



Cooperative Connections

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Minutes of the Annual Meeting of Members

West Central Electric Cooperative, Inc.

October 2, 2019

The Annual Meeting of the members of West Central Electric Cooperative, Inc. was held at the Harold Thune Auditorium, City of Murdo, Jones County, State of South Dakota, pursuant to due notice to the members, commencing at 5:00 o'clock PM, CDT with the business meeting beginning at 6:10 o'clock PM, CDT on Wednesday, October 2, 2019.

The meeting was called to order by President Mike McQuiston who announced that a quorum was present.

The invocation was given by Pastor Ray Greenseth of Murdo.

All Veterans were recognized.

The National Anthem was sung by members of the Jones County High School Choir.

The CEO introduced the directors from the various zones. He then recognized past directors of West Central.

The President introduced Steve Reed, West Central CEO, David Larson, Attorney, and Vic Simmons, CEO of Rushmore Electric Power.

The business meeting commenced with the reading of the official notice of the meeting by Secretary/Treasurer Ken Miller. CEO Reed read the proof of mailing.

President McQuiston announced that the minutes of last year's Annual Meeting were published in the Cooperative Connections and asked if the members wished to have them read, or was there a motion to approve the minutes as published. A motion was made, seconded and upon being placed before the membership, the motion was approved. Thereupon the president declared the motion carried and the minutes approved.

President McQuiston announced that the Financial Report, the President's Report and the CEO's Report were published in the Cooperative Connections and asked if the members wished to have them read, or was there a motion to approve the reports as published. A motion was made, seconded and upon being placed before the membership, the motion was approved. Thereupon the president declared the motion carried and the reports approved.

President McQuiston, CEO Reed, CFO Birkeland gave brief reports.

CEO Reed then recognized the employees.

President McQuiston then called upon the Legal Counsel for West Central, Mr. David Larson of Chamberlain, South Dakota. Mr. Larson reported on the legal status of West Central Electric Cooperative, Inc., as follows:

From a legal point of view, the past year has been relatively uneventful. The cooperative has not been sued, is not suing anybody else, and we are unaware of any claims being made against the cooperative.

A review of the minutes indicates that all actions taken during the past year comply with the by-laws, articles of incorporation, South Dakota Law, and RUS regulations.

David Larson, Corporate Attorney, announced the results of the Director election process. The Directors were elected earlier through the zone meeting process as defined in the Cooperative's By-Laws. This year four Directors were elected, each to serve a three-year term, and they are as follows:

- Lyman County – Town Director
 - Zone 1 – David Mertens
- Jackson County – Town Director
 - Zone 3 – Richard Bendt
- Haakon County – Rural Director
 - Zone 4 – Kevin Neuhauser

President McQuiston then called for new business.

Vic Simmons, CEO of Rushmore Electric Power, gave a brief address.

Jessie Tucker conducted prize drawings at intervals throughout the meeting.

There being no further business to come before the board, President McQuiston declared the meeting adjourned.

West Central Electric

Cooperative Connections

(USPS No. 018-988)

President

Mike McQuiston, Fort Pierre

Vice President

Shad Riggle, Hayes

Secretary/Treasurer

Kenneth Miller, Draper

Directors

Rich Bendt, Kadoka
Marty Hansen, Philip
David J. Mertens, Kennebec
Kevin Neuhauser, Midland
Paul Patterson, Draper
Jim Smith, Vivian
Jim Willert, Belvidere

Attorney

David Larson, Chamberlain

CEO/Manager

Jeff Birkeland, Murdo

**Our Mission is to Provide
Safe, Reliable Service
to our Member Owners.**

West Central Electric Cooperative,
Inc., is an equal opportunity
provider and employer.

Call 605-669-8100
24-hour Dispatching

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OFFICIAL NOTICE

OF ANNUAL MEETING OF MEMBERS OF WEST CENTRAL ELECTRIC COOPERATIVE, INC.

The Annual Meeting of Members of West Central Electric Cooperative, Inc., will be held at the Pat Duffy Community and Youth Involved Center in the city of Ft. Pierre, Stanley County, state of South Dakota, on Wednesday, October 7, 2020 at 5:00 p.m., CDT, to take action on the following matters:

1. Report of officers and directors.
2. The announcement of three (3) directors of the cooperative.
3. Transact any and all other business, which may come before the meeting. In conjunction with the announcement of three (3) directors for three (3) year terms scheduled for this meeting, the following members have been nominated for directors as provided by the by-laws:
 - James Smith, Lyman County, Zone One (1), Rural Director,
 - Paul Patterson, Jones County, Zone Two (2), Rural Director,
 - Marty Hansen, Haakon County, Zone Four (4), Town Director,
 - Mike McQuiston, Stanley County, Zone Five (5), At-Large Director.

Ken Miller – Secretary

West Central Electric Cooperative 71st Annual Meeting

Date:	Wednesday, Oct. 7, 2020
Location:	Pat Duffy Community and Youth Involved Center, Ft. Pierre
Time:	Registration Opens at 4 p.m. (CDT)
Meeting Agenda:	Business Meeting Called to Order at 5 p.m. (CDT) Introduction of Cooperative Directors Notice of Annual Meeting Proof of Mailing Minutes of 2019 Annual Meeting President's Report Manager's Report Attorney's Report Announcement of Directors Unfinished Business New Business

(No prize drawings, giveaways or meal)

Use Safety as Your Guide When Planting Trees

If the trees in your yard have grown so tall that they touch overhead power lines, they can cause all kinds of trouble. Branches that sway in the wind and rain can snap an electric line, sending a live wire to the ground, where it can electrocute anyone who touches it.

Plus, power lines that are broken by fallen trees will cause you and your neighbors to lose electricity and require a costly trip from your electric cooperative.

That's why any tree that poses a danger—even an old or favorite tree—could be slated for removal by your electric cooperative.

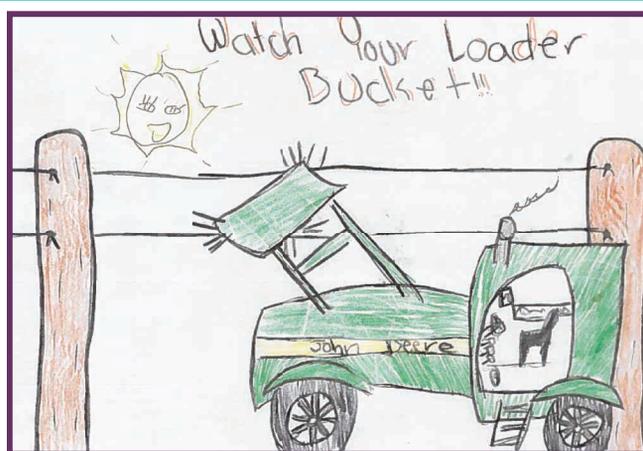
You can prevent problems on the front end by planting smart.

Here are a few tips:

- Do some research and learn all you can about the particular type of tree you want to plant. Learn how tall it will grow when it matures and how wide the full span of its mature branches will become. Use those dimensions to determine how far away from an existing power line you should plant it. Some trees are safe only when they grow 30 feet or more away from a line.
- If the landscape design you like requires you to plant trees in close proximity to electric lines, choose a low-growing variety that will never be tall enough to pose a hazard.
- Before digging any holes to plant trees, call 811, the state's "call before you dig" service. If you don't call and hit underground utility lines, you could be liable for damages.
- Avoid planting in the right-of-way on the edge of your yard or personal property. Your local electric cooperative and other utility companies must maintain that space and could wind up trimming trees out of the way of power lines, possibly leaving the tree looking lopsided.
- Don't plant shrubs too close to your home's outdoor air conditioning unit. AC units require breathing room and should never be crowded by shrubbery or debris.
- If your yard is already home to trees that are close to power lines, keep the trees trimmed so they don't touch any overhead wires. Hire a professional tree trimmer with the proper tools and training to provide this service for you. Don't risk doing it yourself.



KIDS CORNER SAFETY POSTER



"Watch Your Loader Bucket!"

Adalin Homola, 11 years old

Adalin Homola is the daughter of Joe and Sonja Homola from Lake Nordin. They are members of H-D Electric Cooperative based in Clear Lake.

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.

People-Pleasing Pasta

Pasta Florentine

16 oz. penne pasta	1 zucchini, cut in thin strips
1 red pepper, thin cut	2 cans mushrooms, drained
1 onion, chopped	1/8 cup butter
1 cup tomatoes, chopped	1/4 cup flour
1 cup skim milk	1 cup chicken broth
1/2 tsp. nutmeg	1/2 tsp. pepper
1 pkg. frozen spinach, thawed, drained	1/4 cup Parmesan

Prepare pasta, cooking 7 minutes. Drain. Spoon into greased 9x13 baking dish. Cook and stir zucchini, peppers, mushrooms, and onions for 3-4 minutes. Remove from heat, stir in tomatoes. Spoon mixture over pasta and gently mix. Whisk flour with drippings in skillet. Whisk in milk. Add broth, nutmeg and pepper. Cook over medium heat and stir until mixture comes to boil and thickens. Add spinach and cheese. Pour sauce over casserole. Cover with foil. Bake at 350 degrees for 40-45 minutes.

Glen and Linda Erickson, Chester, SD

One Pan Chicken Alfredo

3 tablespoons olive oil	1/2 lb. penne pasta, or any bite-sized shape pasta, uncooked
1/4 lb. boneless, skinless chicken breasts	2 c. freshly shredded real parmesan cheese
2 cloves garlic, minced	Salt and pepper
2 c. low sodium chicken broth	Flat leaf parsley for garnish
1 c. heavy cream or half and half	

Cut chicken breasts into half-inch and 1-inch pieces. Season with salt/pepper. Brown chicken in olive oil over medium heat. It will finish cooking as it simmers. Add minced garlic and saute for 1 minute. Add broth, cream or half and half and uncooked pasta and stir. Bring to a boil, cover, reduce to a simmer. Keep pan covered while simmering. Simmer for 15-20 minutes or until pasta is tender. Remove from heat, stir in shredded parmesan cheese. Season with salt and pepper.

Judy Mendel, Doland, SD

Pizza Hot Dish

2 lb. hamburger - brown, sprinkle with onion and garlic salt	1/2 cup water
1 10-oz. can pizza sauce	1/2 tsp. salt
1 8-oz. can tomato sauce	1/4 tsp. pepper
	1 tsp. oregano

Simmer above ingredients 20 minutes. Add 1-1/2 cup grated American cheese (Velveeta) and 8-oz. package of wide noodles, cooked. Put 1/2 of sauce in 9x13 cake pan. Top with noodles. Add rest of sauce. Top with mozzarella cheese and sprinkle generously with parmesan cheese. Bake 30-40 minutes at 350 degrees.

Shirley Miller, Winfred, SD

Shrimp Scampi

8 ounces pasta linguine	1/4 teaspoon black pepper
2 tablespoons butter	1 dash crushed red pepper flakes
2 tablespoons extra-virgin olive oil	1-1/2 pounds large or extra-large Aqua Star shrimp, shelled
4 garlic cloves, minced	1/3 cup parsley, chopped
1/2 cup dry white wine or seafood broth	1/2 lemon, juice only
3/4 teaspoon kosher salt	

Cook pasta according to package directions. In large skillet, melt butter and oil. Add garlic and saute until fragrant. Add wine or broth, salt, red pepper flakes and black pepper. Bring to simmer and reduce by half. Add shrimp and saute until shrimp turn pink and opaque, approximately 2-4 minutes depending on size. Stir in parsley, lemon juice and cooked pasta. Provided by www.aquastar.com.

Please send your favorite vegetarian, garden produce and pasta 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 2020. All entries must include your name, mailing address, telephone number and cooperative name.

West Central Electric Cooperative 2020: A Year of Challenges, Success and Opportunities



Jeff Birkeland

CEO/General Manager

The past year has been extremely busy at West Central Electric Cooperative, 12 months filled with challenges, successes and opportunities that have helped each of us realize, now more than ever before, that we're all in this together.

Virtually every corner of the world has been impacted by the Coronavirus, and not even West Central Electric, a cooperative with a service territory stretching over 7,000 square miles, has been immune to the deadly virus that has disrupted millions of lives around the globe. The pandemic has caused us to re-evaluate and change West Central's operating procedures more than once. But, fortunately, your cooperative and our rural lifestyle are naturally designed to maintain social distancing and limit the possibility of spreading the virus among our employees and our members. With five outposts and a vast service area, our employees are allowed to stay separated and reduce risks of widespread infection, an important factor in maintaining electrical service and



Mike McQuiston

Board President

keeping the lights on.

Certainly, our outside crews do work together, particularly in the event of outages, but they are able to keep their distance from other crews when working on projects. West Central also closed its Murdo offices to the public for roughly a month at the outset of the pandemic on the recommendation of public health experts. As the pandemic progressed and more information became available, we re-opened the office to the public with additional safeguards in place, including a hand-sanitizing station and a plexiglass divider, all in an effort to keep our employees and members safe. Not once during these months of uncertainty has our staff ever wavered, all



the while exhibiting their willingness to work and "git-er-done" attitude. It's who we are and how we were raised, and we share that time-honored tradition of being thankful we live where we do and work for West Central Electric.

Furthermore, we would be remiss if we didn't mention how proactive your board of directors has been. Not only have they been great at providing us with the sentiments of our membership and how best to navigate this pandemic, but they have made decisions that directly benefit our members. One of the most innovative and important board decisions was to move our December Capital credit retirement date to July. This was done with the sole intention of trying to help members and get funds to them at a time when it was most needed. Succinctly, West Central retired \$800,000 of capital credits the first week in July – the largest capital credit retirement in in our Cooperative's history.

As our long-time members well-know, safety is always our number one priority and our employees continue to build on their hours worked without a lost time accident. But what does that mean for our membership? Well, our insurance premiums are based on an assumed rate and if our employees have fewer accidents, then we as a cooperative, share those savings. This year, we received a check from Federated Insurance for \$17,457, practicing work place safety measures. This money was then allocated to our members in the form of capital credits.

Last December, we had an incident occur that reminded us that we, living in a rural setting as we do, are not immune to crime. There were two individuals driving rural roads, opening mailboxes, and stealing mail that may contain money or other items of value. West Central had to void a couple of capital credit checks and reissue them as the checks never made it to their owner. We know sending cash and gift cards through the mail doesn't happen with the frequency it once did, but it still makes all of us stop and think. We remain thankful those thieves stopped at the mailbox. What if they had continued down the road a little further and went right to a member's house? Home security systems have come down in price and it's something every homeowner should evaluate for their family's safety.

Last fall, West Central was approached by Northwestern Energy about the possibility of using our transmission lines to deliver 40 megawatts of wind energy from our tie switch at Chamberlain to

the Western Area Power Administration (WAPA) substation at Ft. Thompson. (Northwestern Energy provides electrical service to the Chamberlain area and other towns east of the Missouri River).



WAPA will be doing maintenance work on a substation in Northwestern Energy's area this coming fall, which will require taking the substation offline. This substation is connected to two wind farms, and when the substation is shut down, the windfarms cannot produce electricity.

This is where West Central comes into the equation. Our transmission line will allow the windfarms the ability to stay connected to the grid and produce electricity. The request from Northwestern Energy wasn't out of the ordinary, as we have an emergency tie between West Central and Northwestern that we use to supply each other electricity in an outage situation. It's been a valuable tool over the years for both entities. What is significant about this request is the amount of capacity they are asking us to deliver to the WAPA substation. Forty megawatts may not sound like a lot of energy, so to help put this in perspective, West Central's entire annual peak is roughly 35 megawatts. It's a significant consideration for us, and it requires a detailed engineering study to determine if our system can handle it. Our transmission system in that area is more than 60 years old, and although it's reliable and of sound quality construction, it has never carried that much load. This project is scheduled for Sept. 1, 2020, through Oct. 31, 2020.

Broadcaster Paul Harvey once said, "In times like these, it helps to recall that there have always been times like these." And, as we've previously reported, TransCanada and the Keystone XL pipeline remains unknown for West Central. Those entities first approached us in 2008, about the possibility of providing electrical service for two pump sites. The project started out as business as usual, but it soon became a legal battle. Parts of it are still tied up in litigation, although some of the pipeline has been built. TransCanada did construct the portion of pipeline that crosses the Canadian-U.S. border this year. The rest of TransCanada's activity has been preparing for possible approval by the courts so it can build the pipeline. What's that mean for West Central? Well, we've been busy getting power to a couple of pipe yards and a workforce camp that is located in the Philip area. TransCanada is still indicating to us that they want us to construct the transmission line and substations to serve two pump stations. Will TransCanada obtain approvals and will West Central get to construct these facilities? When this all began a dozen years ago, we were very optimistic that it would happen. After getting delayed for so many years, that optimism has assuredly faded. We will have to wait and see. There are a couple things we do know, however. First, this is the most studied pipeline project in U.S. history. Second, if TransCanada receives its legal/environmental approval, we will build electrical facilities to them. We understand we have members on both sides of the argument on whether or not the pipeline should ever get built, but West Central is indifferent. TransCanada is a member of West Central and if it obtains approvals, we will build to them, just as we would any other member. Our job is to supply power to our members.

On the economic development front, West Central has been extremely active this year. Our partnership with the REED Fund, (Rural Electric Economic Development) has given our members improved access to money. Prior to joining the REED Fund, our economic development was "in house" and the money we had to lend was limited. The board decision to join the REED Fund now gives our members access to \$41 million of economic development funds. Philip Health Services was awarded \$1.5 million in economic development loan funds and we are currently working with Lyman County Schools on a \$1 million loan. Other economic development loans made in the past year were \$70,000 to the Philip Volunteer Fire Department for a new pumper truck and \$40,000 to the Reliance Volunteer Fire Department so it could renovate and expand its existing fire hall.

Indeed, this past year will long be remembered for the challenges it posed to each and every one of us, from blinding blizzards and downed power lines to a coronavirus that crippled much of the world. But at West Central Electric, we prefer to ponder that which we achieved – together.

Voting Authorization Necessary for Organizations

A number of questions seem to arise concerning voting at the Annual/Zone Meetings by non-individual members of the Cooperative, such as schools, municipalities, churches, organizations, and corporations. All of these members are entitled to representation and one vote, but the proper procedure must be followed to exercise this right.

Each such member should see that a representative is designated in writing prior to the meeting. The representative must be a person who will not be voting another membership as no person shall be entitled to more than one vote on each matter submitted to a vote at the meeting. This written authorization must be in the following form and must be filed with the Secretary of the Cooperative prior to formal commencement of the meeting.

To avoid errors, we urge you to get these in just as soon as possible for approval.

Authorization to Vote

This is to certify that the _____ of _____ in a duly assembled meeting, designated _____ who is a(n) _____ of said organization, to represent the _____ at the regular Annual/Zone Meeting of the members of West Central Electric Cooperative, Inc., to be held October 7, 2020, and said person is authorized to cast such member's vote on all issues that may come before said meeting.

The undersigned verifies that (s)he is the _____ of said organization and authorized to execute this instrument on behalf thereof.

State of South Dakota)
)ss.
County of _____)

On this ____ day of _____, 2020 before me the undersigned Notary Public of the State of South Dakota, personally appeared _____

known to me to be the person named in the above foregoing instrument, who acknowledged that (s)he executed the same for the purpose therein specified, (s)he being authorized so to do.

Notary Public, South Dakota

My commission expires _____, 20_____

OPEN FOR BUSINESS



While the ag markets have experienced shifts and changes, rural South Dakota continues to offer a favorable business climate for many industry sectors.

S.D. IS OPEN FOR BUSINESS

REED Fund supports business growth in rural areas

Billy Gibson

editor@sdrea.coop

The old adage about making hay while the sun is shining is not lost on the Governor's Office of Economic Development.

During the summer months, the department launched an aggressive regional advertising campaign called "South Dakota Means Business," aimed at encouraging companies from surrounding states to relocate to a more business-friendly environment.

The timing of this marketing strategy was intended to take advantage of the favorable national publicity the state has received for its response to COVID-19 and also to lure disaffected businesses weary of increasingly onerous and burdensome regulatory policies in other states.

The promotional initiative was based on a long list of advantages that make it easier in South Dakota for companies to maximize positive margins and plan for future growth.

The campaign featured Gov. Kristi Noem emphasizing the fact that South Dakota has been ranked best in the nation in several categories: lowest business costs; most accessible financing; two-year college graduation rates; lowest regulatory restrictions; lowest state tax revenue volatility; and more.

"We hear over and over from business owners in other states that increased government regulations are making it difficult to earn a profit and plan for growth," said Commissioner Steve Westra. "We want to get the word out that it doesn't have to be this way."

"As out-of-state businesses become more frustrated with

Dakota Style is a thriving business that has received REED funding through Codington-Clark Electric.



overreach by their state governments, they're turning to South Dakota," said Gov. Noem. "The number of new businesses interested in moving to South Dakota has increased dramatically. We're ready to show these businesses what South Dakota can do for them."

While Gov. Noem pushes to attract more businesses to South Dakota, the state's rural electric cooperatives continue to be engaged in efforts to spark community development. Twenty of the state's electric cooperatives collaborate with five western-Minnesota co-ops to support local business growth through the Rural Electric Economic Development, Inc. (REED) Fund. The non-profit corporation provides financing in all or parts of roughly 70 counties in the two states.

The REED Fund was created in 1997 to boost business growth in small communities and has issued nearly 400 loans totaling more

than \$102 million. That financial support has resulted in more than 9,000 jobs.

While the fund is used by rural electric cooperatives to boost economic activity in their service areas, it is not restricted to co-ops. Many loans have gone to retail entities, manufacturing facilities, agriculture processing and marketing and support services. The fund has also been used to support rural health care, education, recreation, arts, public safety, community infrastructure, housing and office space.

The fund is supported by state and federal government entities, including the Governor's Office of Economic Development and the USDA Rural Economic Development Loan and Grant Program, and also private groups such as Dakota Resources, Basin Electric Cooperative and banking institutions.

The REED Fund had a record year in 2019, with \$12.8 million in new loans. REED and Avera Health also signed a new workforce housing development financing partnership as Avera committed to a \$2 million investment in the fund. This investment, along with an additional \$1 million pledge from SDN Communications and another \$1 million from First Bank & Trust, will expand efforts to finance workforce housing.

Two loans issued in August went to Lesterville Fire and Rescue from Bon Homme Yankton Electric, and to 605 Sires, LLC, from Southeastern Electric.

Bon Homme Electric Manager Stephanie Horst said the money would go toward the purchase of new air packs and a new building addition for the local volunteer fire department.

"A big part of our guiding principles as locally-owned, locally-controlled electric cooperatives is to do whatever we can to improve the quality of life in our service areas and to expand the range of economic opportunities available to our members and our communities," Horst said. "It's very gratifying for us to know we're making a positive impact."

She noted that more than 80 percent of the REED Fund's lending is established in communities of fewer than 4,000 people and 98 percent of REED-financed projects have local ownership.

At Southeastern Electric, General Manager Brad Schardin said 605 Sires, LLC, used its financing to expand its family-owned, full-service bull collection and donor facility. The company opened in 2017 and delivers its products to customers both domestically and internationally.

According to Schardin, "Delivering electrical power that is safe, affordable, reliable and accessible is a tall order in itself. But our commitment goes beyond providing electricity. We also have an obligation to enhance and improve the communities we serve. The REED Fund is an excellent resource to help us fulfill that commitment."

For more information on the REED Fund, visit www.reedfund.coop or call 605-256-8015.

Future of Energy Storage

Energy storage technology is extremely versatile - it's small enough to fit in your phone, or large enough to power your entire home.

Many people are familiar with small-scale batteries for handheld devices, but utility-scale batteries take energy storage to a whole new level. The ability to store energy helps to ensure that energy demand meets supply at any given time, making electricity available when you need it.

The most widespread form of energy storage in the U.S. is through pumped hydropower, a form of mechanical energy storage. Pumped hydropower has been used for several decades now, and currently makes up about 97 percent of the country's utility storage capacity.

Energy is stored by pumping water uphill from a lower elevation reservoir to store in an upper water basin. When energy is needed, the water is allowed

to flow through an electric turbine to generate energy, the same way it flows through a hydroelectric dam. This method is largely dependent on surrounding geography and any potential resulting ecosystem issues.

Battery technology is also gaining a lot of ground. In 2018, the power capacity from battery storage systems more than doubled from 2010. The most common type of battery chemistry is lithium-ion because of a high-cycle efficiency and fast response time. Some less-common battery types for utility storage include lead acid batteries, nickel-based batteries and sodium-based batteries. However, each chemistry has varying limitations. Beyond pumped hydropower and batteries, there are a few other forms of energy storage used at the utility scale: thermal, hydrogen and compressed air.

Energy storage currently plays a crucial role in incorporating renewable energy into our electric grid. Solar and wind energy are weather-dependent, so when energy demand is low but energy supply is high from the sun or wind, storing the excess energy makes it possible to use it later when demand is higher. As renewable energy becomes more prevalent, energy storage will help to create a more resilient grid.

Although battery prices have been decreasing steadily over the last several years, energy storage can be expensive to attain. Currently, there are 25 gigawatts of electrical energy storage capacity in the U.S., and many experts expect capacity to grow.



Energy storage plays a crucial role in incorporating renewable energy into our electric grid. Photo by Dennis Gainer

West Central Electric Cooperative 2020 Attorney's Report



David Larson

Attorney

In June, my father, John W. Larson, died. He was the second attorney for West Central and did a lot of the work in starting West Central while working for M. Q. Sharpe, who was the first West Central attorney.

In looking back at work done by my father, I realized that apart from our brief role in announcing the results of the director election, most of you have no idea what the co-op's attorney does. This year I thought I would take the opportunity to tell you a little about that.

Making Sure The Rules Are Followed:

As a legal entity, rural electric West Central is a creature of the law. It exists under a special section of the South Dakota Code and its actions are controlled by South Dakota law, its Articles of Incorporation, by-laws, and board policies. In addition, because the co-op is financed by a series of loans from the Rural Utilities Service, the co-op is also subject to numerous federal laws, rules and regulations, and the requirements of the government's mortgage, all of which must be complied with in its day-to-day operations.

As the co-op's attorneys, we are required to monitor and certify that all the laws, rules, and regulations are complied with. Because of that, we review all official actions, and attend most monthly board meetings, to ensure that all the various rules and requirements are followed.

Doing that requires us to have a range of specialized knowledge beyond what the typical lawyer would have, and to maintain that knowledge, we update our training annually.

Democratic Governance:

One of the key principals of cooperative law is that the cooperative be democratically governed. That means that the co-op is to be governed by a board elected by the members, and the board officers are to be democratically elected by the board.

As the co-op's attorneys, we oversee both the director elections and the officer elections, drafting. We oversee and approve meeting notices, ballots, and supervising the election process itself.

Right of Way and Property Issues:

To provide electricity to our members, the co-op must run wires. To run wires, the co-op must obtain and protect easements. As the co-op's attorneys, we are responsible for working with staff to see that easements are properly obtained and documented.

When necessary, we are also responsible for taking action to protect those easements from interference and encroachment. Protecting the co-op's easements from encroachment is an important safety issue, since failure to respect the co-op's easement can lead to injury or death.

We also work with the cooperative in acquiring, protecting, and managing its offices, substations, and communications tower facilities.

Contract Issues:

Virtually everything the cooperative does is governed by a contract of one type or another, from the purchasing of the electricity it sells to you, to your membership agreement itself. We either review or prepare all these contracts, from the co-op's power supply contracts, wheeling agreements, labor agreements, construction contracts, purchase agreements, leases and easements.

Employment Issues:

Because West Central's line crews are unionized, the co-op is required to work with the crew's union in negotiating wages and working conditions, as well as working with the union on issues involving specific employees. As the co-op's attorneys, we are engaged in all those negotiations and interactions.

Day-to-Day Operations:

As the co-op's attorneys, we are the principal adviser to the co-op's manager in nearly all day-to-day operations. Most people and businesses have little to do with their lawyers until they run into legal trouble. The cooperative cannot afford to operate that way. In managing a cooperative, the goal is to anticipate issues before they become problems and to make sure they do not become problems. For that reason, as co-op attorneys, we are on call to the cooperative's manager 24/7 to discuss any issue that may have legal implications.

Most people, including new directors, are surprised to learn that we generally work with the manager and staff two to three times a week to advise on issues facing the cooperative and assisting them in making sure things are done correctly. In fact, the things you see us doing at meetings is just the small tip of a very big iceberg.

Special Relationship:

It isn't possible to do all of that without establishing a special relationship with the cooperative and the people working for it. You can't properly represent a cooperative without the work being an important part of your life. Even though it has been nearly 30 years since my father turned the work of West Central over to me, in every conversation I had with him over the last 30 years, until the day he died, he has asked, "How are things going at West Central?"

Statement of Revenue and Expenses

FOR THE YEAR ENDING DECEMBER 31, 2019

Operating Revenues	2019	2018
Farm and Residential	\$9,479,083	\$9,363,603
Small Commercial	2,001,984	1,935,557
Large Commercial	5,173,091	4,825,439
Irrigation	54,097	82,454
Street Lighting	294,034	298,076
Sales to Others	280,389	274,571
Miscellaneous Electric Revenue	542,635	559,985
Total Operating Revenue	17,825,313	17,339,685
Operating Expenses		
Cost of Power	9,194,505	8,855,932
Operation and Maintenance Expense	2,560,913	2,427,827
Consumer's Accounting and Collecting	321,405	297,679
Electric Sales and Promotion Expense	264,266	321,368
General and Administrative Expense	1,765,276	1,724,239
Property Insurance Expense	63,879	63,353
Maintenance of General Property	118,050	89,355
Taxes	249,718	174,731
Depreciation and Amortization Expenses	1,679,406	1,652,372
Interest on Long-term Debt	988,957	972,087
Total Operating Revenue		
Deductions	17,206,375	16,578,943
Net Operating Margins	618,938	760,742
Interest Income	247,930	196,055
Generation and Transmission Capital Credits	353,744	1,159,611
Other Nonoperating Income	83,029	124,243
Net Margins for the Year	\$1,303,641	\$2,240,651

Balance Sheet

DECEMBER 31, 2019

What We Own	2019	2018
Total Cost of Electrical System (After Depreciation)	\$34,471,108	\$33,526,423
Other Investments	9,515,481	9,450,794
Cash and Cash Equivalents	660,620	1,806,280
Temporary Cash Investments	2,003,545	588,229
Receivables Less Reserves	1,957,529	1,994,813
Notes Receivable - Current Maturities	48,700	40,500
Materials and Supplies on Hand	1,274,887	1,066,591
Advanced Payments on Insurance, Etc.	39,362	43,225
Deferred Debits	301,145	402,189
Total Assets	50,272,377	48,919,044
What We Owe		
Total Borrowed from RUS, CFC and FFB	42,209,712	40,062,712
Total Paid on Loans	(14,284,842)	(13,002,226)
Balance Owed RUS, CFC and FFB	27,924,870	27,060,486
Accounts Payable and Other Liabilities	3,495,595	3,638,540
Margins and Equities		
Net Margins Prior Years	12,064,735	10,876,442
Margins for Current Year	1,303,641	2,240,651
Other Equities	5,483,536	5,102,925
Total Liabilities and Equity	\$50,272,377	\$48,919,044

The financial statements of West Central Electric Cooperative, Inc., were audited by Eide Bailly, LLP, Certified Public Accountants of Sioux Falls, S.D. A copy of the complete audit report is available for review at the cooperative headquarters.



Life on farms and in small towns changed for the better when electric co-ops brought power to the countryside.

CO-OP HISTORY

Co-op legacy provides a road map to success

Billy Gibson

editor@sdrea.coop

On Nov. 29, 1935, a handful of local farmers huddled together in a nondescript general store near Vermillion.

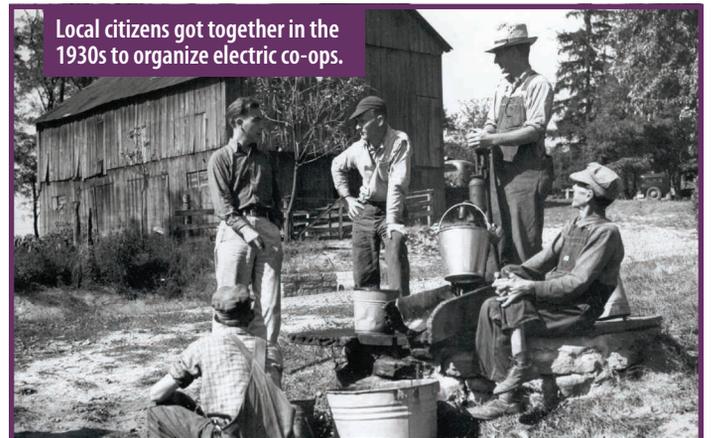
They knew that six months earlier President Franklin Roosevelt had signed an executive order creating the Rural Electrification Administration (REA). They knew the purpose of this new federal entity was to provide low-interest loans so that small communities all across the nation could build the power delivery infrastructures required to bring power to the countryside. And they knew this would be their best opportunity to accomplish something for themselves that the for-profit corporate utilities were unwilling to do: energize rural America. They were all in.

While there were a few fits-and-starts along the way, what emerged out of that meeting was South Dakota's first rural electric cooperative, Clay-Union Electric Corp.

Meanwhile, this exact scenario was being replicated in other small towns and villages from coast-to-coast as the rural electrification movement gained momentum and transformed the lives of millions. From those humble beginnings, the movement has swelled to more than 900 locally-owned and locally-controlled cooperatives serving 42 million Americans in 47 states.

The improbable feat of individuals coming together, organizing, planning and building such a vast power delivery system through the most sparsely populated and inhospitable landscapes has been recognized as one of the country's crowning achievements.

America's electric cooperatives take a great deal of pride in their legacy of service, their spirit of independence, their ability to work together for a common purpose and their democratic system of control and decision-making. It's a system rooted in the



Local citizens got together in the 1930s to organize electric co-ops.

very ideals that made the country great.

So why should today's generation care about this legacy?

Dan Lindblom thinks he knows. Lindblom, along with his fellow co-op leader Verdon Lamb, recently received the South Dakota Rural Electric Association's (SDREA) Legacy of Leadership Award for 2020. He said the rich history of the cooperative movement is important because it provides a model for success that both current and future generations can use to overcome obstacles and challenges, to help navigate through difficult and seemingly intractable situations.

Having served 27 years on the board at Black Hills Electric Cooperative in Custer and 23 years on the SDREA board, Lindblom certainly knows about how to approach difficult dilemmas. As a statewide board officer, Lindblom found himself in the middle of many imbroglios and political squabbles over the decades.

Whether the battleground was in Pierre or Washington, Lindblom fought to protect the interests of electric cooperative



Co-ops led the way in energizing rural America and today lead the way in developing new technologies such as electric vehicles.

members through a wide range of issues such as service territory disputes, state and federal environmental regulations, taxation, transportation and more.

In the process, he learned the art of compromise and the virtue of demonstrating mutual respect. He recalls the not-too-distant past when political



Co-ops improved the lives of all citizens in their communities.

opponents maintained personal, respectful relationships despite any ideological or policy differences they may have had. He also learned the meaning of the old axiom, “United we stand, divided we fall.”

“Speaking with one voice pays off, especially in the political arena,” Lindblom said. “We had situations where an issue may impact one or two co-ops, but we all had to stand together to provide the strength we needed to win. It’s a difficult decision to engage in a fight when you think you don’t have a dog in the hunt, but it’s necessary if you’re going to do what’s good for co-op members across the state. The next time, it may be your issue that comes up and you’ll need the support.”

Lindblom said the secret sauce of success is adopting a posture of give-and-take while standing in solidarity behind a set of shared values.

Verdon Lamb, the other 2020 Legacy of Leadership recipient, served 40 years on the board at Codington-Clark Electric Cooperative in Watertown and also served on the SDREA board. He said the history of the electric co-op movement is a prime example of what can be accomplished when people work together.

“It’s about leadership, sacrifice and working in harmony to do something that’s worth doing for other people,” Lamb said. “I always felt it was worth the sacrifice of giving up my personal time and my farming time to represent the members who put their faith in me and elected me to serve on the board.”

While some say the sense of community, sacrifice and selflessness are lost on the current generation, Lamb said he has hope that young adults will come to understand those ideals exemplified by electric co-ops.

“You know, people said the same things about us when we were kids,” said Lamb, who graduated from high school in 1953. “They said we weren’t going to amount to much, but we turned out okay.”

Chris Larson is manager at Clay-Union Electric Corp., where South Dakota’s electric cooperative system began. He pointed out that the legacy of electric cooperatives is rooted in friends, family and the community. Because cooperatives have always been owned, operated and controlled independently, and have always been geared for local service, they demonstrate the power of human connections and the strength that comes with

teamwork. He said this is especially clear to see as cooperatives and their members deal with the coronavirus pandemic.

“When times get tough, you look to your family and friends, and those are the people who make up our cooperative,” Larson said. “Cooperative communities work together to accomplish things that would be impossible to do alone. That’s what the cooperative legacy is all about, and we see how it lifts us up and sustains us through troubling times.”

Larson said electric co-op history points back to a time in the 1930s when the country was racked by a slumping economy. Co-op organizers went door-to-door to rally support and ask for a membership fee. It was money that many households simply didn’t have. He noted that the first attempt at forming the co-op failed because the start-up funds weren’t there. But by working together and staying focused on the goal, the community accomplished the mission of energizing homes, farms, schools and businesses.

“Friends and families in the Clay County area pulled together and found a way to improve the quality of life for all,” Larson said. “The result is that today we provide power to water districts, banks, grocery stores, elevators, hotels, ag supply stores and more. Electricity is the life blood that makes our local economy run. That’s why our history is so important – it shows the possibilities of what can be done. It’s a road map for achieving what some think is impossible. That’s a message we can all learn from and has no expiration date.”

Larson said that by being attentive to the legacy of electric cooperatives, members of the younger generation can make a real difference in the future of the country.

STAFF



Jeff Birkeland
CEO/General
Manager

Scott Kittelson
Manager of
Operations

Kit Talich
Staff
Engineer

Seth Geigle
Line
Superintendent

Jessie Tucker
Manager of
Member Services

Rob Kaiser
Staff
Assistant

Jill Rankin
Office
Manager



Cindy O'Hern
Billing Supervisor

Stephanie Hesse
Accountant

Carrie Lolley
Administrative Asst.

Joni Moore
Member Services

Jade Konst
IT Coordinator

Philip			Presho				Midland	
Rhett Bothwell Journeyman Lineman	Greg Arthur Operations Assistant	Nathan Drury Foreman	Shane Neiderworder Journeyman Lineman	Derek Wolf Journeyman Lineman	Grady Floyd Journeyman Lineman	Lyle Linderman Foreman	Mike Trapp Foreman	Dustin Vollmer Journeyman Lineman

Murdo							Kadoka
Ryan Anderson Foreman	Dana DesLauriers Journeyman Lineman	Jared Dowling Technician/ Metering Tech	Greg Glaze Journeyman/ Purchasing Agent	Jordan Jessop Journeyman Lineman	Rick Schiley Journeyman Lineman	JayTee Sealey Pole Tester/ Groundsman	Landon Stout Foreman



Mike McQuiston
President
Zone 5
Stanley County



Shad Riggle
Vice President
Zone 5
Stanley County



Ken Miller
Secretary/Treasurer
Zone 2
Jones County



Rich Bendt
Zone 3
Jackson County



Marty Hansen
Zone 4
Haakon County



D.J. Mertens
Zone 1
Lyman County



Kevin Neuhauser
Zone 4
Haakon County



Paul Patterson
Zone 2
Jones County



Jim Smith
Zone 1
Lyman County



Jim Willert
Zone 3
Jackson County



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

September 24-26

Custer State Park Buffalo Roundup and Arts Festival, Custer, SD, 605-255-4515

September 25-27

Coal Springs Threshing Bee Featuring Massey Harris Tractors, Meadow, SD 605-788-2229

September 26

Great Downtown Pumpkin Festival, 526 Main Street, Rapid City, SD, 605-716-7979

September 26

Chamberlain/Oacoma Harvest Festival, Chamberlain, SD, 605-234-4416

September 26-27

Menno Pioneer Power Show, 616 N Fifth Street, Menno, SD

September 26

Wheelin' to Wall, Wall Community Center, Wall, SD

October 2-3

First United Methodist Church Rummage Sale, 629 Kansas City St, Rapid City, SD, 605-348-4294

October 2-3

Oktoberfest, Deadwood, SD, 605-578-1876

October 3

Cruiser Car Show & Street Fair, Main Street, Rapid City, SD, 605-716-7979

October 3

Cowboys, Cowgirls and Cowcatchers Soiree, 6 p.m., South Dakota State Railroad Museum, Hill City, SD, 605-574-9000



Sept. 26
Wheelin' to Wall, Wall, SD,

October 3-4

Marshall Area Gun Show, Red Baron Arena, 1651 Victory Dr., Marshall, MN, 507-401-6227

October 3-4

Harvest Festival, Harrisburg, SD, 605-743-2424

October 3-18

Pumpkin Festival, Canton, SD, 605-987-5171

October 10

Annual Fall Festival, 4-6 p.m., Fairburn United Methodist Church, Fairburn, SD 605-255-4329

October 10

Groton's 5th Annual Pumpkin Fest, Groton City Park, Groton, SD, 10 a.m. to 3 p.m. Lunch Served 11 a.m. to 1 p.m.

October 10-11

Pumpkin Festival, 27249 SD Hwy 115, Harrisburg, SD, 605-743-2424

October 24

Ladies Day Shopping Extravaganza, The Crossing Bar, Mina, SD, 11 a.m. to 4 p.m.

October 29-30

Helping with Horsepower's Phobia - A Haunted Trail, Reclamation Ranch, 40789 259th St., Mitchell, SD, 7-11 p.m. 605-770-2867

October 31-November 1

Dakota Territory Gun Collectors Assn. Sioux Falls Classic Gun Show, 3200 W Maple St. Sioux Falls, SD, 605-630-2199

November 7

Silver Star Bazaar, Lake Norden Community Center, Lake Norden, SD, 9 a.m. to 5 p.m.

November 7

Helping with Horsepower's RibFest, 4 p.m., Reclamation Ranch, Mitchell, SD, Contact mattcarter1421@gmail.com to Register Your Team

November 14

Annual Holiday Extravaganza, Sisseton Area Merchants and Crafters, Sisseton, SD, 605-698-7425

November 21-22

Winterfest: A Winter Arts Festival, 203 S Washington Street, Aberdeen, SD, 605-226-1557

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.