates were not completed – resulting

in a three-hour delay for the business and a costly repair.

We have had many of these calls over the years, and we want to communicate that anyone digging for a project must ensure all the dig area is marked for primary and secondary functions (wire, pipe, gas, telephone, sewer).

Long story short, the impact of not marking all the dig area can cost you time, loss of production, money and even worse – injury or death.”

Out-of-State Contractor Hits Underground Power Line

Mike Stadler, manager of electric operations from Grand Electric Cooperative in Bison, S.D., gives the following account of a contact made by company digging gravel:

“We had a dig-in a couple of years ago at a gravel pit. The county contracted a crushing company out of state to mine more gravel from an existing pit they had rights to. The crushing company started by digging test holes with a bulldozer. They would take the bulldozer and dig a hole about eight feet deep, just one dozer width wide, to see how good the gravel was before they committed to mining the whole area. We had underground cable around the pit. When they were exploring new areas to mine, they dug right through our cable and didn’t know it (keep in mind the test holes are 8 feet deep, and our cable is four feet deep). They dug the hole, went in and looked at the gravel, decided it wasn’t worth it, and covered the hole back up. Meanwhile, we had an outage.

When our crew began searching for the cause of the outage, they discovered the fresh dirt which was moved and had to dig it back up to fix it. When I asked the contractor why he didn’t call a locate, he stated the county superintendent said he didn’t have to because there was nothing there. They were very reluctant to pay the bill and thought the county should be liable. When I explained to them it was the law that all contractors are required to call 811, and it didn’t matter what the county told them, they paid the bill. We have since educated the county on 811 laws.”

2024 Financial Report

BALANCE SHEET

Assets (What We Own)	12/31/2024	12/31/2023
Investment in Lines, Buildings & Equipment	47,176,324	45,753,528
Less Accumulated Provision for Depreciation	<u>13,004,736</u>	<u>12,048,038</u>
Total	34,171,588	33,705,490
Non Utility Property Net	0	150,837
Investments of Patronage Capital In Other Associated Organizations	6,452,823	6,394,876
Other Investment in Associated Organizations	534,617	534,617
Marketing Loans to members	38,473	70,133
Margin Stabilization Fund	560,000	1,210,000
Cash In Banks	289,800	168,716
Temporary Cash Investments	706,544	3,126
Accounts Receivable	839,263	815,230
Prepayments	48,066	40,622
Other Assets	266,350	295,479
Materials & Supplies	<u>1,265,429</u>	<u>1,245,060</u>
Total Assets	45,172,954	44,634,186
Liabilities (What we Owe)		
Owe RUS, CFC & CO BANK	24,328,657	23,583,004
Accum. Provision for Pensions & Benefits	157,806	152,573
Consumer Deposits	167,895	170,550
Accounts Payable	528,470	457,150
Marketing Loans (To Members)	40,608	61,351
Taxes Payable	196,847	211,288
Other Current Liabilities	927,534	921,587
Deferred Credits	<u>663,455</u>	<u>1,316,003</u>
Total Liabilities	27,011,271	26,873,506
Equity in Above Assets		
Membership Fees	14,350	14,335
Patronage Capital Credits & Other Equities	<u>18,147,332</u>	<u>17,746,345</u>
Total Liabilities & Equity	45,172,954	44,634,186

OPERATING STATEMENT

Operating Revenue	12/31/24	12/31/23
Residential Sales	5,381,136	5,519,650
Residential Sales-Seasonal	139,315	138,509
Irrigation Sales	718,350	802,870
Small Commercial Sales	698,896	692,707
Large Commercial Sales	1,429,482	1,418,841
Public Street & Highway Lighting	15,887	15,688
Other Sales to Public Authorities	295,721	298,373
Other Revenue	<u>775,398</u>	<u>224,425</u>
Total Operating Revenue	9,454,185	9,111,061
Operating Expenses		
Purchased Power	5,167,647	5,090,454
Operations & Maintenance	1,177,547	881,537
Consumer Accounting & Collecting	194,663	190,555
Member Service & Information	129,574	146,504
Administrative & Office Expense	563,620	532,498
Auditing, Legal & Engineering Services	98,426	84,719
Maintenance to General Plant	56,019	87,771
Directors Fees & Expenses	37,963	35,609
Dues to Associated Organizations	61,951	58,067
Misc General Expense	97,699	83,372
Depreciation	1,236,247	1,059,237
Taxes	127,349	131,908
Interest Expense on Long Term Debt	797,925	685,530
Other Interest Expense	2,769	2,718
Miscellaneous Expense	<u>6,220</u>	<u>13,922</u>
Total Cost of Electric Service	9,755,619	9,084,402
Operating Margins	-301,434	26,660
Non-Operating Margins	657,011	195,182
East River Electric & Other Capital Credits	<u>450,105</u>	<u>534,761</u>
Net Margins	805,682	756,603



**APRIL IS
SAFE DIGGING MONTH**



Did you know April is dedicated to Safe Digging Month? Whether you're tackling a DIY project or a professional job, always call 811 beforehand. Let's dig safely and avoid unnecessary risks!
#SafeDiggingMonth #Dial811



**Know what's below.
Call 811 before you dig.**

Celebrating Years of Service



Beth Bottolfson
Mgr. of Finance & Administration - 40 Years

Chris Larson
General Manager - 30 Years

Nick Buckman
Journeyman Lineman - 25 Years

Thank You!



Mike Kruse
Operations Manager
41 years of service



Alan Gauer
Crew Foreman
37 years of service



Lori Rueb
Sr. Billing Coordinator
31 years of service



Curt Johnson
Lead Lineman
26 years of service



Travis Wells
Journeymen Lineman
20 years of service



Casey Ihnen
Journeyman Lineman
19 years of service



Josh Anthofer
Electrician
18 years of service



Quinn Springer
Journeyman Lineman
14 years of service



Jackie Williams
Marketing Communications
6 years of service



Jake Husby
Journeyman Lineman
5 years of service



Penny Ascheman
Member Services Specialist
3 years of service



Clayton Sorensen
Apprentice Lineman
1st year of service

Your Board of Directors



Tom Larsen
President



Chris Kinney
Vice President



Mike Slattery
Treasurer



Jim Ryken
Secretary



Sara Schulte
Asst. Secretary

WIRED FOR SERVICE.

We thank electrical lineworkers for their commitment to powering our local communities.

LINEWORKER APPRECIATION DAY
APRIL 14, 2025





APRIL 11-12
Forks, Corks & Kegs
Food, Wine & Beer Festival
 Deadwood, SD
 605-578-1876

*Photo courtesy of
 Travel South Dakota*

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.

APRIL 3
Viva Las Vegas
McCrossan Banquet Auction
 5:30 p.m.
 Sioux Falls Arena
 Single Ticket \$100
 Tables Available
 Sioux Falls, SD
 605-339-1203

APRIL 3
Bachelors of Broadway:
Gentlemen of the Theatre
 7 p.m.
 NSU Johnson Fine Arts Center
aberdeencommunityconcerts.org

APRIL 4
Mitchell Technical College
2025 Alumni Gathering
Cornhole Tournament
 5 p.m. Social
 6:30 p.m. Tournament
 The World's Only Corn Palace
 Mitchell, SD
 605-995-7342

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

APRIL 4-6, 11-13
Women Playing Hamlet
 April 4-5, 11-12: 7:30 p.m.
 April 6, 13: 2:30 p.m.
 Mighty Corson Art Players
 Corson, SD
www.mightycorson.com

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

APRIL 6
Hay County Jamboree
 2 p.m. Matinee
 Gayville Music Hall
 Gayville, SD
 605-760-5799

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

APRIL 24-26
HuntSAFE Course
 Davison County Fairgrounds &
 Mitchell Trap Club
 Mitchell, SD
 605-770-5555
gfp.sd.gov/hunter-education

APRIL 27
Country Roads
 2 p.m. Matinee
 Gayville Music Hall
 Gayville, SD
 605-760-5799

MAY 2-3
SD Spring Square Dance
Festival
 Fri. 7:30-10:30 p.m.
 Sat. 9:30 a.m.-7:30 p.m.
 Faith Lutheran Church
 601 N. Cliff Ave.
 Sioux Falls, SD
 Call for events & times
 605-360-2524

MAY 3-4
Prairie Village Events
 Sat. Consignment Auction
 Sun. Season Opening
 Madison, SD
www.prairievillage.org

MAY 3
West River Pheasants
Forever Banquet
 5 p.m. Central Time
 Draper Auditorium
 Draper, SD
 605-516-0143

MAY 3
American Legion Post 15
Just Because It's Time to Dance
 6-10:30 p.m.
 Tables Available
 El Riad Shrine
 Sioux Falls, SD
 605-336-3470

MAY 31
Auto Parts Swap Meet & Car Show
 8 a.m.-2 p.m.
 Brown County Fairgrounds
 Aberdeen, SD

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