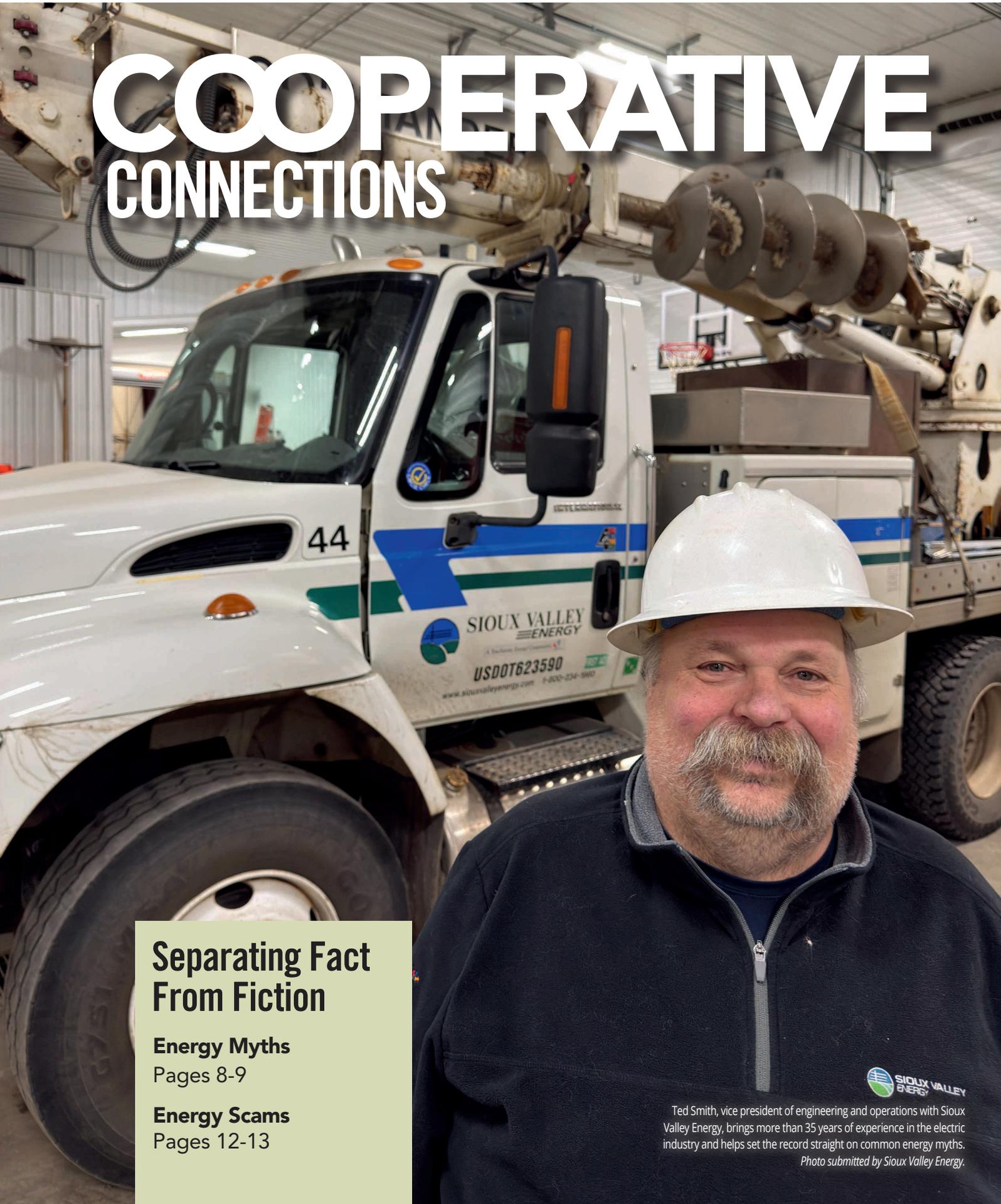


COOPERATIVE CONNECTIONS



Separating Fact From Fiction

Energy Myths

Pages 8-9

Energy Scams

Pages 12-13



Ted Smith, vice president of engineering and operations with Sioux Valley Energy, brings more than 35 years of experience in the electric industry and helps set the record straight on common energy myths.

Photo submitted by Sioux Valley Energy.

2025 ANNUAL MEETING MINUTES

(unapproved)

Clay-Union Electric held its 89th annual meeting on April 8th, 2025, at the Gayville-Volin School gym in Gayville, SD. The theme for this year's meeting was "Cooperatives, Partners in Progress." Tom Larsen, Board President, called on Elena Andrews to sing the National Anthem. Director Larsen then led the attendees in reciting the Pledge of Allegiance. Pastor Drew Riter, then gave the invocation followed by the welcome from the Mayor of Gayville, Catalina Renteria.

Larsen announced that the grand prize of \$200 will be drawn at the end of the meeting. The announcement of the Basin Electric Scholarship Winner and the drawing for two Clay-Union Scholarships, and the Milo Gilbertson Scholarship 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 2024 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 Fund 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 4 & 5.

Manager Larson then announced that the only petition filed for the Director election of District No. 4 was from incumbent director, Tom Larsen. Manager Larson asked for a motion supporting Tom Larsen. A motion was made, and seconded, that Tom Larsen be re-elected as director for District No. 4, motion carried. Manager Larson congratulated Director Larsen on his re-election.

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. 5. 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. 5 seat.

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 again welcoming everyone to their 89th 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 discussed that a rate increase was needed in 2025 which included a modest increase in the fixed charge. Larson explained that the fixed charge covers essential costs such as maintaining infrastructure, system upgrades and administrative expenses. The increase in the fixed charge ensures that we can maintain the high level of service and reliability that members expect.

Larsen went on to say that 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

Continued on page 6



STAYING FOCUSED BEHIND THE WHEEL: A SIMPLE GUIDE TO SAFER ROADS

Distractions behind the wheel aren't just inconvenient – they're deadly. Each moment you allocate to anything other than driving increases the risk for you and everyone sharing the road. According to the Federal Motor Carrier Safety Administration, distracted driving claimed 3,522 lives in the United States in 2021, underscoring how costly a split-second lapse can be. The good news is that small, deliberate habits behind the wheel can make a big difference. Here are three practical ways to stay focused.

First, minimize phone use. Store your device out of sight before starting the engine. Texting or scrolling through apps draws your eyes from the road, your hands from the wheel and your mind from the task at hand. If you must communicate, pull over safely or use hands-free features only if absolutely necessary and legal in your area. Remember, many places have laws prohibiting texting while driving, with penalties that reflect the risk. Consider enabling “do not disturb” modes that silence notifications while you drive, and set your status to indicate you're driving. This simple barrier can prevent impulsive checks and help you maintain steady attention.

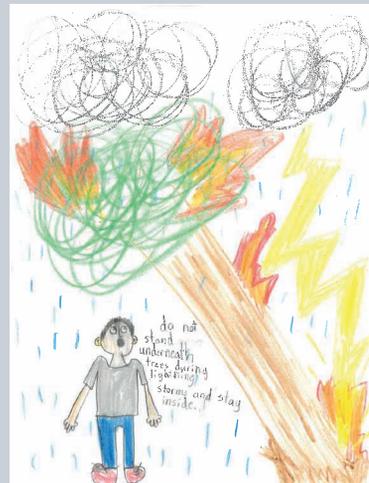
Second, plan your route before you depart. Entering a destination while driving is a dangerous distraction. Take a few minutes to review the route, check traffic conditions, and set your navigation system in advance. With your route loaded, you can keep your attention on driving rather than on-screen instructions during the journey. If possible, choose routes with fewer turns or fewer heavy-traffic segments, and be ready to adjust if conditions change. Having a mental map of the journey can also reduce the need to peek at the screen for updates.

Third, ensure you are well rested. Fatigue can dull reaction times, reduce concentration, and cause your eyes or your vehicle to drift. Prioritize a good night's sleep before long trips, and consider stopping for short breaks on extended drives to refresh your focus. Even brief pauses for stretching and deep breathing can reset your alertness and help you respond more quickly to changing road situations.

Beyond these tips, practice general safe-driving habits: obey speed limits, maintain a safe following distance and stay alert for pedestrians, cyclists, and other motorists. If you feel distracted or fatigued, it's wiser to pause and reassess rather than press on. Safe driving is about consistent, proactive choices that protect everyone on the road.



"Do not stand underneath trees during lightning storms and stay inside."



**Ramsey Faini,
Age 8**

Ramsey warns readers about the dangers of lightning storms. Thank you for sharing your picture, Ramsey! Ramsey's mom is Katie Faini from Rapid City, S.D.

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

MAIN DISHES

HOMEMADE MAC & CHEESE

Ingredients:

16 oz. box elbow macaroni noodles
Oil
1 pkg. bacon
3 cups whole milk
1/2 cup butter (melted)
5 oz. can (about 2/3 cup) evaporated milk
16 oz. block Velveeta cheese (cut into cubes)
1 tsp. salt
Guda cheese
Parsley (to taste)
1 tsp. garlic powder
1/2 tsp. black pepper

Method

Cook noodles as directed. Drain noodles and pour a small amount of oil on them while in the strainer. Cook bacon and cut into small pieces. Add all of the ingredients into a Crock-Pot and mix. Cover and cook on low for 1.5 hours, stirring once or twice while cooking. Serve and enjoy.

Cindi Foster
Codington-Clark Electric

CHEDDAR POTATO SOUP

Ingredients:

1 medium onion, chopped
3/4 cup celery, chopped
1/4 cup butter
5 cups peeled potatoes, cubed
3 cups water
3 cups milk, divided
4 tps. chicken bouillon granules
1/2 tsp. salt
1/2 tsp. pepper
1/4 cup flour
4 cups (16 oz.) cheddar cheese, shredded

Method

In large Dutch oven or kettle, saute onion and celery in butter for 5 minutes. Add potatoes and water, bring to a boil. Reduce heat, cover and simmer for 15 minutes or until potatoes are tender. Stir in 2 cups milk, bouillon, salt and pepper. Combine flour and remaining milk until smooth, gradually stir into soup. Bring to a boil, cook and stir for 2 minutes or until thickened. Reduce heat, add cheese and stir until cheese is melted.

Sally Florey
Charles Mix Electric

CARAMELIZED HAM & SWISS SLIDERS

Ingredients:

12 Hawaiian dinner rolls, split
1/4 cup horseradish sauce (optional)
12 slices deli ham (or 24 if it's thinly sliced)
6 slices Swiss cheese, cut in fourths (so you will have 24 squares of cheese)
Sauce
1/2 cup butter
1/4 tsp. onion powder
2 tbsps. brown sugar
1 tbsp. Dijon mustard
2 tps. poppy seeds
1 1/2 tps. Worcestershire sauce
1/4 tsp. garlic powder

Method

Spray a 9x9 or 9x13 glass dish with non-stick cooking spray. Set aside. Preheat oven to 325°. Spread roll bottoms with horseradish sauce (if using). Fold up pieces of ham to fit the rolls and place them on the bottom halves of the roll. Next, place 2 squares of cheese. Replace tops and place in a single layer in the prepared pan.

Sauce

In a small skillet, heat butter over medium-high heat. Stir in remaining ingredients. Pour over rolls. Cover with foil and bake covered for 20 minutes. Remove foil and bake 5 more minutes. These can also be made ahead of time. Just cover with foil and refrigerate for several hours or overnight. Bake as instructed.

Jerald & Virginia Jensen
Sioux Valley Energy

Please send your favorite recipes to your local electric cooperative (address found on Page 3). Each recipe printed will be entered into a drawing for a prize in December 2026. All entries must include your name, mailing address, phone number and cooperative name.

Continued from page 2

members contribute to the costs of maintaining the grid. Larsen further discussed that the cost for the new building is estimated to be about ¼ of the rate increase. The next ¼ 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.

Manager Larson explained the new Distributed Energy Resource program for members who are interested in renewable energy projects. Larson stated that 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.

Director Larsen spoke on how strategic planning remains a top priority for the cooperative, with several key factors driving decisions. Some key factors dealing with 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.

Manager Larson emphasized that the safety of our employees and members is a top priority for our cooperative. Moving forward, we will continue enhancing our safety programs and fostering a culture of awareness to safeguard our cooperative community.

Larsen discussed that strong alliances with other cooperatives and energy providers play a crucial role in maintaining a reliable grid. 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.

Manager Larson continued by saying that our cooperative is deeply committed to supporting the communities we serve. Larson reviewed initiatives like 4-H sponsorships, school safety demonstrations, and our Rural Electric Economic Development Fund are a few ways we invest in the well-being and future of our local communities. Our commitment to community involvement reflects the cooperative principles of education, concern for the community, and cooperation among cooperatives.

Larsen emphasized that in the past members of our cooperative have stepped up to serve on the Board, guiding the organization through times of change and then he encouraged members to consider becoming part of the cooperative's leadership. Your involvement is vital in keeping our cooperative rooted in the principles of service, reliability, and community commitment.

Manager Larson extended the Cooperative's 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. Larson further stated that Jim's leadership, wisdom, and unwavering commitment have played a vital role in shaping the cooperative into what it is today. Jim's contributions will leave a lasting impact, and we thank him for his invaluable service.

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

Larsen then announced and presented 3 service awards to Beth Bottolfson-40 years, Chris Larson-30 years and Nick Buckman-25 years.

Manager Larson announced the rest of the employee group and their years of service to the cooperative family. Larson emphasized that Mike Kruse would be retiring at the end of April and announced his open house event.

Larsen then reintroduced the Board of Directors and presented a retirement gift to Jim Ryken for his years of service.

President Larsen thanked Manager 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 Schulte recognized Grayson Rice as being named a Touchstone Energy Scholar of the week. Manager Larson presented him with a \$250 reward. Schulte also announced that a previous winner was Will Pirak and both will be eligible to receive more scholarships at the Banquet Luncheon held in Watertown.

Director Schulte then recognized Kylie Mockler as the winner of the \$1,000 Basin Electric Scholarship.

Director Schulte then announced the winners of the two Clay-Union \$500 random draw scholarships as Madelyn Oelmann, Vermillion High School and Kasey Kopejtka, Yankton High School.

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

President Larsen announced the winner of the \$200 Grand Prize as John Lynch.

James Ryken, Secretary

Thomas Larsen, President



significantly when conditions allow.

“Although sometimes it seems like it, the wind doesn’t always blow in South Dakota,” Smith said. “And solar only produces during daylight hours.”

Although battery storage has improved in recent years, Smith says storing enough energy to power the grid around the clock is prohibitively expensive at this point in time.

For now, maintaining reliability requires a mix of generation resources so supply remains available regardless of weather or time of day.

Myth: If my neighbor has power and I do not after a storm, the cooperative skipped me.

Smith: That’s not how it works.

In some cases, the cooperative may not yet know a member is without service. Reporting outages remains important.

Another possibility is that the issue is on the member side of the meter. Crews may restore cooperative equipment and determine that the damage is within the member’s own service.

“When crews see it’s a problem on the member side of the meter, they will call dispatch and have them contact the member,” Smith said.

He also emphasized the importance of keeping current phone numbers on file. Fewer households rely on landlines today, which makes updated cell phone numbers critical during storm response.

Myth: Burying all power lines would eliminate outages.

Smith: No.

Underground lines are not exposed to wind and ice, but they are not immune to failure. Over time, underground conductors deteriorate. Rodents such as gophers can damage them. Excavation damage is also common when individuals dig without confirming where utilities are buried.

Before digging, members should always contact 811, the national call-before-you-dig number. That service

notifies utility providers so buried lines can be located and marked before excavation begins. Failing to call 811 can be dangerous and increase the risk of damaging underground infrastructure, causing outages.

And even when damage occurs naturally, locating the fault underground can take time.

“With overhead lines, crews can usually see the damage,” Smith said. “Underground, it takes troubleshooting to figure out exactly where the fault is, sometimes leading to longer outage durations.”

He recalled one outage that proved especially difficult to diagnose.

“One time we had an outage that we just could not narrow down,” he said. “When we finally found the damage, we saw that a gopher had chewed the bottom of the wire. You could not see it from the top. We had to dig up about 20 feet of cable and turn it over before we could see the damage.”

Underground systems can reduce certain types of outages, but they do not eliminate them, and repairs often require more time and labor.

Myth: Wind and solar power are free once installed.

Smith: The fuel is free, but that’s the only thing that’s free.

Wind turbines require ongoing maintenance, including mechanical components that need to be regularly serviced. Solar power relies on inverters and other equipment that must be maintained and eventually replaced.

There are construction costs, financing costs and transmission costs involved in delivering electricity from generation sites to homes and businesses. Those transmission and maintenance assets are accounted for over time and included in the overall cost of electricity.

Free fuel lowers one portion of cost. It does not remove the need to build, maintain and replace infrastructure.

Myth: Electric cooperatives raise rates to increase profits.

Smith: No. Cooperatives are not-for-profit.

Electric cooperatives are member owned, not investor owned. That means there are no outside shareholders expecting earnings. Instead, cooperatives operate on margins, collecting enough revenue to pay expenses, maintain infrastructure and meet financial obligations.

“The only place we get money is from the people at the end of the line,” Smith said. “We don’t have a printing press in the basement.”

In fact, if revenue exceeds expenses in a given year, a portion of those margins are allocated back to members as capital credits when the board determines it’s financially appropriate. Capital credits represent a member’s share of the cooperative’s financial performance during the years they received service.

However, in recent years, equipment costs have risen significantly. Smith cited bucket trucks that once cost around \$220,000 have since more than doubled in price, and major system components have seen similar increases. Usually, the cost of wholesale power from the cooperative’s power suppliers makes up the largest share of the budget and those costs have been increasing as well.

Rate adjustments reflect those rising operational costs and the need to maintain reliable service, not profit distribution.

Electricity may seem simple at the flip of a switch, but as Smith makes clear, the system behind it involves infrastructure, coordination and constant evaluation. Understanding how it works helps members separate assumption from reality and better appreciate the network that serves them every day.

2025 FINANCIAL REPORT

OPERATING STATEMENT

	12/31/25	12/31/24
Operating Revenue		
Residential Sales	6,236,479	5,381,136
Residential Sales-Seasonal	170,728	139,315
Irrigation Sales	537,184	718,350
Small Commercial Sales	836,618	698,896
Large Commercial Sales	1,588,569	1,429,482
Public Street & Highway Lighting	15,329	15,887
Other Sales to Public Authorities	340,577	295,721
Other Revenue	<u>701,624</u>	<u>775,398</u>
Total Operating Revenue	10,427,109	9,454,185
Operating Expenses		
Purchased Power	5,636,094	5,167,647
Operations & Maintenance	1,119,133	1,177,547
Consumer Accounting & Collecting	218,597	194,663
Member Service & Information	154,561	129,574
Administrative & Office Expense	592,690	563,620
Auditing, Legal & Engineering Services	84,530	98,426
Maintenance to General Plant	46,714	56,019
Directors Fees & Expenses	38,604	37,963
Dues to Associated Organizations	63,763	61,951
Misc General Expense	88,020	97,699
Depreciation	1,279,574	1,236,247
Taxes	125,573	127,349
Interest Expense on Long Term Debt	828,964	797,925
Other Interest Expense	1,771	2,769
Miscellaneous Expense	<u>6,865</u>	<u>6,220</u>
Total Cost of Electric Service	10,285,453	9,755,619
Operating Margins	141,656	-301,434
Non-Operating Margins	67,487	657,011
East River Electric & Other Capital Credits	<u>474,211</u>	<u>450,105</u>
Net Margins	683,354	805,682

BALANCE SHEET

	12/31/25	12/31/24
Assets (What We Own)		
Investment in Lines, Buildings & Equip.	48,527,911	47,176,324
Less Accumulated Provision for Depreciation	<u>13,919,172</u>	<u>13,004,736</u>
Total	34,608,740	34,171,588
Non Utility Property Net	0	0
Investments of Pat. Cap. in Assoc. Org.	6,658,139	6,452,823
Other Investment in Associated Organizations	508,567	534,617
Marketing Loans (to members)	41,263	38,473
Margin Stabilization Fund	5,000	560,000
Cash In Banks	789,334	289,800
Temporary Cash Investments	383,062	706,544
Accounts Receivable	991,106	839,263
Prepayments	53,485	48,066
Other Assets	292,910	266,350
Materials & Supplies	<u>1,370,860</u>	<u>1,265,429</u>
Total Assets	45,702,465	45,172,954
Liabilities (What we owe)		
RUS, NRUCFC & CoBank	24,971,649	24,328,657
Accum. Provision for Pensions & Benefits	181,249	157,806
Consumer Deposits	178,227	167,895
Accounts Payable	597,229	528,470
Marketing Loans (To Members)	37,135	40,608
Taxes Payable	219,723	196,847
Other Current Liabilities	945,348	927,534
Deferred Credits	<u>109,988</u>	<u>663,455</u>
Total Liabilities	27,240,548	27,011,271
Equity in Above Assets		
Membership Fees	14,420	14,350
Patronage Capital Credits & Other Equities	<u>18,447,496</u>	<u>18,147,332</u>
Total Liabilities & Equity	45,702,465	45,172,954

FINANCE & ADMINISTRATION 2025 SUMMARY

The Billing Department concluded 2025 with strong operational performance, demonstrating efficiency, reliability, and a continued commitment to member service.

The team generated more than 47,000 billing statements, while also assisting over 140 new members with account setup, billing support, autopay enrollment, and E-Biz online access. Beyond billing functions, Lori and Penny supported the operations department by handling service order calls and addressing member questions.

Cross-training allowed both staff members to maintain seamless coverage for essential tasks such as statement processing and payment posting. Their proactive efforts in managing past-due accounts played a significant role in maintaining low annual energy write-off rates. More than half of all member payments now come through automatic payment options, and increasing participation in paperless billing paired with bank drafts remains a strategic goal for 2026.

New staking and GIS software was purchased in 2025. This will increase the efficiency of staking construction and retirement work orders while properly accounting for continuing property records.

The cooperative retired year 1996 capital credits to our members. Since 2012, the board of directors have approved over \$4.2 million in general retirements.

Financial reports are essential for evaluating the cooperatives' financial health, performance and cash flow. The board of directors receive an income statement, balance sheet and many other reports each month. Our 10-year financial forecast is updated annually and used for budgeting purposes.

In 2025, loan fund advances totaled \$2 million. These are Rural Utilities Services construction loans with an average interest rate of 4.06%. Other lenders include CoBank and National Rural Utilities Cooperative Finance Corp.



ON THE LOOKOUT FOR ENERGY SCAMS

Photo by Frank Turner

Frank Turner

frank.turner@sdrea.coop

It's no April Fools' joke. Consumers with an electricity connection have long been targets for scams. In today's digital world, those schemes have evolved. As more daily business is conducted online, scammers have shifted their tactics to match. They now use phone calls, texts and emails to create urgency, confusion and fear, hoping consumers will act before taking time to verify the claim.

For victims, these scams can lead to financial loss and identity theft, but understanding how the most common schemes work and what they typically look like is one of the best defenses to staying safe.

The "Past Due" Disconnection Threat

One of the most common tactics that scammers use is the disconnection threat. They use a fake message claiming a bill is past due and that service will be disconnected immediately unless payment is made on the spot.

The call may sound official. The message may include account numbers

or appear to come from your local cooperative's phone number due to caller ID spoofing. The scammer's goal is simple: create panic so you pay first and question later.

In reality, cooperatives follow clear procedures and provide advance notice before any disconnection. A demand for instant payment, especially with threats attached, is a major red flag.

The "You Overpaid" Refund Scam

Who would not want a refund? Scammers take advantage of that instinct.

In this scheme, a text, call or email claims a member overpaid an electric bill and is owed money. The message often includes instructions to click a link or provide banking information so the refund can be "processed."

The message can sound especially convincing to cooperative members because electric cooperatives do return margins to members in the form of capital credits. Capital credits represent a member's share of the cooperative's annual margins and are returned over time.

However, capital credits are distributed through established,

official processes. They are not issued through unsolicited texts, surprise phone calls or links requesting personal banking information. When your local cooperative retires capital credits, members are notified through official channels such as billing statements, newsletters, verified mailings or even through Cooperative Connections.

An unexpected refund message that asks for sensitive information is a red flag. When in doubt, pause and contact your local cooperative directly using trusted contact information.

Gift Card and Cryptocurrency Demands

Scammers often insist on unusual payment methods such as gift cards, prepaid debit cards or cryptocurrency. They may provide detailed instructions on how to purchase gift cards and read the numbers over the phone.

This is a clear warning sign. Legitimate cooperatives do not request payment in gift cards or cryptocurrency. These forms of payment are nearly impossible to trace or recover, which makes them attractive to criminals.

Spotting a Scam

Regardless of the method, every scam has similar warning signs that members can watch for:

- High-pressure tactics that demand immediate payment
- Requests for payment through gift cards, prepaid debit cards or cryptocurrency
- Emails or text messages with poor grammar, spelling errors or unfamiliar web addresses

Scammers rely on urgency. Taking a few extra minutes to verify a message can prevent lasting financial consequences.

What Your Local Cooperative Will and Will Not Do

Your local cooperative will not demand immediate payment without prior notice. Cooperatives follow

established procedures and provide advance communication before any service interruption.

Your local cooperative will not ask for Social Security numbers, banking details or other sensitive information through unsolicited phone calls, emails or text messages.

Members have secure payment options available through official cooperative channels, including the cooperative's verified website and approved payment systems. When in doubt, independently locate the cooperative's official contact information rather than using links or phone numbers included in a message.

Text alerts are only sent to members who have enrolled in official notification programs, such as outage updates.

Avoiding Energy Scams

If you receive a suspicious call, text or email claiming to be from your local cooperative, do not use the contact information provided in that message. Instead, use the phone number printed on your billing statement or listed on the cooperative's verified website.

Also, reporting suspected scams helps protect fellow members. By alerting your local cooperative to fraudulent activity, members help strengthen the community's defense against energy scams and ensure the cooperative network remains secure for everyone.

Have a question about whether something is real or not? Reach out to your local cooperative. Electric cooperatives are owned by the members they serve and powered by the communities around them.

SIGNS OF AN

ENERGY SCAM

High-Pressure Tactics

Scammers will pressure you, creating a sense of urgency. Claims that your power will be disconnected without immediate payment are common with utility scams.

Sketchy Payment Methods

Scammers may ask for unusual payment methods like gift cards or cryptocurrency. In these cases, it's likely a scam.

Dodgy Communication

Whether an email, text message or letter, utility scams typically include poor grammar, spelling errors or unusual email addresses. These are common warning signs of a scam.



President & Managers Column Continued from Page 11

our communities through strong partnerships and meaningful engagement. We continued to work closely with local 4 H leaders to support youth development, hosted a well attended member appreciation event during the Clay County Fair, sponsored a student to attend the Washington, DC youth tour and expanded our educational outreach through Co ops in the Classroom. The cooperative also proudly promoted the Scholar of the Week program and supported students through various scholarship opportunities, reinforcing our long standing commitment to education and the communities we serve.

ECONOMIC DEVELOPMENT

Clay-Union Electric also continued to support local and regional economic development efforts by working with community partners and promoting tools that help attract and retain business investment. A key part of this effort is the Rural Electric Economic Development (REED) Fund, which provides financing assistance for projects that support job creation, infrastructure investment, and community growth within our service territory. By promoting responsible economic development, the cooperative helps strengthen local communities while ensuring new growth aligns with the long term reliability and financial stability of the electric system.

LOOKING FORWARD TO 2026

Rate adjustments will continue into 2026 as power supply costs increase and infrastructure needs expand. The rate adjustment implemented in January 2026 was driven by continued growth from existing membership and rising wholesale power costs—not by large data centers or high density loads. Over time, growth from current members has increased overall demand to the point that the cooperative family has outgrown portions of the generation fleet that was built decades ago. New generation resources today cost more than three times what similar facilities cost when much of our existing generation was constructed in the 1980s.

As we plan for future system needs, Clay-Union remains committed to transparency, fairness, and financial stewardship. We will continue

working with our power supply partners to ensure reliability while advancing policies that protect legacy members and align future growth with responsible infrastructure planning.

As I prepare to retire from the electric cooperative family after 31 years of service, including the past 10 years as General Manager of Clay-Union Electric, I do so with deep gratitude. Serving the members of this cooperative and working alongside a dedicated Board of Directors, committed employees, and many trusted partners has truly been a privilege. I will miss the members, directors, and the many friendships formed over the years.

While my role at Clay-Union is coming to a close, I am pleased to share that I have accepted a position with the Governor's Office of Economic Development as Director of State Energy Development. In this role, I look forward to continuing to serve South Dakota by using my industry experience and relationships to help support future energy needs and economic development across the state. I am grateful for the trust and support shown to me throughout my career and confident in the continued strength of Clay-Union Electric.

We are grateful for your membership, your support, and your engagement in cooperative governance. Together, we continue building a strong, resilient, and community-focused organization—one that works for every member, every day.

With appreciation,
Tom Larsen
Board President

Chris Larson
General Manager





APRIL 9-11
Annual Schmeckfest
 German Festival of
 Tasting
 Freeman, SD
 605-925-4237
 www.schmeckfest.com

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.

MARCH 27-APRIL 4
The Passion and the Cross
 Orpheum Theatre
 Sioux Falls, SD
 605-367-6000
 www.ThePassionMusical.com

APRIL 3
**Bachelors of Broadway:
 Gentlemen of the Theatre**
 7 p.m.
 Johnson Fine Arts Center
 Aberdeen, SD

APRIL 5
Easter Sunrise Service
 7 a.m.
 Mount Rushmore

APRIL 9
**McCrossan Wildest Banquet
 Auction in the Midwest**
 Jimmy Buffett Tribute
 Polynesian Paradise Dancers
 Sioux Falls, SD
 www.mccrossan.org

APRIL 9-11
Annual Schmeckfest
 German Heritage Celebration
 Freeman, SD
 605-925-4237
 www.schmeckfest.com

APRIL 11
Women VetsConnect Retreat
 A Wellness Retreat for
 Women Veterans and Military
 Spouses
 9 a.m.-2 p.m.
 Our Savior's Lutheran Church
 909 W. 33rd St.
 Sioux Falls, SD

APRIL 11
**Minnehaha County Pheasants
 Forever Annual Banquet**
 5:30 p.m.-10 p.m.
 Blue Haven Atrium
 46594 268th St.
 Sioux Falls, SD
 605-214-1415

APRIL 11-12
The Black Market
 Sat. 9 a.m.-5 p.m.
 Sun. 10 a.m.-3 p.m.
 W.H. Lyon Fairgrounds Expo Bldg.
 Sioux Falls, SD
 605-332-6004

APRIL 14
**Clay-Union Electric
 90th Annual Meeting**
 Meal 5-6 p.m.
 Meeting 6:30 p.m.
 Wakonda School
 Wakonda, SD

APRIL 18
**Tri-Valley Chorus
 75th Annual Show**
 4 p.m.
 Centerville, SD
 605-201-9398

APRIL 20
The Bronx Wanderers
 7 p.m.
 Johnson Fine Arts Center
 Aberdeen, SD

APRIL 25
**Screams by Night
 Halfway to Halloween Con**
 11 a.m.-5 p.m.
 The Social
 Sioux Falls, SD

APRIL 28
American Legion Bingo
 5-6p.m. Social
 6-6:30 p.m. Meal
 6:45 p.m. Bingo
 American Legion Post 15
 1600 W. Russell
 Sioux Falls, SD
 605-682-1222

MAY 2-10
**Rustic Designs & More Spring
 Show, Flea Market**
 41450 264th St.
 Ethan, SD
 605-770-2411

MAY 2
Cinco de Mayo Fiesta
 2-8 p.m.
 Milbank, SD
 605-432-6656

JUNE 13
Journey Into Historic Pickstown
 9 a.m.-5 p.m.
 Ft. Randall Town & Museum
 Pickstown, SD
 605-487-7299

JUNE 26-27
Buckhorn Rodeo
 Britton, SD
 605-880-5077

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