2015 Annual Meeting Issue

Douglas Electric

Cooperative Connections

OCTOBER 2015 VOL. 16 NO. 6

ANSWERING THE CALL Pg-8
The 68th Annual Meeting of the Members of Douglas Electric Coop., Inc. was held in the 4-H Building, Armour, SD, beginning at 7:30 P.M. on September 22, 2014.

The meeting was called to order at 7:30 P.M. by Chairman Ervin Fink and Secretary David Neugebauer kept the minutes thereof.

Ryan VanZee gave the invocation.

The Chairman declared that a quorum was present.

The Affidavit of Mailing and Notice of Meeting were read by Secretary David Neugebauer.

Motion was made and second to waive the reading of the minutes of the last Annual Meeting and to approve minutes as printed in the October Cooperative Connections. Motion carried.

Treasurer David Neugebauer presented the Audited Financial Report for the past fiscal year. Motion was made and second to accept the Audited Financial Report. Motion carried.

Project Attorney Don Petersen assumed the chair to conduct the election of Directors. A petition had been returned by Joel Baier of District No. 1 and Wayne Lefers of District No. 5 and shall be deemed elected as directors from said districts. Motion was made, seconded and carried.

Ken VanZee gave the Manager’s Report, which consisted of the following items: good year, 4% decrease in rates because of capital credit that were returned, we had a clean audit for 10 years and rates should remain steady through 2015.

East River Report by Tom Holt: 60 years in business, contracts for power finalized through 2050, load control saved 185 million since 1985. Topics talked about were solar & wind projects and Tom Boyko, East River Manager, had a few words.

Mark Hofer, NRECA Director from Central Electric, many states do not have a coop in their state. Need help to send cards.

SDREA Report: video: Ed Anderson. Need to be together in fighting the EPA.

Chairman Ervin Fink called for any old business. There was none. He then called for any new business. There was none.

Chairman Ervin Fink then made some introductions of visitors present. He also thanked Platte Food Center for serving the meal and all those that helped to put the meeting together successfully.

Motion was made and second to adjourn the meeting. Motion carried.

Prizes were distributed by lot.
NOTICE OF ANNUAL MEETING OF THE SHAREHOLDER MEMBERS OF DOUGLAS ELECTRIC COOPERATIVE

NOTICE IS HEREBY GIVEN to all members of Douglas Electric Cooperative, Inc., that, pursuant to provisions of the Bylaws, the annual meeting of the shareholder members of the above cooperative will be held at the Douglas County 4-H Building in Armour, County of Douglas, State of South Dakota commencing at 7:30 P.M. on the 30th day of September, 2015, to take action upon the following matters:

1. To elect one director, for a three year term for District No. 4 consisting of Clark and Iowa Townships.
2. To hear reports and transact any other business as may properly come before the meeting or any adjournment thereof.

David Neugebauer
Secretary-Treasurer
Douglas Electric Cooperative, Inc.

This meeting is accessible to persons with disabilities. If special assistance is needed please contact Douglas Electric Cooperative, Inc., PO Box 370, Armour, SD (605) 724-2323.

ANNUAL MEETING AGENDA

6:30 PM  Member Registration
          MEAL SERVED - Pork
          East River Displays

7:30 PM  Business Meeting Called to Order
          Invocation
          Determination of Quorum
          Proof of Notice for Meeting
          Minutes of Previous Meeting
          Financial Report
          Election of Director
          Manager’s Report
          East River Report, Scott Parsley
          SDREA Report
          Award Presentation - Joel Baier - 15 years
                               Jay Spaans - 10 years

          New Business
          Adjournment of Meeting
          Drawing of Prizes
Paying Power Theft’s Price

It’s often an “invisible” crime. Someone illegally hooks into a power supply, hooks up a line that has been disconnected or tampers with a meter to avoid recording electricity usage. Legitimate electricity consumers do not engage in these behaviors, so the impact of electricity theft – including the danger – is often unrecognized.

Power theft carries deadly risks. Many thieves pay for the power they steal with their lives. Electricity theft is not just dangerous for those who steal. If you are on the same power line as someone who steals electricity, you could pay the cost for their theft too. The power line could become overloaded with electric energy, which could harm your electronics and appliances that are designed to receive a certain, steady amount of electricity. Electricity theft makes power service less reliable and lower quality for paying customers.

Electricity thieves may also unknowingly feed energy back into the power line. This is dangerous for lineman who may assume that the power line they are working on is de-energized.

Safe Electricity reminds that everyone can help prevent and reduce power theft:

• Notify your electric utility immediately if you know of an illegally connected consumer.
• Do not cut the seal on your meter base or tamper with your own meter for any reason.
• Apply for a legal connection if you do not have one.
• Remain aware of your surroundings and report any suspicious activities to your electric utility.

Most electrical theft crimes occur through meter tampering, bypassing meters and tapping power lines. Other less frequent crimes include tapping into neighboring premises, using illegal lines after being disconnected, self-reconnection without consent and electrifying fences. Possessing fraudulent electricity bills is also a federal crime and is punishable by law.

Everyone is affected by power theft and detecting and reporting illegal activity will help reduce the price paid.

Source: safeelectricity.org

Kids’ Corner
Safety Poster

“Be Safe”

Beau Michalek, 4 years old
Beau is the daughter of Anthony Michalek, Oka-ton, S.D., a member of West Central Electric Cooperative, Murdo, 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.

Current Issues

S.D. Legislators Tour Basin Electric Facilities

On July 29, a group of South Dakota legislators learned just what it takes to make the lights come on when they flip the switch.

The group was learning about electricity, how it’s made and what types of challenges the industry is facing, specifically with forthcoming Environmental Protection Agency regulations.

The 12 senators and representatives started their co-op and energy education July 28 at one of two cooperatives in South Dakota, East River Electric Power Cooperative in Madison or Rushmore Electric Power Cooperative in Rapid City, then traveled to Basin Electric headquarters, where they met and heard from Basin Electric representatives.

They had an opportunity to see processes up close as they boarded a bus and drove north toward Basin Electric’s Antelope Valley Station, Dakota Gasification Company’s Great Plains Synfuels Plant and The Coteau Properties Company Freedom Mine. A highlight of the day was at the Freedom Mine. During their tour, the legislators were given the opportunity to see the inside of a dragline.

“It’s that educational perspective. This tour brings the pieces of the puzzle together. And, it’s the impression of the scope and magnitude of what we do, how important it is and how environmentally conscious electric co-ops are about the way that we produce power,” said Ed Anderson, South Dakota Rural Electric Association general manager.

Clarification

In the September issue of this publication, the story on drive in theatres should have also included the Winner Drive-in Theatre on Hwy 18 at Winner, S.D. The theatre is open summers. The theatre’s phone number is 605-842-2913.
Pasta-A-Plenty

Fettuccine Alfredo

1 lb. pasta
8 oz. whipping cream
1/4 cup butter

Prepare pasta according to package directions; drain. Combine cream and butter in saucepan. Cook over medium-low heat until butter is melted. Add to hot pasta, alternating with Parmesan cheese, tossing to mix well. Serve hot. Variation: May add sautéed scallops, shrimp or mushrooms; season with sherry and freshly ground black pepper.

Jane Ham, Rapid City

Cheesy Chicken Manicotti

1 (16 oz.) jar Alfredo sauce
1/2 cup uncooked manicotti pasta shells
1/2 cup spaghetti sauce
1 T. dried parsley
1 tsp. dried Italian seasoning
3 large chicken breasts, cut lengthwise into 14 strips
1/2 cup shredded mozzarella cheese
1/2 cup shredded cheddar cheese

In a medium bowl, thoroughly mix pasta sauce, water, garlic salt and parsley. In an ungreased 9x13-inch glass baking dish, sprinkle chicken strips with Italian seasoning. Stuff manicotti shells with sauce mixture; spoon into prepared baking dish. Cover with foil. Bake at 350°F for 45 minutes or until pasta shells are tender. Uncover until cheese is melted and brown, about 4 to 5 minutes. Serves 6.

Anita Kochutin, Box Elder

Baked Spaghetti

8 oz. spaghetti, cooked
1 egg, beaten
1/3 cup Parmesan cheese
1/2 cup green pepper, chopped
1/2 cup onion, chopped
3 T. butter or margarine
1 cup sour cream
2 lbs. ground beef
1 cup tomato juice
1/2 tsp. garlic powder or salt
1 cup mozzarella cheese

Cook and drain spaghetti. Stir in egg and Parmesan cheese. Put spaghetti mixture in greased 9x13-inch glass baking dish, spread about 1 cup of pasta sauce mixture. In another medium bowl, sprinkle chicken strips with Italian seasoning. Stuff chicken strips into uncooked manicotti shells. Place stuffed manicotti shells in pasta sauce in prepared baking dish. Pour remaining sauce evenly over shells, making sure all shells have been coated with sauce. Cover with foil. Bake at 375°F for 45 to 55 minutes or until pasta shells are tender. Remove from oven and sprinkle with shredded cheeses. Broil uncovered until cheese is melted and brown, about 4 to 5 minutes (watch carefully so it doesn’t burn).

Amy Schoenfelder, Cavour

Turkey Tetrazzini with Cheddar and Parmesan

1 (12 oz.) pkg. whole wheat penne pasta
2 T. butter
1/4 cup flour
3 cups low-fat milk
1 cup fat-free low-sodium chicken broth
1/2 cup dry white wine (or additional chicken broth)
1 tsp. dried Italian seasoning
1/2 tsp. garlic powder or salt
1/4 tsp. pepper
2 cups sliced white button mushrooms
1/3 cup grated Parmesan cheese
2 cups diced cooked turkey breast
1 cup frozen peas
1 cup shredded reduced-fat Cheddar cheese

Spray a shallow 2- to 3-quart baking dish with cooking spray; set aside. Cook pasta according to package directions. In large saucepan over medium heat, melt butter and stir in flour. Stirring constantly, cook about 2 minutes. Whisk in milk, chicken broth, wine and pepper; bring mixture to a boil. Stir in mushrooms, reduce heat and cook about 10 minutes, stirring frequently or until mixture thickens and mushrooms are softened. Stir Parmesan cheese, pasta, turkey and peas into milk mixture; spoon into prepared baking dish. Top with Cheddar cheese and cover loosely with foil. Bake at 350°F for 45 minutes or until bubbling at edges and heated through. Serves 6.

Nutrition information per serving: 490 calories; 9g total fat; 5g saturated fat; 90mg cholesterol; 370mg sodium; 57g carbohydrates; 6g dietary fiber; 44g protein

Pictured, Cooperative Connections

Macaroni Coleslaw

1 (7 oz.) pkg. ring macaroni
1 (16 oz.) pkg. coleslaw mix
2 stalks celery, chopped fine
1 medium cucumber, chopped fine
1 medium green pepper, drained and chopped
1 (8 oz.) can water chestnuts, chopped fine
1/2 cup mayonnaise
1/4 cup vinegar
1/2 cup sugar
1/4 cup mayonnaise
2 cups diced cooked turkey breast
1 cup grated Parmesan cheese
2 T. butter
3 cups fat-free low-sodium chicken broth
1/2 cup dry white wine
1/4 tsp. pepper
2 cups sliced white button mushrooms
1/3 cup grated Parmesan cheese
2 cups diced cooked turkey breast
1 cup frozen peas
1 cup shredded reduced-fat Cheddar cheese

Cook macaroni according to package directions; drain and rinse under cold water. Put in large bowl. Add coleslaw mix, celery, cucumber, green pepper, water chestnuts and onion. In a small bowl, whisk together dressing ingredients. Pour over salad and toss to coat. Cover and refrigerate for at least 1 hour.

Mary Jessen, Holabird

Bowtie Pasta Dish

6 oz. bowtie pasta
1 T. olive oil
1 medium onion, chopped
2 cloves garlic, minced
1 cup mushrooms
Pepper
1 cup Parmesan cheese

Prepare pasta according to package directions; drain. Sauté onion, garlic, mushrooms and pepper in olive oil. Add pasta and spinach; cook slightly until wilted. Top with Parmesan cheese. May also add sautéed chicken strips if desired.

Lillian Schlechter, Scotland
Dear Jim: When it’s cold out, my home feels very chilly, especially near the windows. I can’t afford energy-efficient replacement windows right now, so can you offer alternative options? – Cara M.

Dear Cara: If you feel chilly sitting near a window, you’re likely losing energy, which drives up your utility bills. This is also true during the summer when heat transfers in and forces your air conditioner to run longer. If replacement windows will exceed your budget, window shades are a reasonably priced option that will help.

Remember to caulk and weather strip your windows before making any other window efficiency improvements. Move a stick of lighted incense near all gaps and watch the trail of the smoke to find air leaks. Do this during windy weather or briefly switch on an exhaust fan to draw outdoor air in through the gaps.

Installing insulated window shades will provide the most improved comfort and energy savings year-round. Several years ago, I installed Warm Window shades with a R-6 insulation value in my home office. This increased the overall R-value from R-2 to R-8 and improved comfort.

When selecting insulated window shades, there are important factors to consider such as the R-value, how well they seal when closed, ease of operation and appearance. Before you make a purchase, try to operate a sample insulated shade that’s similar in size to your needs. If the shade is difficult to open and close, you are less likely to use it as often as you should.

Almost all commercially available window shades list the R-value on the packaging. They typically include some type of air barrier film sewn inside the shade to block air flow through it. An aluminized or other type of low-emissive film is best to help block the radiant heat transfer through the shade material.

There should be deep vertical tracks, which mount on the sides of the window opening, for the edges of the shade material. Deeper tracks create a longer path for air leakage to travel, so they provide a better seal. Adhesive-backed vinyl tracks are often included with the shades. Also, look for brush or foam weather stripping on the bottom edge where it rests on the windowsill when closed.

If you buy insulated shades that do not have vertical tracks, it is possible to make your own. Buy long pieces of aluminum U-channel. Most home center stores carry them in the hardware aisle. Stick them to the wall with a strong double-sided tape or drill small holes and mount them with screws. Aluminum is easy to saw to length and easy to drill.

Cellular shades are a less expensive option and are best to use where you want some natural light to get through. The double-cell shades create an additional air gap for better insulation. Since their width grows as they are pulled up and collapsed, side channels are not very effective with this option.

If replacement windows will exceed your budget, window shades are a reasonably priced option that will help.

The most common type of do-it-yourself window shade is a Roman shade design. The key to efficiency is to make them as thick as possible, while still being able to fold them up when opened. Include a reflective air barrier between the center layers. Reflective Mylar film works well for this and is very flexible.

If you do not want to install or make insulated shades, try closing the drapes at night. Some drapes, which are opaque and have a silvery backing, offer more efficiency improvement than plain fabric drapes.


Have a question for Jim? Send inquiries to: James Dulley, Cooperative Connections, 6906 Royalgreen Dr., Cincinnati, OH 45244 or visit www.dulley.com.
Mitchell Teen Wins Nationwide Grant

Shelby Riggs, a senior at Mitchell High School and current South Dakota 4-H Rodeo Ambassador, won a nationwide student service project grant contest. Riggs will use the $500 grant to support Special Olympics programs in the Mitchell, S.D., area.

“My project will provide much needed sports and safety equipment for my local Special Olympics delegation. If funds remain after the purchase of equipment, the money will be invested in branding and promotional signs and apparel to spread the word about Special Olympics.

The grant program was coordinated in partnership with generationOn, a global youth service organization and America’s electric cooperatives, including Riggs’ home co-op, Central Electric in Mitchell. Riggs was one of eight students sponsored by Central Electric on the 2015 Rural Electric Youth Tour and one of 44 total students who represented South Dakota electric cooperatives.

“Students are our beacon of hope for the future,” said Ken Schlimgen, manager of Central Electric. “For 50 years, America’s electric cooperatives have invested in our students by hosting an annual Youth Tour in Washington, D.C. — allowing some of our best and brightest students to gain firsthand insight. This grant program builds on that investment and gives our students the tools to expand their resume while applying what they’ve learned to directly benefit their community.

“Shelby’s project will allow her to give back to the community and learn valuable hands-on leadership skills at the same time. We’re honored to be able to help Shelby give back and look forward to watching her grow into a future leader.”

In her grant application, Shelby explained her interest in the program by writing: “I recently learned that my local community has a Special Olympics delegation which is run by a friend of mine and her father. Not only do they dedicate their time, but they dedicate their own sports equipment and horses to use for the equestrian competition. I volunteered with them at the state equestrian competition, and I couldn’t believe what great riders I saw there.”

“While helping, I learned that the two find it difficult to provide enough equipment for the 60-plus athletes involved in our local program. At the horse show, the Mitchell athletes were having to switch helmets frequently because there weren’t enough helmets for everyone,” said Riggs.

A total of 23 grants were awarded as part of the grant program. Grant winners were chosen from a pool of applicants, all of whom were among the 1,600 participants of the 2015 Electric Cooperative Youth Tour in June.

S.D. High School BIG Idea Competition Launches

Teen entrepreneurs can win nearly $5,000 in cash awards and scholarships in the BIG Idea Competition which is launching its ninth year of competition this fall. High school students across South Dakota are invited to compete in this business idea competition.

Students may work individually or as a team and will be able to submit their business idea applications online from Sept. 1 until Oct. 31, 2015. The online application as well as various resources and examples can be accessed at the BIG Idea website: www.BIGIdeaSD.com. The written idea entry consists of a maximum 1,075-word description of the student(s)’ business concept. For the optional marketing design competition, students will create an ad and logo to support their business idea.

“We are excited for the 2015 BIG Idea Competition. It’s a great experience for students interested in learning about business. For students already seriously pursuing a business, we can connect them with resources and mentors to help further their entrepreneurial growth and business success,” said Coordinator Kelly Weaver of the Small Business Development Center.

The top eight scoring idea applications will be invited to the final competition and will make a presentation for the final judging component to be held Dec. 3 at Northern State University in Aberdeen. Students will participate in a panel discussion with several successful entrepreneurs. Students will hear the journey that these entrepreneurs have traveled and be able to ask questions of them. Prior to the awards presentation, all finalists will give an elevator pitch of their business idea.

The top three applications will receive cash awards of $1,000, $500 and $250, respectively. College scholarships to both Northern State University and Presentation College will be awarded as well. One winner will be chosen from among all the marketing design entries and be awarded $500.

In its eight years of existence, the BIG Idea Competition has received 1,315 entries involving nearly 1,800 students representing 67 schools. The competition is open to any high school student in the state. The winning entry in 2014 was Ace the Pace presented by Rachel Scharzt of West Central High School. A complete listing of the 2014 finalists can be found on the BIG Idea website along with a video of their elevator pitches.

Questions regarding the competition can be directed to Kelly Weaver at 605-626-2565 or info@bigideasd.com.
Across the region when the fire whistle blows (or in many areas when the pager or radios start beeping) fire trucks mobilize, bringing much needed help to the scene of an emergency.

And, in many communities, those answering the call will be members of their local volunteer fire departments.

Throughout South Dakota and western Minnesota, volunteer fire departments make up the majority of the region’s fire fighters. In South Dakota, there were 8,065 certified volunteer firefighters in the state and 430 paid firefighters in 2014. Figures from the South Dakota Fire Marshal office show there are 367 volunteer fire fighting units certified in the state.

There are a total of 785 fire departments in Minnesota. There are nearly 21,000 firefighters in Minnesota. Approximately 2,100 are career and the remainder are volunteer/paid on call firefighters.

Few – if any – fire departments in the South Dakota are flush with volunteers; there’s room – and need – for more.

Beneath the volunteer fire fighter’s helmet, one can find mechanics, farmers, bankers, lawyers, teachers, veterinarians, plumbers and even electric co-op employees. In communities of all sizes, volunteers from all walks of life are needed.

“When the pagers go off you get that antsy feeling. There’s definitely an adrenalin rush that kicks in,” said Brent Reilley a journeyman electrician at Cam Wal Electric Cooperative in Selby, S.D., and a member of that community’s volunteer fire department.

Reilley is one of three Cam Wal employees who double as volunteer firefighters. Journeyman linemen Matt Hein and Robert Froning are also
volunteer fire fighters, Hein with the Selby VFD and Froning with the nearby Java, S.D., department.

All three men chalk up their work with the volunteer departments as just part of being a member of the communities where they live.

"It's a good public service. You have to put some time in, but it's totally worth it," said Reilley, one of about 16 fire fighters in Selby. The department is four fire fighters short of being at full strength.

In high school and early in his work career, Reilley worked for a city in Minnesota. "All employees of the city were volunteer fire fighters, it's just what you did," said Reilley. So, when he moved west, it was a natural step to join the fire department, where he is now the group's treasurer.

For Hein, his dad was a volunteer fire fighter in his hometown of Wessington Springs, S.D. "I figured when I had a chance, I'd do it, too."

The experience has gone beyond fulfilling a sense of duty to one's community for Hein. "I actually like doing it -- I like to help."

"I don't like to be the guy sitting at home and can't go on the fire call," said Hein.

Froning is new to the area, having joined the Java fire department earlier in the summer of 2015. However, as an employee at Grand Electric Cooperative in Bison, S.D., he spent four years on that community's fire department.

"When I moved, I just had to switch," said Froning.

The three noted that a majority of fires their departments see are brush and grass fires. And, in the summer of 2015, many of their calls have been to vehicle accidents.

"Wildfire can be as dangerous or more dangerous than a structure fire," Froning observed.

As volunteer fire fighters, the men have monthly department and safety meetings along with annual fire schools to attend.

In Webster, S.D., Lake Region Electric Association serviceman/warehouseman Leonard Deibert is the training officer for the Webster Volunteer Fire Department. Deibert noted that like other departments, Webster could use a few more volunteers to reach full strength.

Those interested in becoming a volunteer fire fighter should contact their local department.

"If you had something on fire you'd want somebody responding to the call. There's assurance of somebody coming," said Hein.

South Dakota Fire Service Demographics (2013 statistics)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>29 and Under</td>
<td>19.44%</td>
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<tr>
<td>30-39</td>
<td>25.34%</td>
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<tr>
<td>40-49</td>
<td>22.31%</td>
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<td>50-59</td>
<td>23.64%</td>
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<td>8.37%</td>
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<td>70-79</td>
<td>1.72%</td>
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<tr>
<td>80 and over</td>
<td>0.18%</td>
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National Firefighter Statistics (2011 Data)

The National Fire Protection Association (NFPA) provides a variety of national statistics about career, combination, and volunteer fire departments, which makes it possible to identify trends in U.S. fire departments by comparing the data from annual reports.

Estimated number of firefighters: 1,100,450 (career: 344,050, volunteer: 756,400)
- Seventy-three percent of career firefighters are in communities that protect a population of 25,000 or more.
- Ninety-four percent of the volunteers are in departments that protect a population of less than 25,000 and of these departments, about 50 percent are located in small, rural departments that protect a population of less than 2,500.


Home Fire Inspection Checklist

Oct. 4-10 is National Fire Prevention Week. Use this Home Fire Inspection Checklist to make your home safer.

- Is your local emergency phone number on your telephone?
- Can your house number be seen from the street so that emergency vehicles can find you?
- Do you have a smoke detector in your home? Do you test it monthly?
- Helpful hint: Change the batteries when you change your clocks -- in the spring and fall.
- Do you have a fire extinguisher in your home? Does everyone know where it is and how to use it?
- Are matches and lighters kept in a safe place away from children?
- Do you know that you should never run if your clothes catch on fire and that you should "STOP -- DROP -- ROLL"?
- Do you have a screen on your fireplace? Is it closed at all times?
- Is your yard clear of old tree branches, litter and weeds?
- Do you sleep with your bedroom door closed to prevent the spread of fire?
## BALANCE SHEET

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2014</th>
<th>2013</th>
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<tbody>
<tr>
<td>Total Utility Plant</td>
<td>$6,202,817</td>
<td>$6,125,948</td>
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<tr>
<td>Less: Reserve for Depreciation</td>
<td>$2,247,918</td>
<td>$2,128,080</td>
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<tr>
<td>Net Value of Electric Plant</td>
<td>$3,954,899</td>
<td>$3,997,868</td>
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<tr>
<td>Investments in Associated Organizations</td>
<td>$121,165</td>
<td>$115,943</td>
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<td>East River, Basin &amp; CFC Capital Credits</td>
<td>$1,246,798</td>
<td>$1,184,872</td>
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<td>Other Investments</td>
<td>$26,691</td>
<td>$33,703</td>
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<tr>
<td>Total Investment Account</td>
<td>$1,394,654</td>
<td>$1,334,518</td>
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<td>Cash &amp; Temporary Investments</td>
<td>$148,804</td>
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<td>Accounts Receivable</td>
<td>$55,226</td>
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<td>Materials &amp; Supplies</td>
<td>$112,790</td>
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<td>Prepaid Expense</td>
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<td>Other Current Assets</td>
<td>$241,402</td>
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<td>Other Deferred Debts</td>
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<td>$250,270</td>
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<td>TOTAL ASSETS &amp; OTHER DEBITS</td>
<td>$6,154,019</td>
<td>$6,098,659</td>
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<tr>
<th>MEMBER EQUITIES</th>
<th>2014</th>
<th>2013</th>
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<tr>
<td>Patronage Capital, Memberships &amp; Other</td>
<td>$2,164,105</td>
<td>$2,106,099</td>
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<tr>
<th>LIABILITIES</th>
<th>2014</th>
<th>2013</th>
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<td>Long Term Debt (RUS, FFB &amp; CFC)</td>
<td>$3,707,030</td>
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<tr>
<td>Notes &amp; Accounts Payable</td>
<td>$165,708</td>
<td>$210,407</td>
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<td>Consumer Deposits</td>
<td>$9,679</td>
<td>$10,573</td>
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<td>Accrued Taxes &amp; Employee Benefits</td>
<td>$93,919</td>
<td>$87,828</td>
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<tr>
<td>Deferred Credits</td>
<td>$13,578</td>
<td>$16,778</td>
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<td>TOTAL MEMBER EQUITIES &amp; LIABILITIES</td>
<td>$6,154,019</td>
<td>$6,098,659</td>
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# Statement of Revenue and Expense

## Revenue

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<thead>
<tr>
<th>Category</th>
<th>2014</th>
<th>2013</th>
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<tbody>
<tr>
<td>Farm &amp; Residential Energy</td>
<td>$ 2,108,155</td>
<td>$ 2,037,802</td>
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<tr>
<td>Irrigation Energy Sales</td>
<td>$ 43,189</td>
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<td>Commercial Energy Sales</td>
<td>$ 595,968</td>
<td>$ 575,121</td>
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<tr>
<td>Other Electric Revenues</td>
<td>$ 15,379</td>
<td>$ 14,582</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$ 2,762,691</strong></td>
<td><strong>$ 2,668,984</strong></td>
</tr>
</tbody>
</table>

## Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased Power Costs (East River Electric)</td>
<td>$ 1,558,226</td>
<td>$ 1,513,219</td>
</tr>
<tr>
<td>Operating &amp; Maintenance</td>
<td>$ 440,719</td>
<td>$ 367,837</td>
</tr>
<tr>
<td>Customer Service, Consumer Accounting &amp; Collections</td>
<td>$ 146,543</td>
<td>$ 147,704</td>
</tr>
<tr>
<td>Administrative, Office &amp; General Expense</td>
<td>$ 307,954</td>
<td>$ 297,843</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$ 149,001</td>
<td>$ 137,368</td>
</tr>
<tr>
<td>Interest on Long Term Debt</td>
<td>$ 120,262</td>
<td>$ 108,379</td>
</tr>
<tr>
<td>Other Deductions</td>
<td>$ 301</td>
<td>$ 193</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$ 2,723,006</strong></td>
<td><strong>$ 2,572,543</strong></td>
</tr>
</tbody>
</table>

## Margins

<table>
<thead>
<tr>
<th>Category</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Margins</td>
<td>$ 39,685</td>
<td>$ 96,441</td>
</tr>
<tr>
<td>Non-Operating Margins, Interest &amp; Other</td>
<td>$ 4,662</td>
<td>$ 3,188</td>
</tr>
<tr>
<td>G &amp; T Capital Credits (East River &amp; Basin)</td>
<td>$ 79,265</td>
<td>$ 88,191</td>
</tr>
<tr>
<td>Other Capital Credits (RESCO &amp; CFC)</td>
<td>$ 9,267</td>
<td>$ 6,780</td>
</tr>
<tr>
<td><strong>Total Margins</strong></td>
<td><strong>$ 132,879</strong></td>
<td><strong>$ 194,600</strong></td>
</tr>
</tbody>
</table>
The Clean Power Plan which was announced by the Environmental Protection Agency and President Barack Obama at the beginning of August will change the way electric cooperatives deliver power to their members. The big question that is still being analyzed, however, is just how much the new environmental rules will affect cooperatives, rates and the reliability of the electric grid.

“The rule that was released is a very, very high mountain for Basin Electric,” said Basin Electric Power Cooperative senior legislative representative Steve Tomac during a meeting with South Dakota Sen. John Thune in August.

The plan calls for a dramatic reduction in emissions from coal-fired plants and a shift to renewable energy resources. Power generators will be required to reduce carbon emissions by 32 percent from 2005 levels by the year 2030. Generators are also required to convert 28 percent of their portfolios to renewable sources by 2030 under the new rule.

North Dakota-based Basin Electric Power Cooperative – the primary supplier of electricity to South Dakota electric cooperatives – is dissecting the 1,500-page rule to figure out what impact it will have on its facilities and the consumers down the line.

“I think it’s going to take us some time to figure out exactly what they (EPA) have done with this thing,” said South Dakota Rural Electric Association General Manager Ed Anderson.

Republican South Dakota Sen. John Thune met with Anderson along with Tom Boyko, manager of East River Electric Power Cooperative, and managers from Northern Electric Cooperative, FEM Electric Association, Lake Region Electric Association, Cam Wal Electric Cooperative, Steve Tomac of Basin Electric, investor-owned utility representatives and managers from 3M in the middle of August to discuss the plan and what can be done to modify, delay or stop the regulations that pose major challenges to the power industry.
Energy experts predict the biggest initial impact will be more expensive electricity for consumers.

“It’s going to affect rates at the end of the day, but the big question is how much,” Thune said. “We’re looking from a Congressional point of view what the best way is to approach this.”

The concern, however, isn’t just about the impact the plan will have on electric rates and the economy, but also the reliability issues that could be on the horizon as electric generators scale back coal-based power production in favor of more wind and solar sources.

“It comes down to that base load and reliability. Will the power be there when we need it most?” said Northern Electric General Manager and CEO Char Hager.

According to Basin Electric’s 2014 Annual Report, the cooperative generates 55 percent of its electricity using coal-fired power plants. Nearly 17 percent of its electricity comes from wind farms scattered throughout North Dakota, South Dakota, Minnesota and Iowa. More than 5 percent of the cooperative’s generation comes from hydro-electric sources and Basin Electric gets about 18 percent of its electricity from plants fired by natural gas.

Tomac says it will be difficult to meet the requirements of the Clean Power Plan by the 2030 deadline.

“We all know we have to operate in a carbon-constrained world and we’re going to do that,” Tomac said about the effect of the new rule on Basin Electric. “But, I don’t think we can build enough compliance resources in that short of time. I don’t know physically if that’s even in the realm of possibility.”

Efforts To Challenge The Rule

There are already efforts to throw roadblocks in the way of the new rule. One of the efforts was launched about a year ago before the Clean Power Plan was even finalized.

South Dakota Attorney General Marty Jackley joined with a dozen other states in a lawsuit backed by West Virginia that claims the EPA doesn’t have the authority to impose these regulations on states.

“For anybody who flips a light switch or turns a heater on, this is a very big deal,” Jackley said.

Jackley anticipates South Dakota joining in future litigation challenging the rule once the announced Clean Power Plan is officially registered.

“We all recognize the importance of protecting our environment and developing energy efficiency, but I am concerned the EPA has exceeded its authority granted by Congress and reduced the decision-making authority of our State,” Jackley said.

In Congress, Thune and South Dakota Republican Sen. Mike Rounds are co-sponsors of the Affordable Reliable Energy Now Act (ARENA). The legislation would prevent the EPA from implementing the new regulations until all legal challenges have been settled.

“If we can get a stay and buy a year, and get a different administration, maybe we can get a delay from 2030,” said Tomac.

ARENA would also prevent the EPA from implementing new technology-based standards until that technology has been tested for one year at various power plants throughout the country. Governors would also have the authority under ARENA to reject the plan if they believe it will have a negative impact on economic development, grid reliability or electric consumers in their states.

“The ARENA Act is a common-sense solution that gives states additional time and flexibility to comply with new rules. It also protects taxpayers from bearing the brunt of the rule through higher electric bills,” Rounds said.

ARENA has already passed the Environment and Public Works Committee and now heads to the Senate.


Theses efforts to delay, modify or stop the Clean Power Plan would essentially buy power generators more time as they determine a strategy to continue the delivery of affordable and reliable electricity to cooperative members in South Dakota and across the country.

“We’re going to have to fight back and we’re going to use everything we can to do that,” Tomac said.
Keith Hainy built a career grounded in agronomy and crop science and dedicated to grain cooperatives in northeastern South Dakota.

After spending his first 20 years at South Dakota Wheat Growers in Aberdeen, ultimately serving as director of operations, he began the second phase of his co-op career as general manager of North Central Farmers Elevator in Ipswich, S.D., in 1997.

During his tenure at North Central, he negotiated nine mergers, formed four limited liability corporations and started five new businesses in five locations. When he retired in 2012, NCFE had 250 employees and sales of $540 million. Sales and volumes for the co-op had increased 700 percent under Hainy’s watch.

In his nomination, it was written, “Keith’s passion for the cooperative system led him to be an integral force in the establishment of Dakotaland Feeds LLC in Huron, S.D., in 2000. The feed processing plant is owned by three partners—all cooperatives—including NCFE, SDWG and Land O’Lakes.

“When the need for community housing became an issue in Ipswich, S.D., the headquarter city of NCFE, Hainy again worked with other cooperatives to find a solution. NCFE joined with Valley Telephone Company and SEM Electric to form Dakota Rural Development LLC which in turn purchased land and created a housing development for the construction of new homes.

He and his wife, Kristi, live at Aberdeen, S.D.

Roy Ireland served electric cooperatives on the local, state and regional level for 27 years.

Ireland was first elected to the local Lacreek Electric Association board in 1988.

In 1992, he was selected to represent LEA on the board of cooperative’s transmission cooperative, Rushmore Electric Power Cooperative in Rapid City, S.D. In 1996, he was selected as REPC’s board member to its regional generation and transmission cooperative, Basin Electric Power Cooperative in Bismarck, N.D. That same year, he also began representing BEPC on the Pierre, S.D.-based South Dakota Rural Electric Association’s board of directors.

During his tenure on the LEA board, the co-op’s membership grew from 4,814 members to 6,576 members and the cooperative’s miles of line increased from 2,842 miles to 3,149 miles. The kilowatt hours sold by the cooperative in that time frame more than doubled while total revenues increased from $4.4 million to $12.9 million.

During his time as a board member, Ireland has served as president and vice president for LEA, REPC and most recently BEPC, serving as president from 2011 to 2013.

“He keen knowledge and experience with engineering and agriculture gave him a credible and strong voice during his service,” noted BEPC CEO Paul Sukut in a letter supporting Ireland’s nomination.

Ireland and his wife, Barb, live at Martin, S.D.
Committed to the Cooperative Spirit

Under Rodney Renner’s leadership as board chairman, Golden West Telecommunications Cooperative in Wall, S.D., became one of the nation’s largest telecommunications cooperatives. The co-op serves nearly one-third of the state’s land mass and has nearly 31,000 cooperative members.

Renner was first elected to the board in December 1972 and has served continuously since. He has twice served as the organization’s chairman, a position he still holds.

“In addition to his contributions to Golden West and its members, Rod has also had an impact on rural telecommunications service at the state and national level... Rod has willingly given his time and talent through the South Dakota Telecommunications Association and through his work with the National Telecommunications Cooperative Association. Year after year, Rod travels to many areas, including Washington, D.C., to meet with legislators and other policy makers. He advocates for regulatory initiatives aimed at ensuring the technology needs of rural communities are met in order to grow and prosper,” wrote Golden West General Manager/CEO Denny Law in Renner’s nomination.

Additionally, Renner has been a speaker and presenter at NTCA conferences to share his knowledge and expertise as a rural telecommunications cooperative director.

Renner lives at Wall, S.D.

Carlyle Richards, an Aberdeen attorney, has a legal career that spans 54 years, most of which left him well-versed in cooperative law in South Dakota.

During his legal career, Richards has been the legal counsel to South Dakota Wheat Growers Association and many other cooperatives, including North Central Farmers Elevator and Full Circle Ag. His work has made him the “leading cooperative legal expert” in South Dakota.

In nominating Richards, the South Dakota Wheat Growers Association wrote, “Richards embodies the spirit, foundation and purpose of a member-owned cooperative. He has lived his life and focused his law practice on providing counsel to meet the needs of his cooperative clients and their member-owners.

“There is no attorney that has been more valuable to South Dakota’s cooperatives than Mr. Richards,” the SDWG continued.

“Carlyle’s understanding and support for the cooperative and the principles by which we operate is no secret to the South Dakota Association of Cooperatives and the many co-ops that he has served,” wrote SDAC Executive Director Brenda Forman in her letter supporting Richards’ nomination.

“Carlyle is a true believer in the cooperative structure and the benefits provided to their members and communities,” Forman wrote.

Richards and his wife, Rev. Sheila Richards, live at Aberdeen.

Do you know a co-op member, board member or manager who has distinguished himself or herself in one or more of the following?

- Plays or played a key role in organizing a local or regional cooperative;  
- Provides or provided extensive and effective service on one or more cooperative boards;  
- Provides or provided outstanding work in the area of cooperative management; and/or
- Provides or provided outstanding leadership through government or other public service on behalf of cooperatives and their members.

If you answer yes to any of these questions, please nominate that person for the 2016 Co-op Hall of Fame recognition. Nominations are typically due by June 1 each year. Find out more at www.sdac.coop.

1997
Ben Redcliffe
G.L. Moseon (1894-1973)

1998
J.D. Lynd (1933-2013)
George A. Hargens, Jr. (1921-1999)

1999
Raymond M. Judy (1919-1997)
Virgil Fodness

2000
Keith Taylor (1923-2002)
Joseph Hieb

2001
Robert A. Johnson
Donald N. Olson (1928-2006)

2002
Vincent Erz
Donald Wynia

2003
Don Paulsen

2004
Ed Fritzschke (1923-2005)
Dean Rasmussen

2005
Robert Ching (1924-2012)
Darrell Henderson
Alex Stoeser (1923-2000)

2006
Dennis Hagry
Robert Rademaker

2007
Leroy Schecher
Ralph Schreurs
Merlin VanWalleghen

2008
Charles Olsen
Donald Fieber

2009
Delbert Bushong
Owen Jones

2010
Jake Boomsma
Milo Gilbertson
Barry Jensen

2011
Jeffrey L. Nelson
Wayne Wright

2012
Luverne Crosser
Gary French
Ron Minnaert
Larry Wilson

2013
Thomas Hueners
John D. Johnson
Loren Noess

2014
Gene Kroell
John Van Beek
Harvey Wallman

Cooperative Spirit
PHOTO COURTESY OF HEALTH CONNECT OF SOUTH DAKOTA

Regional Dateline

September 17-18
St. Joseph’s Indian School
39th Annual Powwow
Chamberlain, SD
605-234-3452

September 18-19
Deadwood Jam, Main Street
Deadwood, SD, 605-578-1876

September 18-20
North Country Fiber Fair
Watertown, SD, 605-956-7909

September 19
Harvest Moon Festival, Volga, SD
605-690-1501

September 19-20
NESC Celtic Faire and Games
Aberdeen, SD, 605-380-5828

September 23
Shania Twain, Sioux Falls, SD
605-367-7288

September 23-26
NSU Gypsy Days
Aberdeen, SD, 605-626-3011

September 24-26
Buffalo Roundup Arts Festival
Custer, SD, 605-255-4515

September 25
Annual Buffalo Roundup
Custer State Park, Custer, SD
605-255-4515

September 25
Buffalo Wallow Chili Cook-off
Custer, SD, 605-673-2244

September 25
Badger Clark Cowboy
Music & Poetry Gathering
Hot Springs, SD, 605-745-4140

September 26
Living History Fall Festival
Groton, SD

September 26
South Dakota Women’s Expo
South Dakota State Fairgrounds
Huron, SD, 605-353-7340

September 26
Great Downtown Pumpkin Festival, Rapid City, SD
605-716-7979

September 26-27
Pioneer Power Show
Menno, SD, 605-387-5770

September 29
REO Speedwagon
Deadwood, SD, 605-559-1188

September 30-October 4
South Dakota Film Festival
Aberdeen, SD, 605-725-2697

October 2
Elton John and His Band
Sioux Falls, SD, 605-367-7288

October 3
DSU Trojan Days
Madison, SD, 605-256-5146

October 3
FestiFall/CandleLight Walk
Canton, SD, 605-987-2263

October 3-4
Quilt Festival, Watertown, SD
605-753-0229

October 4
The Beach Boys, Deadwood, SD
605-559-1188

October 8-10
Wild West Songwriters Festival
Deadwood, SD, 605-559-1187

October 17-January 3, 2016
2015 Pheasant Hunting Season Opens Statewide, Pierre, SD
605-223-7660

October 23-25
Autumn Festival, An Arts & Crafts Affair, Sioux Falls, SD
402-331-2889

October 30-31
Haunted Heartland Country Corn Maze, Harrisburg, SD
605-743-5984

November 6-7
Northern State University Culturefest & Wacipi
Aberdeen, SD, 605-626-3011

November 7-8
17th Annual Gun Show
Redfield, SD, 605-472-4550

November 14
Merchants & Crafters 18th Annual Holiday Open House Extravaganza, Sisseton, SD
605-698-7425

November 21
Buffalo Auction, Buffalo Corrals on Wildlife Loop Road Custer, SD, 605-255-4515

Events of Special Note

September 26
Family Health and Safety Festival, 11 a.m. to 3 p.m.
First Presbyterian Church
Sioux Falls, SD, 605-371-1000

October 9-10
Pumpkin Fest & Night Parade
Webster, SD, 605-345-4668

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.