

# COOPERATIVE CONNECTIONS



## **SOUTH DAKOTA COOPERATIVES**

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# The Cost of Safe, Reliable Service = Rate Increases



**Chris Larson,**  
**General Manager**

Many times, I have talked about providing safe and reliable electric service to our members. As a not-for-profit member owned cooperative, we strive to keep our promises and only charge rates that cover the cost of doing business. If we have a profit at the end of the year, then we allocate it back and eventually return it to our members.

You may recall that in previous articles and during the 2024 Annual Meeting, I had mentioned that we would need a rate increase in the coming year. We used money from the margin stabilization in 2024 to hold off the increase with the idea of helping our members as long as we could. Basin Electric had told us that no increase would be needed from them until 2027. WAPA was evaluating an increase, but we only receive about 17% or less of our power from those federal dams. East River was seeing some increases, but we believed they would be manageable until 2025. The power costs from these three entities are about 55%-60% of our total costs.

Earlier this summer we started studying and putting together the data needed to recommend a rate increase to the board. While in the middle of that data gathering, I started to hear information coming out that there may be a significant increase coming from Basin Electric as soon as 2025. For many reasons, which include the rising costs of equipment (more than doubling in some instances), the rapid increase in the demand for new electric needs (AI, Electric Cars, Business Expansion after the pandemic), and the additional need for always available generation sources to make sure that reliability is maintained, Basin Electric announced the need for a 9%-10% wholesale power rate increase. WAPA is in the process of announcing a 14% increase over the

next two years and East River is feeling the demand for additional power needs from many new members.

At the Clay-Union level we are feeling the pressures of higher equipment costs, higher interest rates and technology upgrades to keep pace with the members needs. We also are aware that the costs of our new facility will have some impact on the rate increase. If I had to estimate, the cost of the building is about 1/4 of the increase, the next quarter would be the cost of borrowing along with the substantial increase in equipment prices and the most significant part is the cost of power that I described above.

**We will continue to look for ways to control or reduce costs but wanted to prepare you for the upcoming outcome**

The board hasn't approved a rate increase yet as we are still trying to get the power increases nailed down and we do not want to rely on the estimates we have received so far. We anticipate that by late September we may have an idea on what

the new rates will be and will start sharing that with the membership as soon as we can. Most likely the rate increase would start in January but that is all subject to Board approval. We will continue to look for ways to control or reduce costs but wanted to prepare you for the upcoming rate increase.

The last rate increase was in May 2017. If you look back to how much things cost, then compared to now it may make it more understandable on why we need a rate increase.

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

**Chris Larson**  
**General Manager**  
[clarson@clayunionelectric.coop](mailto:clarson@clayunionelectric.coop)

## COOPERATIVE CONNECTIONS

### CLAY-UNION ELECTRIC SPARKS

(USPS 116-800)

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

#### Board of Directors

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

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Alan Gauer, Crew Foreman  
Curt Johnson, Lead Lineman  
Nick Buckman, Journeyman Lineman  
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Jake Husby, Journeyman Lineman  
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#### POWER FAILURE – 24-hour service In case of Power Failure Call: 1-800-696-2832 or 624-2673

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## SARA SCHULTE APPOINTED BOARD DIRECTOR FOR DISTRICT #1

During the regular August board meeting, Sara Schulte was appointed as the new Director for District #1 on the Clay-Union Electric Board. Sara will fill the position vacated by Gary Glover who moved out of the district in April, and will fulfill the position until re-election in 2027.

Sara was born and raised in Vermillion. Shortly after college she opened an insurance agency, now known as Schulte Farmers Insurance and recently purchased an existing car wash after an extensive remodel, Clean Slate Auto Spa.

Sara and her husband Mark have 4 wonderful kids that keep them very



busy and happy.

Welcome Sara, we look forward to having you on the board.

## Dig Smart. Dig Safe.



Know what's below.  
Call before you dig.

Save the cost of paying later if you hit an underground service

Before you dig or drive a post call 811 or visit [call811.com](http://call811.com) to have underground utility lines marked.

811 is a **FREE** service that helps keep our community safe.



### YEAR-TO-DATE FINANCIALS

	July 2024	Year To Date
Number of Consumers.....	3,905	3,891 Avg.
Total Revenue .....	\$894,468	\$5,137,940
Total Cost of Service.....	\$831,899	\$5,661,220
Operating Margins .....	\$62,569	\$(523,280)
Other Margins .....	\$10,450	\$651,567
Total Net Margins .....	\$73,019	\$128,287
kWh Purchased .....	7,363,942	48,516,255
Cost of Power .....	\$458,431	\$3,018,940
kWh Sales .....	6,817,741	45,850,768
Residential Average Usage .....	1,298	1,302
Residential Average Monthly Bill.....	\$157	\$154

# 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. **Fire Prevention Week (Oct. 6-12, 2024)** is the perfect time to review and practice fire safety.

### 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.
- 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.

### Working Smoke Alarms Are a Must

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.

### When and How to Use a Fire Extinguisher

Always put your safety first; if you are not confident in your ability to use a fire extinguisher, get out and call 9-1-1. The American Red Cross cautions you to evaluate the situation and ensure:

- Everyone has left or is leaving the home
- The fire department has been called
- The fire is small, not spreading, and there is not much smoke
- Your back is to an exit you can use quickly

### Remember the acronym PASS:

**P**ull the pin.

**A**im low at the base of the fire.

**S**queeze the handle slowly.

**S**weep the nozzle side to side.

*Source: National Safety Council*



### Power Line Safety "Watch Out for Power Lines!"

#### Archer Rindels, Age 7

Archer Rindels warns readers to be careful around power lines. Thank you for your picture, Archer! Archer's parents are Kyle and Rochelle Rindels, members of Sioux Valley Energy.

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.



# Delicious CHICKEN

## CHEESY CHICKEN BUNDLES

### Ingredients:

1 (11 oz.) can condensed cream of chicken soup  
1/2 cup milk  
3/4 cup Velveeta, shredded or cubed  
1 (10 oz.) can chunk chicken, drained and flaked  
1 (8 oz.) can crescent rolls

### Method

Combine soup, milk and cheese. Heat until melted and smooth. Pour into a 7x11 inch pan that has been sprayed with vegetable oil.

Separate crescents into 8 triangles. Place 2 tbsps. of chicken on wide end of crescent roll. Pinch to seal. Place on top of sauce.

Bake uncovered at 375 degrees for 25 minutes and until golden brown. Serve with sauce on top.

Yields eight chicken bundles or four servings.

**Janet Ochsner**  
Box Elder, S.D.

## CROCKPOT CHICKEN PARMESAN SOUP

### Ingredients:

3 boneless chicken breasts  
1 tbsp. minced garlic  
1 can crushed tomatoes (28 oz. can)  
1 can tomato sauce (15 oz. can)  
1 tsp. salt  
1 tsp. ground black pepper  
2 tsp. Italian seasoning  
4 cups chicken broth  
1 cup parmesan cheese (freshly shaved)  
1 cup heavy whipping cream  
8 oz. rotini pasta (uncooked)  
1 1/2 cup shredded Mozzarella

### Method

Add the chicken breast, minced garlic, crushed tomatoes, tomato sauce, salt, pepper, Italian seasoning and chicken broth to the Crock-Pot.

Cover Crock-Pot with lid and cook on low for 6-8 hours.

Shred the chicken. Stir in the shredded parmesan cheese, heavy whipping cream and rotini pasta. Cover and cook on low for 30 minutes.

Top the individual soup servings with mozzarella cheese.

**Kayla Beaner**  
Centerville, S.D.

## BUTTER CHICKEN

### Ingredients:

4 tps. Garam Masala blend  
1/2 tsp. garlic powder  
1/2 tsp. ground ginger  
1/2 tsp. ground turmeric  
1/8 tsp. crushed red pepper  
4 tbsps. butter, divided  
1 can (14.5 oz.) petite diced tomatoes  
1 med. red onion, chopped  
1 1/4 lbs. boneless skinless chicken breasts, cut into 1-inch cubes  
1/4 cup heavy cream  
1/2 tsp. sea salt

### Method

Mix Garam Masala, garlic, ginger, turmeric and crushed red pepper in small bowl. Heat large non-stick skillet on medium heat. Toast seasoning mixture 1 min. or just until fragrant, stirring constantly. Add 2 tbsps. of the butter to skillet, swirling to melt. Add onion; cook and stir 2 to 3 mins. until softened. Stir in tomatoes; cook 5 mins. Carefully transfer mixture to blender container; cover. Blend until smooth, scraping sides as needed. Return pureed sauce to skillet. Bring to simmer on med.-low heat. Add chicken; cook 8 to 10 minutes or until chicken is cooked though, stirring occasionally. Stir in remaining butter, cream and salt until well blended. Simmer on med.-low heat 2 to 3 minutes until sauce is slightly thickened. Stir in additional crushed red pepper to taste and serve with hot cooked basmati rice or warm naan bread, if desired. Garnish with fresh cilantro leaves, 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 2024. All entries must include your name, mailing address, phone number and cooperative name.



## YOUR CO-OP NEWS



Talk with family members about an emergency escape plan and practice it.

October 6-12 is National Fire Prevention Week. Take a moment to review your home's fire safety measures... Check smoke detectors and develop (or review) your household escape plan. Let's prioritize safety together!



Get rid of goosebumps by eliminating ghostly drafts! The winter chill is just around the corner, so now is the time to seal air leaks around your home. Apply caulk and weatherstripping around drafty windows and doors to make your home more comfortable (and lower energy use). [#SpookyEnergySavings](#)

OCTOBER IS NATIONAL

**CO-OP MONTH**

Electric cooperatives are not-for-profit, community-led utilities. Because we are a co-op, we can adapt to our local members' needs, providing the programs and services you care about most. *That's the power of co-op membership.*





## WHEN THE LIGHTS CAME ON

Herman and Nina Rosenau Photo credit: Shannon Marvel

### WWII Veteran Remembers How Electricity Modernized Life on the Farm

JJ Martin and Shannon Marvel

For the last 66 years, Herman Rosenau has been thankful he hasn't had to pump water for the cows by hand at his farm and ranch near Glad Valley.

In 1957, Rosenau became one of the first members of Moreau-Grand Electric Cooperative in Timber Lake, S.D.

Coming of age at the tail end of World War II, Rosenau bore witness to some major world changes. As rural South Dakota started electrifying, Europe and East Asia were in turmoil. Before shipping off for the war, Rosenau's life was all manual labor. After seeing the metamorphosis that the other half of the world went through, Rosenau watched his own world drastically change. Electricity slowly spread out across the Moreau-Grand service area like lightning in slow motion.

With a mischievous smile, Rosenau

sat down at the kitchen table with his morning coffee to discuss how he remembered the lights coming on at his home. After haying all morning, he was happy for a break.

"Things changed not all overnight, but pretty steady," Rosenau said. "We got an electric refrigerator, then we got electricity out of a pump jack on the well. Everything kept growing little by little."

Before electricity, Rosenau recalls watering the cows with a windmill in the water tank.

"And when the wind didn't blow, you pumped the water by hand," Rosenau said.

He remembers when the first electric bills totaled around \$7 per month.

"Well, story of my life was a pitchfork and a team of horses until around 1947," he said with a laugh.

With electricity becoming available

to rural folks in South Dakota, Rosenau recalled being able to purchase a deep freeze. That electric appliance allowed him to store food, particularly beef, for long periods of time and saved him the 70-mile round-trip to Lemmon to the meat locker.

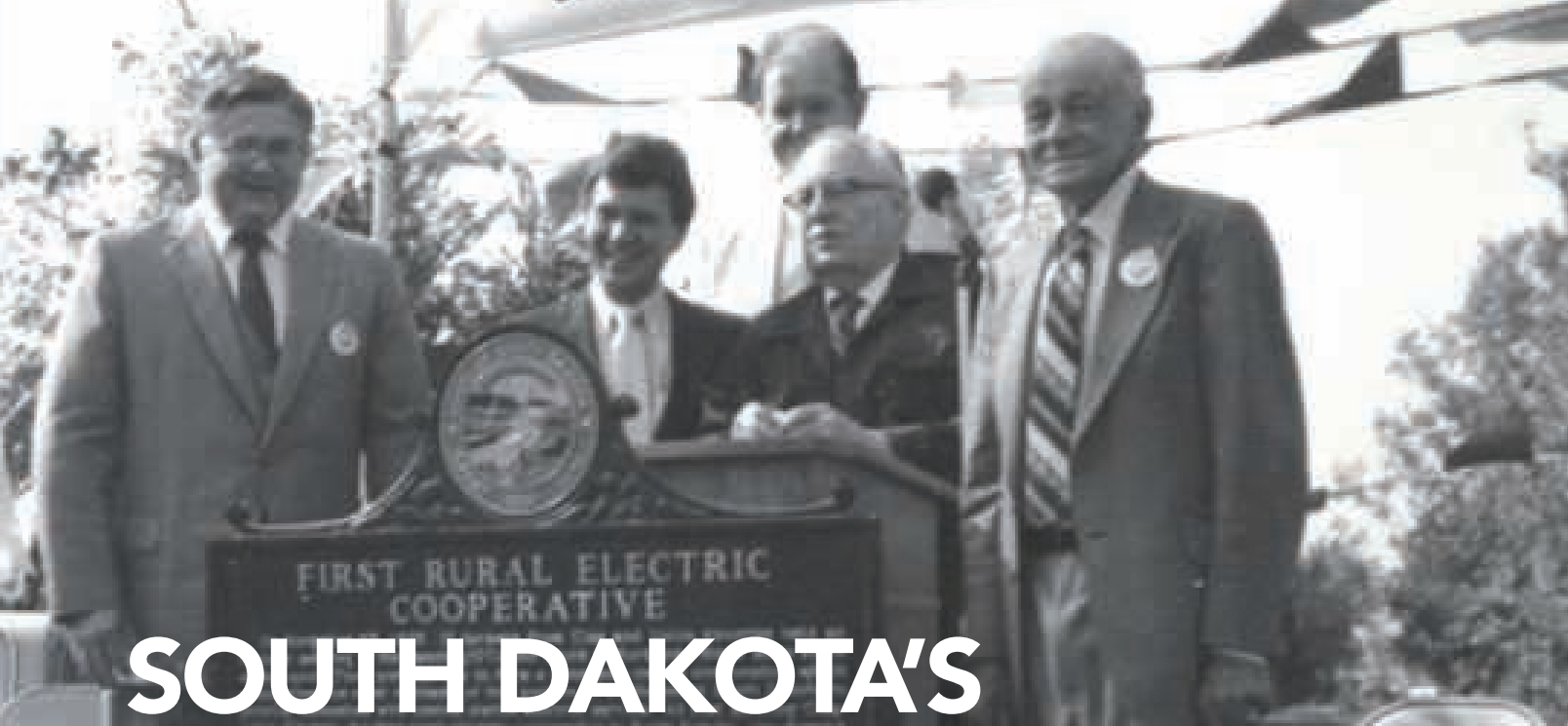
Rosenau is not one to forget how thankful he is for having access to electricity and freedom. The electricity reached his home a few years after he returned home from serving in the Army. The World War II veteran said he went in at the time of the Belgian Bulge.

"I went to the Texas Infantry in the spring when it looked like the war in Europe was getting under control," Rosenau said.

"I was in Manila when they dropped them two little eggs on Japan. And if they hadn't done that, I don't think I'd be here. Because they told us if we have to go ashore in Japan, we will lose a half million to a million boys going ashore. That's the total population of South Dakota."



Linemen placing poles in the early days at Moreau-Grand Electric.



# SOUTH DAKOTA'S COOPERATIVES

**Jacob Boyko**

[jacob.boyko@sdrea.coop](mailto:jacob.boyko@sdrea.coop)

Picture life in rural South Dakota 100 years ago. Each morning, families woke before dawn to work by the flicker of kerosene lamps, hand-pumped water to fill a gas-powered wringer-washer, and retrieved breakfast ingredients from a dripping ice box. Looming in the backs of producers' minds were fears that the market would trend downward and they may not be able to cover their debts, or even harvest their fields.

Today, South Dakota's rural farmers and ranchers enjoy virtually all of the accommodations of modern living their suburban counterparts enjoy. Past luxuries like running water, full-time electricity, internet and telephone are now standard, and many farmers enjoy stronger economic security compared to the past's tumultuous markets.

That's because for over 100 years, rural South Dakotans have pooled their resources by forming cooperatives that level out some of the disparities between rural and urban life. Thanks to members' ingenuity, rural America is not just a viable, but a thriving place to live and work.

## The First Cooperatives

The first cooperatives in South Dakota were agriculture-focused. Far too often, an

oversupply of goods led to price crashes, resulting in farmers unable to economically harvest crops or market livestock. This led to tremendous waste and crushed livelihoods.

As producers grew weary of the uncertain market, they organized to collectively market and distribute their products: they coordinated, shared risk and pooled resources.

South Dakota's earliest farm supply and marketing cooperatives started popping up a little after the turn of the 20th century. The South Dakota Secretary of State's office lists Lake Andes Farmers Cooperative, formed in 1909, as the oldest ongoing cooperative in the state.

During this early period, cooperatives operated in a legal gray area. Since producers working collectively in a cooperative setting could be viewed as monopolistic or collusive, they were under careful watch by the Federal Trade Commission as well as their larger competitors.

That changed in 1922 with the passage of the Capper-Volstead Act.

"Capper-Volstead allowed producers to come together and market their products and not be in violation of the Sherman Antitrust Act," explained Brenda Forman, South Dakota Association of Cooperatives executive director. "[Cooperatives] were not considered to be a monopoly as long as they were a cooperative association formed

Clay-Union Electric Corporation was the first electric cooperative in South Dakota.

by producers, owned by the members, one member gets one vote in cooperative elections, etc."

The presence of ag cooperatives surged in the 1930s as producers looked for stability during the Great Depression, the South Dakota Farmers Union says. With effectiveness proven, the cooperative strategy has stuck around since.

Today, there are 63 farm supply and marketing cooperatives serving over 130 South Dakota communities, Forman said.

Those same visionaries who established the first ag cooperatives identified another need that was not being met. Using the same cooperative model that changed their lives once already, farmers would bring power to the prairie.

## Electricity

Before energy infrastructure was widespread, many small towns in South Dakota relied on local power plants. However, with distribution lines only serving the city, living even a mile or two out of town was the difference between flipping a light switch and carrying a lantern.

Despite requests from farmers to run lines to their homes – some of whom even offered to pay installation costs – most municipalities and investor-owned utilities (IOUs) refused because undertaking the effort didn't lead to any meaningful profit.

Even many of the state's elected representatives seemed resigned to the idea



that the future of energy for their farming constituents was tied to on-site generation, like the modest Delco-Light plants that could power a few small appliances and light bulbs. To them, it seemed laughable that there was any feasible way to run lines in a state where the service would average out to a sparse 2.2 customers per mile of line, and for many, that was the end of the conversation.

The narrative changed when President Franklin D. Roosevelt expanded his New Deal programs to modernize rural America, creating the Rural Electrification Administration (REA) to finance ambitious projects.

The profit-minded IOUs were largely uninterested in expanding into sparse territory for measly returns, and little progress was made toward Roosevelt's vision.

In 1936, once it was apparent IOUs wouldn't be making the foray into rural territories as farmers had hoped they would, Roosevelt signed the Rural Electrification Act. Now, cooperatives could organize and receive REA loans while the IOUs idled.

A group of 17 farmers from Clay and Union counties jumped at the opportunity to finally bring their homes into the modern age. Just months after the REA was established, and at a time when just 5% of South Dakota farms had power, the group hatched out a plan to secure an REA loan for their newly-formed Fairview Rural Electric System, today Clay-Union Electric Corporation.

Going door to door and collecting \$5 sign-ons from neighbors ranging from ecstatic to skeptical, the cooperative finally got the REA's green light and received a \$70,000 loan to build 67 miles of line that would serve about 300 members, according to a 1936 Argus Leader report.

The success of South Dakota's first electric cooperative brought hope to still more than 90% of South Dakota farmers without power. It wasn't long before dozens more newly-formed cooperatives were each going door to door collecting sign-on fees to secure their own REA loans.

## Serving Everyone

In 1946, roughly 10 years after the state's first electric cooperative debuted, rural farmers and ranchers from the state's

remote northwest corner met in Lemmon to form their own cooperative. The board understood securing a loan from REA to serve such a vast and sparse territory would be a big ask, so they opted to charge members a \$10 monthly minimum, which was twice the minimum rate of most South Dakota cooperatives, and equal to about \$170 today.

Even so, would-be members agreed to the terms of the longshot project and paid their \$5 membership fee. Despite federal hesitation about the feasibility of such a project, the REA loan was approved.

Grand Electric Cooperative received more than \$1.8 million over two loans that would build 1,127 miles of line and serve 948 members. The investment amounted to one of the REA's largest and riskiest yet in the state, but proved to be a success.

Cooperative members did the impossible; the wires in northwest South Dakota had finally been energized. Board members then eyed another ambitious goal – bringing telephone to Northwest South Dakota.

West River Cooperative Telephone Company was formed as a separate entity, but in the spirit of cooperation, the telephone and electric cooperative would be jointly operated. The two would, and still to this day, share a building, staff and infrastructure.

"Up here, we cover almost 8,000 square miles and have 4,000 miles of wire, but we only have 1,800 members," explained Eric Kahler, the cooperatives' joint general manager. "When you look at the economics of this type of service territory, if you're in the business to make money, you're not going to be too successful here. The cooperative model is really the only model that could work here."

And the community knows that fact and is grateful for their cooperative, says Patricia Palmer, who has spent much of her last 63 years working in Grand Electric and West River Telephone's member services.

"They're thankful," she said. "Very thankful. We have a terrific telephone work crew and line department. At times, they work tirelessly in horrible weather conditions... You can't believe the thank you notes that we get."

Growing up on a farm near McIntosh, Palmer has a firsthand account of the impact

of cooperatives. And she says it's one she will never forget.

The night she watched her family's farmhouse light up for the first time was also the beginning of a new chapter, she recalled. A chapter with an automatic washer, a refrigerator and a toaster.

As times change, cooperatives continue to be at the forefront of bringing service that might otherwise be out of reach.

"When I came to the cooperative, it was just telephone and electricity, and now we have high-speed internet and TV," Palmer said. "Over the years, the cooperative has really grown!"

## Other Applications

The cooperative model is also used in many other sectors; there are 34 South Dakota credit unions that offer member-owners better interest rates and reduced fees compared to for-profit banks.

Even some rural water systems, while not wholly cooperatives themselves, borrow some of the cooperative fundamentals to make serving large areas more practical.

"Cooperatives are pretty significant in the impact they've had," Forman said. "And the other cooperatives we have – there are daycare co-ops, food co-ops, education co-ops – there's a number of different structures that the cooperative model has been used for, because of that ownership and one member, one vote."

Today, there are 141 cooperatives in the state, providing more than 78,500 jobs, \$2.8 billion in worker salaries and \$3.9 billion in gross domestic product (GDP), according to a South Dakota State University study titled *The Economic Impact of Cooperatives in South Dakota*.

That means cooperatives contribute almost 13% of South Dakota jobs, more than 11% of salaries, and 6.2% of the state's entire GDP.

"In a cooperative, your board is local," Forman said. "[The co-op board and employees] support and participate in sports functions, 4-H barbecues, you may go to church with them, or they may be at family dinner. Which means when something is a concern or challenge, you have somebody to go to and you have contacts close that know you and understand the system."

## Clay-Union Electric Corporation Board Meeting Summary

JULY 23, 2024 • VERMILLION, SOUTH DAKOTA

The board meeting was called to order on July 23, 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, Jim Ryken, Chris Kinney, and Mike Slattery. District #1 seat vacant. Attending staff members included Chris Larson, Beth Bottolfson, and Jackie Williams.

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

**Visitors to Be Heard** – None

**Approval of Minutes from the June Board Meeting (ACTION ITEM)** – A motion was made, seconded, and carried to approve the June board minutes held on 7/3/24.

**Approval of Minutes from the June Executive Session (ACTION ITEM)** – A motion was made, seconded, and carried to approve the June executive session held on 7/3/24.

**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** – A motion was made, seconded, and carried to approve Early Retirement of Capital Credits as presented.

**Contracts** – A motion was made, seconded, and carried to approve an Electric Service contract as presented.

**Policy Review** – None

**Work Order and Special Equipment Summary** – None

**Management Reports:**

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

**August Board Meeting** – The date of August 29, 2024, was set as the next regular board meeting to begin at 8:30 a.m.

**East River REED/MAC** – Manager Larson reported on the REED/MAC meeting that was held July 1st in Madison.

**East River Managers call on Basin** – Manager Larson reviewed with the directors a call the East River managers had to discuss the preliminary Financial Forecast and rate outlook for Basin.

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

**Distributed Generation Discussion** – Manager Larson discussed the agreements he had sent to a member regarding the installation of a wind turbine.

**Clay County Fair** - Our member/community event will be at the fair again this year on August 9th.

**Basin Annual Meeting** - The Basin Annual Meeting will be held August 13th to the 15th in Bismarck. Mike Slattery is the delegate and Manager Larson is the alternate.

**NRECA Regional** - The NRECA Regional meeting will be September 16th to the 18th in Minneapolis, MN. Manager Larson is registered as the delegate.

**East River Annual Meeting Delegate** - The East River Annual Meeting will be held September 4th, 2024, at the Best Western Ramkota Hotel in Sioux Falls with Chris Kinney as the delegate and Tom Larsen as the alternate.

**Ag Appreciation at the Sioux Empire Fair** - Ag Appreciation Day is Wednesday August 7th.

**Cost of Service/Rates** – Work continues updating the Cost-of-Service Study and possible rate options for the rate increase needed in 2025.

**RUS Loan** - The commitment letter from RUS has been signed by President Larsen in confirming our RUS loan. The process of putting all the mortgage documents together will now begin.  
**Form 990** – Manager Larson and Mgr. of Finance & Administration Bottolfson reviewed Form 990 with the directors that was recently completed by Eide Bailly.

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

- Billing Activity
- June 2024 Financials
- FEMA Flood Funds
- Cost of Service, Financial Forecast & Rate Analysis
- Interact Conference – Benefits Update/NRECA

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

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

- Monthly department work summary
- Wiring Crew
- New Services
- Service Upgrades
- June Outage Report

*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
- Wiring Income & Expense

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

**Legal Report** – None

**Strategic Planning** – None

**Safety Meeting Minutes** – The July Safety Meeting Minutes were posted to the website for the board to review and were discussed during the meeting.

**Cyber Security** – The June 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 August 2024 calendar.

**Executive Session** – The board went into Executive Session at 11:20 a.m., Executive Session was adjourned at 11:48 a.m. There was no action taken.

**Adjournment** – There being no further business, a motion was made, seconded, and carried, to adjourn the meeting at 11:49 a.m.

**Thomas Larsen, President**

**James Ryken, Secretary**

## ENERGY EFFICIENCY TIP OF THE MONTH

If you recently made or plan to make energy efficiency improvements to your home, you may be eligible for federal tax credits. The Inflation Reduction Act (IRA) of 2022 empowers homeowners to save money on energy efficiency improvements and upgrades. Homeowners can save up to \$3,000 annually to lower the cost of efficiency upgrades by up to 30%.

A few upgrades covered through the IRA include new exterior doors, windows, insulation, heating/cooling equipment and other major appliances. If you completed an upgrade this year or you are considering one, visit [www.energystar.gov/federal-tax-credits.gov](http://www.energystar.gov/federal-tax-credits.gov) to learn if you qualify for a tax credit.

Source: [energystar.gov](http://energystar.gov)



## Outage Reports

Date	Time	Township	Members	Cause
7/24	3:00 p.m.	Glenwood	4	Contractor Caused
7/30	11:30 p.m.	Fairview	6	High Winds
7/30	11:30 p.m.	Fairview	13	High Winds
7/31	12:01 a.m.	Mission Hill	74	High Winds
8/2	10:30 a.m.	Glenwood	26	Dig in by Contractor
8/8	10:45 a.m.	Brule	42	Dig in by Contractor
8/10	4:45 a.m.	Prairie Center	7	Unknown
8/18	6:50 p.m.	Norway	2	Unknown
8/28	12:30 p.m.	Fairview	64	URD Fault

## 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.

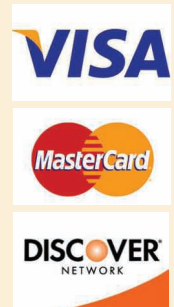
**By Mail** – Send check or money order with your payment slip. Please be sure to mail early so we receive it by the 20th, we do not go by postage date.

**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](http://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.**



# GHOST TOWNS

## South Dakota's History Remembered

Jacob Boyko

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Scattered across open fields and through narrow mountain gulches, a careful eye can spot many of South Dakota's nearly 250 long-lost prairie villages and prospecting towns.

Many of these communities were once thriving outposts, railroad hubs, farming villages and mining towns, but were dealt their final blows by the hardships of the dust bowl, changes to railroad systems and the depletion of natural resources.

Most of the towns are long forgotten, their existence marked only by the rotted shell of an old wood barn or a crumbling foundation poking up from the ground.

Thanks to the work of local historical societies who have pieced together the history of the communities' "booms and busts" through old newspaper clippings, plat maps and land records, we can get a glimpse into the lives of the first rural South Dakotans and learn about the communities that once bustled with life.

### Galena

Unique among a cavalcade of abandoned Black Hills gold-rush towns, Galena's roots are in its silver. The town was settled in the late 1870s after prospectors Patrick Donegan and John F. Cochran discovered layers of lead and silver ore near Bear Butte Creek while searching for gold deposits.

The U.S. government removed the two men from the area in accordance with Native American treaties. However,

their exile turned out to be short-lived. Donegan and Cochran returned shortly after to mine their claim as more and more gold-hungry settlers tested the increasingly unenforceable treaties.

The claim, which would later become the Sitting Bull mine, turned out to be a mother lode, according to Galena Historical Society member Jeff Jacobsen.

Over the next several years, other mining operations popped up in the gulch as the miners' families made Galena their new home. The town soon had multiple houses, a hotel, restaurant, stores, a catholic church, cemetery and school, attracting new settlers through its peak between 1881 and 1883.

Arriving from Chicago in hopes of expanding his fortune, Col. John Davey soon became a Galena mining heavyweight, buying up claims along the Bear Butte Creek, including the Sitting Bull claim.

Davey's more than 125-man operation was running smoothly until trouble arose from a claim dispute. The owners of the nearby Richmond claim suspected Davey was digging too far into the hill and mining their silver. Davey claimed he was following the path of the ore, which according to mining law, he was allowed to follow onto another claim. The Richmond claim owners said the law didn't apply to a horizontal blanket formation of ore, like the one in Galena.

A lengthy court battle ensued, and the judge shut down the Sitting Bull mine

until the ruling. Galena was suspended in controversy as many of the townsfolk found themselves out of work.

Thus began Galena's rocky "boom and bust" cycle, Jacobsen explained.

"The boom time was when Col. Davey and other mines were producing, and then the lawsuit shut that down and you have a bust," he said.

The judge ruled against Davey, and the operation never recovered. Galena would never again be the bustling town it was in the early 1880s.

"In 1892, some more people came into town and tried to start up again, so that was a boom, and then they went bankrupt, so there's a bust," Jacobsen continued. "There's like three or four cycles like that in Galena."

By the mid 1930s, the town had seen its final bust. The mining wasn't comparable to the riches of the past, and interest in the gulch slowly started to fade. The tracks were removed and the school house closed in 1943.

Today, Galena is the best-preserved Ghost Town in South Dakota. On the second Saturday of each June, visitors can tour the town, visit the maintained graveyard and go inside the newly-restored schoolhouse, courtesy of the Galena Historical Society.

"It just kind of stands out," Jacobsen said. "Galena is just one of the very few silver mining areas in the Black Hills when almost everyone else was trying for gold."



Galena School  
Photo Credit: Galena Historical Society



## Did You Know

In 1947, Deadwood resident Ollie Wiswell came across an orphaned coyote pup while he was out on a hike. He gave the pup, named Tootsie, to Fred and Esther Borsch of Galena. Tootsie gained fame as the mascot for the Borschs' Deadwood liquor store, famously appearing on the store's sign. Fred taught Tootsie to howl along to his singing, and the two recorded the album "South Dakota Tootsie."

Tootsie, at this point a South Dakota mascot, rode through parades, was featured in an airline advertising campaign, and even embarked on a nationwide tour where she visited the White House and performed for President Dwight D. Eisenhower and Vice President Richard Nixon.

Gov. George Mickelson, a fan of Tootsie himself, signed legislation in 1949 making the coyote the state's official animal. Tootsie died in 1959 and is buried near her home in Galena.

## Argonne

About nine miles northwest of Howard, just off state Highway 25, lay the remains of the ill-fated farming community, Argonne.

Marked by a blue historical sign, travelers-by can catch a glimpse of the town's massive cement bank vault with its swinging iron door, an old silo bearing the town's name, several concrete foundations, and a house falling into its own footprint.

The town's founder, Dr. Louis Gotthelf, was a Prussian-born physician who emigrated to the United States in the aftermath of the Prussian revolution. Gotthelf staked his claim in 1881 and established the townsite in 1886.

The town was originally called St. Mary's, named after Gotthelf's daughter, and was strategically positioned along the Chicago and North Western railroad, with the streets running parallel to the railroad rather than the traditional east-west layout. Confusion with another St. Mary's led to the residents voting to change the name to Argonne in 1920, which was chosen to honor local soldiers who had served in the Meuse-Argonne Offensive during World War I.

Despite having what should have been a prime location, Argonne failed to grow to Gotthelf's satisfaction, and he left with his family for Parker in 1889.

A 1919 land boom in South Dakota finally turned things around for Argonne, Miner County Historical Society member George Justice Forster said.

"Most of the growth that happened initially was when it kind of took off as a

trade center," he explained. "Suddenly the town had a railway depot, lumberyard, farmer's cooperative and general store."

In the early 20s, Argonne's population boomed to about 100 residents, and the town offered new amenities including a school, blacksmith and post office.

Argonne's peak was short-lived, and by 1930 the population had fallen to about 65 residents.

When Doug Jerlow moved to town in 1953, much of what was built in the town's prime was left abandoned, and most of the businesses that did remain were struggling.

"It was past the peak," Jerlow recounted. "One general store closed when the post office inside it closed, and that was an elderly lady who ran that and lived in a house by herself. The Haxby family's store was open for maybe a year or two after that."

Though the town was facing a bleak outlook, there remained one huge point of pride for Argonne: high school basketball.

Delbert Gillam, also known as the

Argonne Ace, led the Argonne Arrows to a 10-1 start in his junior year in 1953. Gillam also broke the state record for the most points scored by a player in a single game, making 31 field goals and 10 free throws, scoring 72. Argonne still holds this record.

The high school closed in 1956, but the community limped on for a few more years before the grade school closed in 1970 when the railroad picked up and left.

Doug Jerlow's family, the last residents of Argonne, left town that same year.

Jerlow pointed out that while many other communities along the rail line like Unityville, Canova, Carthage, and Esmond struggled to recover from the abandonment of the line, for Argonne, it was the death blow.

Now, Forster and other members of the Miner County Historical Society are working to preserve the history of Argonne.

A historical marker will soon be placed east of Argonne on state Highway 25 that will tell the story of Argonne from its founding to its final household.

Though Jerlow now lives near Madison, he still farms near Argonne and owns most of the former townsite. As the unofficial mayor of Argonne, as Jerlow sometimes calls himself, he wants to keep the memory of his childhood hometown alive.

"It was just a nice community to grow up in," he said. "Those small communities, I think it's becoming harder to find them anymore."



Argonne Arrows

Photo Credit: Miner County Historical Society





# RELIABLE ENERGY

## How the EPA's Power Plant Rule Jeopardizes Grid Reliability

**Jocelyn Johnson**

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The energy future outlined by the U.S. Environmental Protection Agency's Power Plant Rule means more blackouts, greater uncertainty and higher electric bills. This is the concern of electric cooperatives and other industry leaders who are in litigation with the EPA over the legality of the power plant rule issued in May of this year.

"The administration and the EPA specifically have made it a priority to undertake a 'death by a thousand cuts' approach to regulating the utility sector," said Stephen Bell, National Rural Electric Cooperative Association's vice president of advocacy, press and member communications. "They've enacted a number of rules, including the EPA Power Plant Rule. As a result, they're proposing rules and regulations at a

rapid pace that have a direct impact on our industry specifically."

Boiled down, the EPA's Power Plant Rule requires coal-fired and natural gas power plants to capture 90% of carbon dioxide emissions using carbon capture and sequestration technology by 2032. This is not attainable according to NRECA who represents electric cooperatives nationally.

Alongside other industry leaders and 27 states' attorneys general, NRECA filed a lawsuit and stay request in the D.C. Circuit against the EPA earlier this year. The stay request, which attempted to delay the implementation of the rule, was denied in July and an appeal was immediately made to the U.S. Supreme Court, arguing that



the Clean Air Act's Section 111 requires EPA's standards be based on technology that has been adequately demonstrated. A system that meets all of EPA's requirements has never existed and therefore cannot be considered adequately demonstrated.

"No operating coal or natural gas power plants in America exist that use carbon capture at the scale that would comply with EPA's regulation," said Bell. "Their final rule is unreasonable, unrealistic and unachievable, because it relies on technology for implementing greenhouse gas reductions that just isn't ready for prime time."

Grid reliability is a concern for many in the energy industry – including local distribution cooperatives whose mission is to provide safe, affordable and reliable energy to member-consumers.

"The numbers don't add up," said Bell. "I think we are in a situation where reliability is being put at risk

by a policy that doesn't focus on the importance of keeping the lights on."

South Dakota Rural Electric Association's General Manager Steve Barnett added the same sentiment, acknowledging that the timing of the power plant rule was troubling.

"At the same time the EPA is leading our nation down the path to fewer power plants, utilities are facing a surge in electricity demand – driven by the onshoring of manufacturing, the growth of the American economy and the rapid expansion of data centers to support artificial intelligence, e-commerce and cryptocurrency," said Barnett.

Grid reliability affects everyone's ability to turn on the lights, heat their homes and use electric appliances. However, the future of grid reliability does not have a positive outlook for many in the energy industry.

As it stands, the EPA's rule would cause debilitating pressure on an already strained grid. It would also

have a potential impact on consumer costs.

"When demand is high and supply is low, costs go up," Barnett said. "We're concerned about threats to reliability as well as cost increases to our members."

This growing demand – and shrinking supply – is why the North American Electric Reliability Corporation has warned that 19 states could see rolling blackouts over the next five years during times of high electrical usage, including during life-threatening cold snaps and heat waves.

"Demand for power is increasing and supply is not keeping up," said Bell. "Against that backdrop, the EPA has proposed a rule that will force electric co-ops to take power plants offline. They will be forced to do more with less in a situation where we need more. This is not a recipe for success."



**SEPT. 14-OCT. 27**  
**Mazing Acres Fall Festival**

10 a.m. to 6 p.m.  
30851 433rd Ave.  
Yankton, SD  
605-760-2759



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.

**OCT. 4-5**  
**Holman Acres Pumpkin Fest and Vendor Show**  
Philip, SD  
605-441-1060

**OCT. 5**  
**Old Time Favorites**  
7 p.m.  
Gayville Music Hall  
Gayville, SD  
605-624-2859

**OCT. 4-5**  
**25th Annual Pumpkin Fest**  
Webster, SD  
<https://webstersd.com/home>

**OCT. 5-6**  
**Run Crazy Horse Marathons**  
Crazy Horse  
[www.runcrazyhorse.com](http://www.runcrazyhorse.com)

**OCT. 5-6**  
**Magic Needlers Quilt Show**  
Codington County Extension Complex  
Watertown, SD  
605-881-3273

**OCT. 5-6**  
**The Black Market**  
W.H. Lyon Fairgrounds  
Sioux Falls, SD  
605-332-6004

**OCT. 6**  
**Giant Pumpkin Festival**  
Bentley Memorial Building  
Bison, SD  
Enter Pumpkins by 11:30 a.m.  
605-244-5475

**OCT. 10-11**  
**Rural Women in Agriculture Conference**  
Oct. 10 from 1-9 p.m.  
Oct. 11 from 7 a.m.-3 p.m.  
The Lodge of Deadwood  
Deadwood, SD  
[SouthDakotaWomeninAg.com](http://SouthDakotaWomeninAg.com)

**OCT. 11-12**  
**Junkin' Market Days**  
Ramkota Exhibit Hall  
Sioux Falls, SD  
605-941-4958

**OCT. 19**  
**Classic Country**  
7 p.m.  
Gayville Music Hall  
Gayville, SD  
605-624-2859

**OCT. 19**  
**Buffalo County Fall Ball**  
Live Music and Food  
8 p.m.  
Fire Hall  
Gann Valley, SD

**OCT. 25-27**  
**Forest of Fears Haunted Trail**  
7 p.m.-10 p.m.  
Reclamation-Ranch  
40787 259th St.  
Mitchell, SD

**OCT. 26**  
**Hill City Children's Boo Bash and Pumpkin Festival**  
Hill City, SD  
605-574-2368

**OCT. 26**  
**Owl-O-Ween**  
Noon-5 p.m.  
Black Hills Raptor Center  
Caputa, SD  
605-391-2511

**OCT. 31**  
**Treat Street**  
5:30 p.m.-7 p.m.  
Main St.  
Milbank, SD  
605-432-6656  
[MilbankSD.com/Chamber](http://MilbankSD.com/Chamber)

**NOV. 2**  
**Fall Fling Craft Show**  
10 a.m.-2 p.m.  
Dakota Christian School  
Corsica, SD  
605-366-7940

**NOV. 2**  
**Reliance Christmas Carousel**  
9 a.m.-3 p.m.  
Legion Hall  
Reliance, SD  
605-730-0553

**NOV. 3**  
**Hay Country Jamboree**  
2 p.m. Matinee  
Gayville Music Hall  
Gayville, SD  
605-624-2859

**NOV. 17**  
**A Celebration of Gospel**  
2 p.m. Matinee  
Gayville Music Hall  
Gayville, SD  
605-624-2859

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