


West River Electric

A Touchstone Energy Cooperative 

Cooperative Connections

OCTOBER 2011 VOL 47 NO. 10

CO-OP IMPACT Pg 8

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WEST RIVER ELECTRIC

– General Manager & President’s Message –

2011 WREA Annual Report



As we get ready for our annual report to the membership, we are reminded of a question: “Why is a car’s windshield so large and the rear view mirror so small?” The answer is: “the PAST is not as important as the FUTURE; so look ahead and move on.” That being said, we are reminded of the value we have provided our members in the past but realize that

our Board and management must think of looking through that windshield to make sure we are providing value and getting the most from every dollar you spend for electricity.

Thanks in a large part to our Board, management, and employees, we had a successful 2010 and continued our tradition of adding value to everything we do. We have had a very busy year with several large projects completed and several more started. We continued to see slow growth in kilowatt hour sales but added a good number of new accounts. We have seen growth around the I-90 corridor near Rapid City and Box Elder along with public infrastructure building needs. However, housing starts in 2011 have slowed considerably.

For 2010, our kWh hour sales increased 1.7% with revenues growing 5.2% from 2009. We added 473 new accounts during 2010. Approximately 175 of those were the new Mountain View Apartments off Elk Vale Road in Box Elder. Our total margins were strong for 2010 at \$1.3 million. We were able to put some money back into our revenue deferral account. The Board has utilized this revenue deferral account to help stave off large rate increases and help cushion the impact of bringing the branch office onto our books. We are hopeful that our growth will help shield any large increases when the revenue deferral is exhausted.

Our Board recently authorized a general retirement to our members of capital credits in the amount of \$300,000. Half of the retirement will go to a portion of the credits earned in 1984 and the remaining amount will be spread over all the remaining years yet to be retired. For this year, we will continue to put the retirement as a credit on your October 1 electric bill. Be looking for that retirement on your next billing and see the value of being a member-owner of your cooperative.

Yes, we are in the new branch office in Rapid City! We have talked about this project in our reports since the late 1990s. The decision was finally made in 2009 to bid and start construction. We were able to move into the building on January 7, 2011. It was a very happy day for our employees who endured some difficult working conditions in the old office. Looking in the rear view mirror, there are some things we would have changed

but looking out the windshield to the future, we are well set to conduct business for the next 55 years like we did with the old building. We still have some clean up issues to contend with but overall it went very well. Our second floor of the building is actively being marketed for lease in hopes we can rent it to someone until such time as our growth needs necessitate we move into the second floor.

One of our concerns as we look out the windshield still lies in the legislative and regulatory arena. We had predicted at the beginning of the year that there would be no energy bill by year end that would give us a clear path on the road. Instead it continues to be a blizzard of politics such that it is very difficult to see out the windshield at all. Instead of Congress legislating new rules, EPA has taken it upon themselves to administratively regulate our industry, along with many others. At a recent presentation, Bill Bradley & Jeb Bush hotly debated the state of the United States. Bill Bradley said it best: we must take a chill pill on regulation or it is going to choke this country. If the pace of regulations towards the electric industry continues at the current pace, we can expect very large power cost increases as we move forward. EPA needs to stop and take each new and existing regulation and look in the mirror to see what the overall impact has been to our economy before continuing to drive down the road recklessly.

Keeping rates low continues to challenge our Board each and every corner that we turn on. Our Board recently developed a 5 year rate strategy. The basic premise of the strategy is to try and recoup more of our fixed costs per service while trying to lessen the dependency on kWh sales revenue to recoup those costs. However, be sure to listen to our annual meeting speech to see what value electricity brings to your life each day for the cost of a kWh.

So as you can see, we are easily seeing some challenges like have never been seen in the electric industry. However we remain optimistic that we can drive on looking out the windshield to the future and provide value to our member owners as we have done the past 72 years. On behalf of the Board, management, and employees of West River Electric, we thank you for your patronage that contributed to WREA’s continued strength. We also extend an invitation for you to attend our annual meeting to be held on October 8, 2011 at the Wall Community Center starting at 10:00 AM. We are changing the order of the meeting slightly in format to accommodate your schedules. We are having a late morning meeting, then our traditional lunch at local restaurants, then you are free to have your afternoon to yourself. Come and help us show you the value your cooperative provides.

Jerry Hammerquist
West River Electric Association
President, Board of Directors

Dick Johnson
West River Electric Association
CEO/General Manager

2011 ANNUAL REPORT

West River Electric Cooperative Connections

(USPS No. 675-840)

Our Mission

To inform you about your cooperative and its efforts to serve your energy needs; about how to use electricity safely and efficiently; and about the people who define and enhance the quality of life in communities served by electric co-ops.

President

Jerry Hammerquist, Caputa, S.D.

Vice President

Richard Richter, Enning, S.D.

Secretary

Bill Bielmaier, Wall, S.D.

Treasurer

Larry Eisenbraun, Wall, S.D.

Directors

Howard Knappe, New Underwood, S.D.

Andy Moon, Creighton, S.D.

Marcia Arneson, Rapid City, S.D.

Marion Wilson, Rapid City, S.D.

Stan Anders, Union Center, S.D.

CEO/General Manager

Dick Johnson

Editor

Veronica Kusser

West River Electric Cooperative Connections is the monthly publication for the members of West River Electric Association. Members subscribe to Cooperative Connections as part of their electric cooperative membership for \$6.00 a year. West River Electric Cooperative Connections purpose is to provide reliable, helpful information to electric cooperative members on matters pertaining to rural electrification and better living. Nonmember subscriptions are available for \$12.00 per year. Periodicals Postage Paid at Wall, S.D., and at additional mailing offices. POSTMASTER: Send address changes to West River Electric Cooperative Connections, PO Box 412, Wall, SD 57790-0412.

Other correspondence to: West River Electric Cooperative Connections, PO Box 3486, Rapid City, SD 57709; telephone (605)393-1500, Exts. 6617, 6631 or 6619; fax (605)393-0275; e-mail vkusser@westriver.com

Design assistance by:

TDG Communications, Inc. Deadwood, S.D.



Call before you dig: All underground cable location requests for the entire state of South Dakota are made through the South Dakota One-Call System. The number is toll free, 1-800-781-7474

(dial 811 instate). You are required to provide this one-call center with information regarding the location where you will be digging, along with a description of the type of work you will be doing. You are required to give at least a 48-hour notice before you dig. The one-call center will then notify all utilities with underground facilities in the area where you will be digging.

Notice of Annual Meeting of Members of West River Electric Association, Inc. Wall, South Dakota

The annual meeting of members of West River Electric Association, Inc. will be held at 10:00 a.m. on Saturday, the 8th of October 2011, at the Wall Community Center, in the town of Wall, County of Pennington, State of South Dakota, for the purpose of:

1. Receiving reports of officers, directors and committees;
2. Electing one director from each of the (3) districts for a term of three (3) years to replace those directors whose terms expire;
3. Approving, ratifying and confirming all the acts of the Directors of the Association and its officers taken prior to this annual meeting;
4. Transacting any and all business which may be necessary, convenient or desirable in connection with any of the foregoing at said meetings or at any properly scheduled adjournments hereto;

Dated at Wall, South Dakota, this 20th day of September, 2011

William Bielmaier, Secretary, West River Electric Association, Inc.

This form is to designate the voting delegate of an organization. This form should be completed and signed by an officer of the organization and brought to the meeting.

Authorization To Vote For An Organization

Non-individual members of West River Electric Association, Inc., such as school districts, towns, churches, corporations, etc. may vote at our Annual Meeting by completing this form and presenting it at the registration desk on October 8, 2011. Each member organization should designate a representative who is an officer, or stockholder, or member of their organization. This form must be signed by an officer of the governing body.

Authorization To Vote

This is to certify that _____ is hereby designated the delegate to West River Electric Association, Inc. Annual Meeting on October 8, 2011, from _____ whose address is _____ Named delegate is authorized to vote on all issues that may come up at the meeting, including election of directors.

Organization _____
By (title) _____

72ND ANNUAL MEETING Saturday, October 8, 2011 Wall Community Center

9:00 am Registration Opens

10:00 am Business Meeting

Door Prizes

FREE Babysitting Available

FREE Lunch

Special Accommodations Needed?

If you are disabled and need special accommodations to be a part of the Annual Meeting, call (605) 279-2135 or 888-279-2135.

Keep Your Computer Running Like New



When you bought your computer you more than likely loved the performance it had. But after a few weeks you start to notice the slow startups and the time lagging in opening applications and later you are just frustrated

about it all and want to buy a new computer again. Until you realize that buying a new computer is not going to always solve the problem and can be quite costly.

1. Clean up your Temporary Files

Download CCleaner or go to your Start Menu – Programs – Accessories – System Tools – Disk Cleanup. This is an application that will help clean up your temporary files, cookies, etc. from your PC. What are those? These are things that are not important at all and removing them will not cause any problems to your computer. Go ahead and analyze and run the cleaner. Your useless files will be removed keeping your Disk Clean.

2. Clean up your programs

Now you can go to the tools setting and you will find a startup tab, which has all the programs which open automatically at the time of startup of your PC. Just check the program which you want to remove from the startup. Lesser the programs at the time of the startup, faster the PC starts.

3. Do NOT download everything on your desktop

Yes, there are times you are in a rush and you end up downloading your file to your desktop. Yes, this DOES make your PC slow. Don't keep your desktop over crowded.

4. Defragment your hard disk regularly

This process will make your Hard Disk use the spaces left between the files. Go to your start menu – Programs – Accessories – System Tools – Disk Defragmenter.

5. Keep your Recycle Bin clean

After you delete files from your system, these files go to the Recycle bin, which still uses the disk space on your Hard Disk. Make it a habit of cleaning the bin out daily.

Source: Btinet.net

Farm Shop Safety

Service and maintenance tasks can often lead to serious injury. The farm shop and the field are the primary locations where repair operations are completed. Make sure your farm shop is part of a farm safety solution, not a problem.

- Organize your workshop so that everything has a designated place. Make sure items are secure so they will not fall on anyone.
- Clean walkways to reduce trips and falls.
- When working on agricultural equipment, make sure that the equipment is turned off, all rotating parts have stopped moving and safety locks are put in place.
- Keep all guards and shields in place on power equipment.
- Use hand tools only for their intended purpose.
- Equip your shop with Ground Fault Circuit Interrupters to help prevent electrical shock.
- Make sure your shop is well lit. If the shop is heated, ensure it is properly vented and that flammable liquids are kept out of the shop area.
- Wear personal protective equipment (PPE) when performing repair jobs. Standard PPE for a farm shop should include leather gloves, chemical-resistaynt gloves, safety glasses, face shields, earplugs or muffs, steel-toed boots, respirators, hard hats, protective aprons and welding shields.

Inspection

- Are electrical cords undamaged?
- Is an appropriate fire extinguisher present and operable?
- Is a fully supplied first aid kit available?
- Are guards and shields in place?
- Are walkways clear of debris?
- Are chemicals stored in a locked cabinet?

Source: www.necasag.org

Kids' Corner Safety Poster

"Watch for 'Utility Work Ahead' signs."



Libby Kramin, 9 years old
 Libby is the daughter of Dan and Jill Kramin, Olivia, Minn. They are members of Renville-Sibley Cooperative Power Association, Danube, Minn.

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.

Pasta Perfection



Chicken Noodle Casserole

- | | |
|--|---|
| 1 can cream of chicken soup | 1/4 cup green pepper, diced |
| 1/4 cup mayonnaise | 1 cup shredded Monterey Jack cheese, divided |
| 1/4 cup sour cream | 1 cup shredded sharp Cheddar cheese, divided |
| 1 tsp. lemon juice | 12 oz. medium egg noodles, cooked and drained |
| 2 cups cubed, cooked chicken | |
| 3 T. chopped onion | |
| 1 small carrot, diced and added to noodles while they cook | |

Combine soup, sour cream, mayonnaise and lemon juice. Add chicken, onion, pepper, 1/2 cup Monterey Jack cheese and 1/2 cup Cheddar cheese; mix well. Add noodles, cooked carrots; toss to coat. Transfer to greased, 2-quart dish. Bake, uncovered, at 350°F. for 30 to 35 minutes. Sprinkle with remaining cheeses. Bake an additional 10 minutes or until cheese melts.

Carrie Mikkonen, Mount Vernon
Cooperative Connections

Macaroni Ring Fruit Salad

- | | |
|---|--|
| 1 (16 oz.) box ring macaroni, cooked and cooled | 1 small jar maraschino cherries, drained |
| 1 (16 oz.) can crushed pineapple, drained | 2 cups miniature marshmallows |
| 1 large can mandarin oranges, drained | Dressing: |
| 1 (16 oz.) can fruit cocktail, drained | 4 eggs, beaten |
| | 1 cup powdered sugar |
| | 1/2 cup lemon juice |
| | 1 cup Cool Whip |

Toss together pasta, fruit and marshmallows. Combine eggs, powdered sugar and lemon juice; cook until thick. When cool, pour over pasta/fruit mixture. Let stand overnight in refrigerator. Add Cool Whip before serving.

Mary Jessen, Holabird
Cooperative Connections

Lasagna Macs

- | | |
|---|---------------------------------|
| 1 lb. ground beef | 1/2 cup shredded Cheddar cheese |
| 1 small onion, chopped | 1 cup cottage cheese |
| 2 cups macaroni, cooked until almost tender | 1 T. onion salt |
| 1 cup tomato paste | 1/2 tsp. garlic salt |
| 2 T. ketchup | |

Brown ground beef with onion; drain. Mix together all ingredients; place in lightly oiled oven-safe dish. Bake, uncovered, at 350°F. for 20 to 25 minutes.

Carol Mizera-Amick, Lead
Cooperative Connections

Slow Cooker Lasagna

- | | |
|---|--|
| 1 lb. Bob Evans Italian Sausage Roll | 3 cups shredded mozzarella cheese, divided |
| 1 (9 oz.) pkg. no-boil lasagna noodles, broken into 2-inch pieces | 2 (26 oz. each) jars pasta sauce |
| 12 oz. ricotta cheese | 1 T. dried parsley |

Spray interior of slow cooker with non-stick vegetable spray. In skillet over medium heat, crumble and cook sausage until brown. Place in slow cooker. Add noodles, ricotta, 2 cups mozzarella, pasta sauce and parsley. Stir gently to combine. Cover and cook on low for 4 to 6 hours. Five minutes before serving, top with remaining 1 cup mozzarella cheese. Cover to melt cheese. Makes 6 servings.

Nutritional information per serving: Calories: 755; Total Fat 44g; Saturated Fat 18g; Cholesterol 81mg; Sodium 2154mg; Total Carbs 42g; Dietary Fiber 5g; Protein 44g

Pictured, Cooperative Connections

Turkey Pasta Salad

- | | |
|---------------------------------------|--------------------------|
| 1 (7 oz.) pkg. macaroni rings, cooked | 1/2 cup snipped parsley |
| 3 cups cubed turkey | Peas or cheese, optional |
| 1 carrot, grated | Dressing: |
| 1 cup diced celery | 1-1/2 cups mayonnaise |
| 1 medium onion, diced | 1/4 cup lemon juice |
| 1/2 cup sliced radish | 1/2 cup sugar |
| 1/2 cup diced green pepper | 1 tsp. salt |
| 1/2 cup sliced green olives | Dash pepper |
| | 1 tsp. seasoning salt |

Combine macaroni, turkey and vegetables. Blend together dressing ingredients. Pour dressing over salad; toss lightly.

Shirley Schuld, Sioux Falls
Cooperative Connections

Hamburger Kraut Hot Dish

- | | |
|--------------------------------------|------------------------------|
| 1 lb. ground beef | 1 can cream of mushroom soup |
| 1 small onion, chopped | 1 can cream of celery soup |
| 1 (16 oz.) jar sauerkraut with juice | 3/4 can of water |
| 1 (5 oz.) pkg. noodles, uncooked | Mozzarella cheese |

Brown ground beef with onion; drain. Spread in a 9x13-inch pan. Pour sauerkraut over meat. Sprinkle uncooked noodles on top. Heat soups and water together; pour over meat/noodles. Cover with foil and bake at 350°F. for 30 minutes. Uncover and sprinkle with cheese. Bake an additional 30 minutes.

Joy Hagen, Webster
Cooperative Connections

Please send your favorite wild game and holiday treat 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 2011. All entries must include your name, mailing address, telephone number and cooperative name.

WEST RIVER ELECTRIC

2010 ANNUAL MEETING
FEATURED SPEAKER

VIC SIMMONS

Vic Simmons, was born and raised in eastern South Dakota. After college, marriage, kids, and a job with a municipal power supply group, Vic and Barb loaded the kids in the covered wagon and headed west. They got as far as Rapid City before fate and the hard winter of '85 brought Vic to Rushmore Electric Power Cooperative.



Vic has worked on many different projects in over 25 years with the cooperative. In 1998, the Board of Directors had a weak moment and hired him as the General Manager.

Vic and Barb have raised three daughters and are currently spoiling the four grand children as much as possible. When he's not keeping the power flowing in western South Dakota, Vic enjoys hunting, camping, and a little wild ride on his motorcycle.

Notice of Nomination By The Nominating Committee

Of West River Electric Association, Inc.

Notice is hereby given that the members of the Nominating Committee, at a meeting of the Nominating Committee on May 25, 2011 held pursuant to Section 4, Article IV of the bylaws of West River Electric Association, Inc. nominated the following individuals for the position of Director, to be voted on at the October 8, 2011 Annual Meeting from the following Districts:

District No. 1: Consisting of the area served by the cooperative in Pennington County, South Dakota, West of the Cheyenne River. **Jerry Hammerquist**

District No. 2: Consisting of the area served by the Cooperative in Meade and Ziebach counties, South Dakota. **Richard Richter**

District No. 3: Consisting of the area served by the Cooperative East of the Cheyenne River. **Larry Eisenbraun**

You are further notified that the above nominations are made for the position of Director for a three year term to fill the term of the expiring Director, and that one individual from each district will be elected at the October 8, 2011 Annual Meeting of the Association.



Your electric cooperative of the future.

Your local Electric Cooperative is adapting to a changing world by embracing the latest technologies to improve efficiencies and hold down costs. By employing innovations such as Demand Response Unit, Remote Metering and Smart Grids, together we're empowering our members and providing the safest, most efficient, lowest-cost electric energy to South Dakota. For more information, go online at TogetherWeSave.com.

We're All in This Together.



West River
Electric Association
Wall 605-279-2135
Rapid City 605-393-1500



Your Touchstone Energy® Cooperatives

2011 ANNUAL REPORT

Nominations For Board of Directors



Jerry Hammerquist
District 1

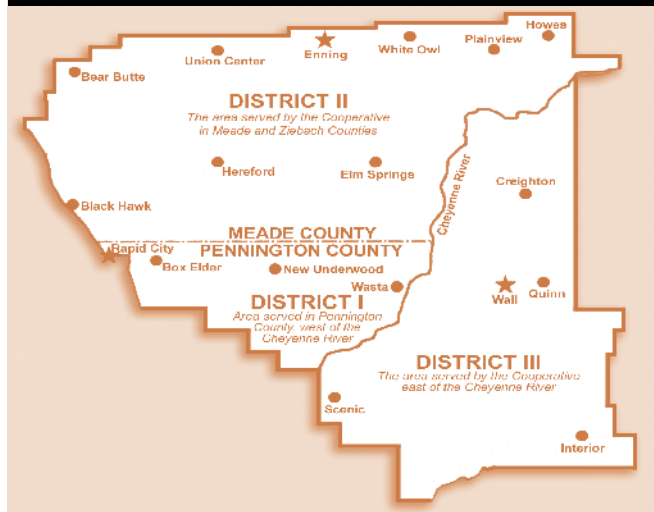
Jerry Hammerquist is seeking re-election to the board from District 1. Currently, he serves as President for the Board of Directors. Jerry operates a ranch near Caputa. He is a member of the Elks Club, Central States Fair, Western Junior Livestock Show and is involved in many other civic and community activities. He is a past president and director of the Pennington County ASCS and the Pennington County FmHA. He is current president of the Rapid Valley Conservancy District, President of Rushmore Electric and Chairman of ACRE for South Dakota Rural Electric Association. Jerry is a member of the Western South Dakota Buckaroos. He and his wife, Janice, have two grown children.



Richard Richter
District 2

Dick Richter is seeking re-election to the West River board of Directors in District 2. Currently he serves as Vice-President for the Board of Directors. Dick and his son, Neal, operate a cow-calf ranch located 3 miles east of Enning. Dick and wife Nancy, have one other son, Bryce, and 3 grandchildren. Dick has worked in the construction industry and is a former rural elementary teacher. He served on the Central Meade County Ambulance Board during the first three years of its existence. During this tenure as Director, Dick has completed coursework to qualify for the Credentialed Cooperative Director and Leadership Certification through the NRECA. Dick is interested in continuing his service to West River Electric based on his interest in the future of the cooperative in light of the potential changes that may have a dramatic impact on the function and direction of WREA.

Area Served by: West River Electric Association



Larry Eisenbraun
District 3

Larry Eisenbraun is seeking re-election to the District 3 director position. He and his son, Scot, farm and ranch in the Wall area. He has two other grown children, Sam & Chad with nine grandchildren. Larry has served as a Director on the South Dakota Farm Bureau; served as Chairman of the Wall School Board; served as Township Clerk for Rainy Creek Township; is a lifetime member of Emmanuel Lutheran Church serving on various boards, and has served on various West River Electric planning committees and various other boards.

Voting Regulations

1. Each voter must be a member of West River Electric Association, Inc.
2. Each member has only one vote.
3. For joint memberships, where the service is in the name of two individuals, one of the individuals may vote, but not both, and neither are eligible to have any other memberships.
4. Spouses may both have individual memberships, and under South Dakota statutes, one spouse may vote on behalf of the other, provided that the other has not indicated otherwise at the time of the meeting.
5. Persons casting a vote for a partnership, incorporated business, association, church, school, township or other political body must have a completed authorization. The form is provided on page 3 in this issue.
6. No demonstrations by or for director candidates are allowed in the hall.
7. At registration, the member will be given a slip that will be exchanged for a ballot at the time of voting.

Model for Growth

Cooperatives
are raising
the bar.

by Brenda Kleinjan

A STUDY ON COOPERATIVES OF ALL TYPES in Minnesota is making an argument that the cooperative form of business can be an important model for economic growth.

“At a time when small business growth is critical to moving Minnesota’s economy forward, co-ops provide entrepreneurs a tremendous advantage in starting up and growing,” wrote Lee Egerstrom, Economic Development Fellow at Minnesota 2020 in the report “Cooperatively Moving Minnesota Forward.”

The report authored by Egerstrom, based in part on research from the University of Wisconsin’s Center for Cooperatives’ research, examined how cooperatives have worked to move Minnesota forward and how they work in international economies.

The April 2011 study found that cooperative businesses headquartered in Minnesota accounted for about \$1.5 billion in wages on \$33 billion in revenue. The study identified at least 1,016 Minnesota-based co-ops, which employed 42,000

Minnesota Co-ops

National Rank	Co-op firm	Most Recent Annual Revenue	Most Recent Assets	Home base
1	CHS Inc.	\$25.7 Billion	\$7.9 Billion	Inver Grove Heights
2	Land O’Lakes	\$10.4 Billion	\$4.9 Billion	Arden Hills
8	AgriBank FCB	\$3.8 Billion	\$73.8 Billion	St. Paul
10	HealthPartners	\$3.4 Billion	\$1.7 Billion	Bloomington
28	Associated Milk Producers (AMPI)	\$1.4 Billion	\$300 Million	New Ulm
35	American Crystal Sugar Co.	\$1.2 Billion	\$761 Million	Moorhead
59	Great River Energy	\$788 Million	\$3.1 Billion	Maple Grove
95	Watonwan Farm Service Co.	\$500 Million	\$109 Million	Truman

people across 16 industrial sectors. These co-ops, from farming and biofuels to insurance and banking to education and day care hold more than \$91 billion in assets.

The report’s author proclaims Minnesota as the nation’s most cooperatively organized state, noting that four of the nation’s top 10 largest cooperatives are headquartered in the state, including the nation’s two largest co-ops: CHS and Land O’Lakes.

“Co-ops began in the Midwest during the late 1800s as a defensive business strategy for



individual farmers and other small producers looking to overcome market imperfections, such as lack of access to transportation routes, marketing tools and cost-efficient equipment and supplies... In the years since those frontier days, Minnesota in particular has evolved its cooperatives into more progressive business models that provide market advantages for members,” Egerstrom wrote in the report.

“Cooperative business structures provide small-scale producers with the resources to compete with larger more well-established companies,” Egerstrom continued.

Cooperatives are democratically governed, member-owned enterprises buying and selling goods or services. They adhere to seven basic principles, including voluntary and open membership; a mission to educate, train and inform users; and a concern for community.

The report also included information about the United Nations dedicating 2012 as the year for promoting cooperatives worldwide.

The UN’s International Labor Organization in Geneva has summarized co-ops advantages over other types of companies:

- Involvement by a significant group of participants can lead to greater innovation and collaboration within the enterprise.

- Users are members, meaning the cooperative has first-hand information about consumers’ needs, purchasing patterns, habits and expectations

- A cooperative’s structure allows it to enjoy economies of scale.

- Worker cooperatives better motivate employees because of their ownership role.

- Members’ interests are better protected, resulting in better decision making on short-term economic issues and other financial problems.

- The democratic decision-making process means the general direction of the organization tends to be more sustainable and representative of members’ needs.

“No matter how one defines business success and failure rates, cooperatives and their ESOP (employee stock ownership plans) cousins prove to be sustainable, keep businesses anchored in communities and provide secondary benefits for stakeholders that aren’t easily measured,” Egerstrom wrote.

While the report focused primarily on Minnesota and Wisconsin cooperatives, it also included information on surrounding states, including South Dakota.

“Agriculture is coming into unprecedented times,” said Brenda Forman, executive director of the South Dakota Association of Cooperatives in Pierre, S.D. “We continue to be under the highest level of scrutiny for our practices and policies while at the same time gearing up to meet the needs of an ever-growing population for food, fiber and fuel. Cooperatives are raising the bar and will meet those needs.”

“Our unique structure from land to table with one heart in mind enables cooperatives to provide it all,” Forman said.

Minnesota Co-ops

Economic Sector	Number of Co-ops	Wages (millions \$)	Revenues (million \$)	Members (thousands)	Employment (thousands)
Arts & Crafts/Entertainment	16	0.02	0.11	1.04	0.01
Biofuels	10	4.01	288.63	4.80	0.25
Corporate Finance	0	0.00	0.00	0.00	0.00
Credit Unions *	156	n/a	n/a	1,519.51	n/a
Daycare	9	0.00	0.69	0.00	0.01
Education	32	31.69	113.28	0.55	0.75
Electric	44	140.53	1,732.80	681.06	2.89
Farm Credit	4	87.98	3,114.46	17.13	1.00
Farm Supply/Marketing	229	1047.02	27,672.94	187.67	24.91
Grocery & Consumer Goods/Retail	56	52.41	277.24	51.00	1.21
Healthcare	14	2.21	12.58	802.14	10.04
Housing	305	0.00	0.00	0.00	.00
Media	6	0.32	12.57	0.21	0.01
Mutual Insurance	55	77.67	31.24	122.97	0.34
Telephone	15	11.35	94.06	38.78	0.45
Transportation	1	0.00	0.00	0.00	0.00
Water/Waste	64	0.01	1.89	5.26	0.00
Total	1016	1,455.23	33,352.50	3,432.11	41.85

NOTES

* Credit Union data is from Credit Union National Association (<http://www.cuna.org/research/download/factsheet/Minnesota.pdf>)

1. Housing information is incomplete. See (<http://reic.uwcc.wisc.edu/house>) for details.

2. The number of cooperatives given in the tables is the number of firms identified as cooperatives in the study.

3. The financial data is actual reported data from the portion of identified cooperatives that responded to phone calls and surveys.

It does not represent the total activity of the number of identified coops.

South Dakota Co-ops

Economic Sector	Number of Co-ops	Wages (millions \$)	Revenues (million \$)	Members (thousands)	Employment (thousands)
Arts & Crafts/Entertainment	3	0.00	0.00	0.00	0.00
Biofuels	5	10.82	215.67	5.15	0.23
Corporate Finance	0	0.00	0.00	0.00	0.00
Credit Unions *	50	n/a	n/a	247.45	n/a
Daycare	1	0.00	0.00	0.00	0.00
Education	18	1.94	1.65	0.01	0.02
Electric	30	40.89	335.01	125.27	0.87
Farm Credit	0	0.00	0.00	0.00	0.00
Farm Supply/Marketing	95	77.19	1,827.59	65.08	1.87
Grocery & Consumer Goods/Retail	3	0.00	0.00	0.00	0.00
Healthcare	0	0.00	0.00	0.00	0.00
Housing	0	0.00	0.00	0.00	0.00
Media	0	0.00	0.00	0.00	0.00
Mutual Insurance	24	63.81	5.35	4.91	0.01
Telephone	11	0.92	37.41	49.55	0.46
Transportation	0	0.00	0.00	0.00	0.00
Water/Waste	21	0.00	0.04	15.48	0.00
Total	261	195.58	2,422.78	512.90	3.46

NOTES

* Credit Union data is from Credit Union National Association <http://advice.cuna.org/download/factsheet/SouthDakota.pdf>,

1. Housing information is incomplete. See (<http://reic.uwcc.wisc.edu/house>) for details.

2. The number of cooperatives given in the tables is the number of firms identified as cooperatives in the study.

3. The financial data is actual reported data from the portion of identified cooperatives

Cover: The presence of cooperative businesses are visible across the Midwest, such as rural electric cooperatives and grain cooperatives seen here near Wolsey, S.D. In Minnesota, 1,016 co-ops based in that state employ 42,000 people across 16 industrial sectors. These co-ops, from farming and biofuels to insurance and banking to education and day care hold more than \$91 billion in assets.

Opposite: The South Dakota Wheat Growers facility near Aberdeen, S.D., is one of many cooperatives operating in South Dakota. Photo by Brent McCown

WEST RIVER ELECTRIC

BOARD OF DIRECTORS

ANNUAL MEETING MINUTES OCTOBER 9, 2010



Jerry Hammerquist
President, District 1



Richard Richter
Vice President, District 2



Bill Bielmaier
Secretary, District 3



Larry Eisenbraun
Treasurer, District 3

The meeting was called to order by President Jerry Hammerquist at 1:00 p.m. at the Community Building in Wall, South Dakota.

All Veterans in attendance were asked to stand and be recognized.

The membership and all in attendance recited the Pledge of Allegiance.

The National Anthem was sung by Miss Regan Simons, age 6, for the membership.

The invocation was given by Pastor Cheryl Fadley, United Methodist Church of Wall.

Drawings were held for some of the door prizes.

Secretary William Bielmaier reported for Roger Scott, Chairperson of the Credentials and Election Committee, that 305 members of West River Electric Association, Inc. were registered and that a quorum was present at the meeting. At the present, we have a total of 11,615 members.

The Notice of Annual Meeting was read by William Bielmaier, Secretary.

An affidavit of Mailing signed by William Bielmaier, Secretary as filed in the Minute Book September 21, 2010, was read by William Bielmaier.

The minutes of the October 10, 2009 Annual Meeting were presented for approval. President Hammerquist asked for a motion to approve the minutes as presented. A motion was duly made and seconded to approve the minutes as mailed. Motion carried.

President Hammerquist introduced the guests in attendance and the Board of Directors. President Hammerquist thanked Todd Eliason, Assistant General Manager for Rushmore Electric, for the power point presentation for the Annual meeting.

President Jerry Hammerquist and CEO/General Manager Dick Johnson reported on the cooperative. The cooperative has surpassed 15,000 active meters and revenue has increased 11% over 2008. It was announced that we will be conducting a Cost of Service Study and the construction on the new Branch Office, that began on September 15, 2009, will be completed soon with an approximate move in date around Thanksgiving. The Board of Directors had approved \$300,000 for Capital Credit Retirement with one-half going toward the year 1984 and the other half to remaining years and an additional \$100,000 for estate retirements. President Hammerquist and General Manager Johnson spoke of new and near future programs available at WREA; Demand Response Program, TWACS-

AMI (Advance Metering Infrastructure) and the availability of online access to your hourly and daily usage in Spring 2011, Outage Management Software, IVR (Interactive Voice Response) and Prepaid Metering/Billing.

Drawings were held for door prizes.

Allen Nelson, Attorney for West River Electric read the Report of the Nominating Committee from May 26, 2010 based on Section 4 Article 4 of the Bylaws. The Committee nominated Marion Wilson from District I, Marcia Arneson from District II and William Bielmaier from District III.

Allen Nelson gave notice there were no contested elections for Director.

Allen Nelson announced that if any member had not yet registered, they should go and register at this time.

Attorney Nelson asked for a motion to cast a unanimous vote to re-elect Marion Wilson, District I, Marcia Arneson, District II, and William Bielmaier, District III. A motion was made, seconded and carried to cast a unanimous vote.

President Hammerquist thanked the Nominating Committee and the Credentials and Election Committee for their help with this year's Annual Meeting.

Dale Niezwaag, Senior Legislative Representative, External Relation and Communications from Basin Electric, spoke to the membership. Basin Electric is made up of cooperatives with 2.8 million consumers who depend on power derived from coal, oil, natural gas, renewables, nuclear and hydro resources. The goal is to decrease coal dependency, however coal must remain a part of Americas' energy future, but new technology is required. Our future is gas, conservation, clean coal and nuclear resources. He encouraged members to advocate for reasonable legislation and help in investing in environmental controls.

Drawings were held for more prizes.

President Hammerquist called for old business. There was none.

President Hammerquist called for new business. There was none.

Drawings were held for the remaining door prizes and kids drawing.

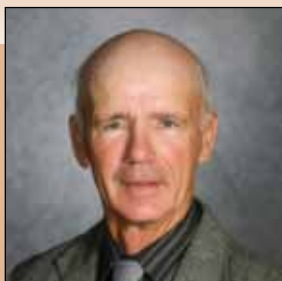
The grand prize winner was Aleta Scott.

The Jackpot prize winner was Ron Anders.

The meeting adjourned at 2:17 p.m.

William Bielmaier, Secretary

2011 ANNUAL REPORT



Howard Knuppe
District 1



Marion Wilson
District 1



Stan Anders
District 2



Marcia Arneson
District 2



Andy Moon
District 3

FINANCIAL REPORT

OUR REVENUE CAME FROM:

	2009	2010
Farms and Ranches	\$ 2,248,578	\$ 2,305,027
Towns	\$13,013,930	\$ 13,582,601
Large Commercial	\$ 3,928,136	\$ 4,333,891
Small Commercial	\$ 2,001,843	\$ 2,047,255
Public, Irrigation, Other	\$ 1,339,363	\$ 1,198,667
TOTAL INCOME	\$22,531,850	\$ 23,467,441

WE PAID FOR:

Power Purchased	\$ 9,884,035	\$ 11,114,307
Maintenance & Operations	\$ 2,575,415	\$ 2,600,372
Customer Accounts & Information Expense	\$ 1,658,257	\$ 1,738,216
General & Administrative	\$ 2,195,801	\$ 2,133,360
Depreciation	\$ 2,275,381	\$ 2,252,382
Interest	\$ 2,075,651	\$ 2,270,592
Taxes & Other Deductions	\$ 561,316	\$ 606,633
TOTAL OPERATING EXPENSE	\$21,225,856	\$ 22,715,862

Operating Margins	\$ 1,305,994	\$ 751,577
Non-Operating Margins - Interest & Other	\$ 110,021	\$ 116,858
G & T & Other Capital Credits	\$ 983,941	\$ 527,486
Extraordinary Items	\$ -	\$ -
TOTAL MARGINS	\$ 2,399,956	\$ 1,395,921

WHAT WE OWN AS OF DECEMBER 31:

*Cost of Our System	\$85,874,072	\$ 96,063,751
Less Depreciation	\$26,080,904	\$ 27,114,239
Depreciated Value of Our System	\$59,793,168	\$ 68,949,512
Cash in Banks	\$ 935,937	\$ 764,031
Other Property & Investments	\$ 9,142,101	\$ 10,118,305
Material & Supplies on Hand	\$ 2,375,567	\$ 2,831,919
**Accounts Receivable	\$ 2,029,995	\$ 2,332,835
Other Assets & Prepaid Expenses	\$ 220,040	\$ 175,449
TOTAL WE OWN	\$74,496,808	\$ 85,172,051

WHAT WE OWE AS OF DECEMBER 31:

Balance of Principal Due RUS	\$21,449,807	\$ 14,837,324
Total We Owe FFB	\$13,409,312	\$ 27,515,676
Total We Owe CFC	\$ 8,073,297	\$ 11,799,618
Long Term Debt-SFAS-No. 106	\$ 599,629	\$ 541,851
TOTAL OWED REA, CFC AND OTHER	\$43,532,045	\$ 54,694,469
We Owe for Taxes, Materials & Other	\$ 4,916,684	\$ 3,136,827
TOTAL WE OWE	\$48,448,729	\$ 57,831,296

OUR EQUITIES

Consumer Deposits	\$ 303,905	\$ 349,761
Patronage Capital & Other Liabilities	\$25,744,174	\$ 26,990,993
TOTAL EQUITIES	\$26,048,079	\$ 27,340,754

TOTAL WE OWE PLUS EQUITY	\$74,496,808	\$ 85,172,050
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*Includes Construction Work in Progress

**All consumers Owe One Month's Bill. Due the 1st of Next Month.

Electric Co-ops Impact State Economy

**Our
cooperatives
have strong
roots in the
communities
and areas they
serve.**

by Brenda Kleinjan

FROM INVESTING IN INFRASTRUCTURE TO PAYING salaries to volunteering at local community events, South Dakota's electric cooperatives play an important role in their communities. And, a South Dakota-based researcher has put a price tag on that economic role. South Dakota's electric cooperatives have nearly a \$250-million impact on the state's economy, a Vermillion, S.D.,-based researcher has concluded. "In terms of total economic activity, the \$248.8 million in expenditures by the 30 South Dakota electric cooperatives generated an additional \$111.3 million in economic activity throughout the state, yielding a total activity or output multiplier of 1.45," wrote Randall M. Stuefen of Stuefen Research, LLC.

Stuefen's research was based on a survey of the economic contribution of South Dakota's 30 electric cooperatives as reported in a 2010 survey of the members of the South Dakota Rural Electric Association in Pierre, S.D. The research is an assessment of the additional economic activity generated by the cooperatives' initial stimulus to the state's economy in 2009. The two generation and transmission cooperatives together with the 28 retail electric cooperatives employ 881 workers full-time and 78 part-time workers.

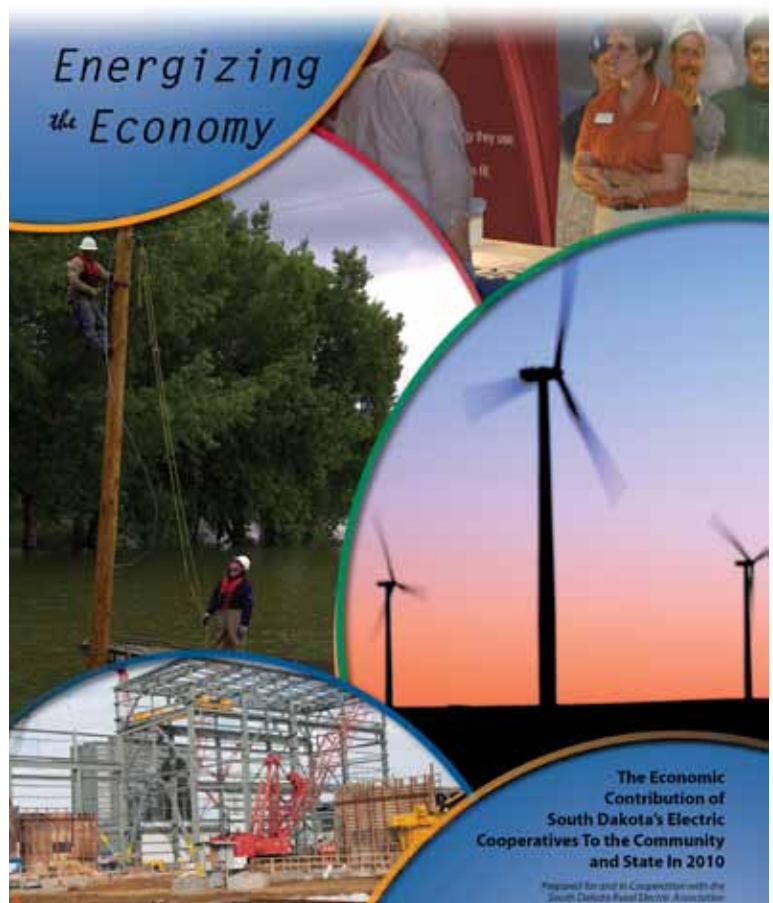
"The initial stimulus from the cooperatives and business linkages throughout the economy create an additional 858 jobs statewide. The employment multiplier for the electric cooperatives using 2009 data is 1.93. For every job created by the electric cooperatives in their businesses, there is approximately nine-tenths of an additional job (0.93) created elsewhere in the state's economy. This is the third such survey that has been conducted of

the economic impact of the state's 30 electric cooperatives.

"New wealth in the economy is created by the electric cooperatives through business linkages and by the payment of wages and salaries to employees in addition to the rebates and capital credits distributed to owner-members," Stuefen wrote. "These payments to employees and members totaled \$66 million in 2009."

He also concluded that the wages and salaries paid to co-op employees allowed those households to generate an additional \$28.4 million of new wealth as that money made its way through the state's economy.

"In the 75 years since the first electric cooperative was established in the state, electric cooperatives have had a tremendous impact not only on



Right: Local cooperatives' Operation Round Up® programs are among the ways that co-ops and their members invest in their communities.

the communities they serve, but also on the state's overall economy," said Ed Anderson, general manager of the South Dakota Rural Electric Association, which commissioned the study on behalf of its members.

"Our cooperatives have strong roots in the communities and areas they serve and this study helps quantify their impact," said Anderson.

Among the study's findings:

- Cooperatives reported generating 3,156 new jobs and retaining 3,006 existing jobs through sponsorship of revolving loan funds.

- During a three-year period, co-ops invested more than \$2.4 million in business and economic development activities.

- Electric co-ops assisted 188 businesses by providing \$48 million in economic and community development loans.

- The state's 959 co-op employees volunteered more than 62,131 hours on volunteer projects in their communities – an average of more than 60 hours per individual. This service was valued at nearly \$1.7 million.

- Since 1995, co-ops have partnered on 215 loans to 183 borrowers totaling more than \$48 million through USDA's Rural Economic Development Loan and Grant Funds.

- Co-ops are helping their members become more energy efficient. From 2007 to 2009, co-ops returned \$8.8 million to cooperative member-consumers as monetary incentives for energy efficiency programs.

- Co-op members reaped the benefits of being owners of their cooperative when \$29.7 million in capital credits was refunded to member-consumers from 2007-2009.

- In 2009, co-ops paid more than \$14.5 million in taxes. Stuefen also noted that businesses throughout the state benefited from the operations of the 30 cooperatives and their spending on goods and services. These businesses in their operations were able to make payments to labor, increase their proprietor's income or distribute corporate profits as a result of their activity linkages with the cooperatives. These payments along with the expenditures of the benefited households increased the state's household income or wealth by an additional \$23.6 million. In total, \$123.6 million of new wealth was created or supported by the state's electric cooperatives for an income multiplier of 1.87.

Electronic versions of the study are available at www.sdrea.coop or by contacting your local electric cooperative.



Survey Summary

South Dakota electric cooperatives and their employees make a significant contribution to the economy of the state. Collectively, they contributed in the following areas:

Cash Contribution to Community and Economic Development

	2009	2007-2009
Business & Economic Development	\$388,303	\$1,235,669
Grants and Loan Funds	\$4,159,242	\$15,905,449
Civic & Community Development	\$59,509	\$161,053
Education	\$411,073	\$1,063,739
Housing	\$100,163	\$322,800
Energy Efficiency Programs	\$2,720,213	\$8,812,334
Charitable Contributions	\$300,801	\$779,220
Other	\$12,594	\$114,638
Total	\$8,151,898	\$28,394,902

In-Kind Contribution to Community and Economic Development

	2009	2007-2009
Business & Economic Development	\$768,250	\$2,427,503
Grant and Loan Funds	\$609,500	\$1,976,500
Civic & Community Development	\$82,899	\$226,470
Education	\$92,138	\$245,814
Housing	\$200,444	\$697,428
Energy Efficiency Programs	\$112,323	\$348,123
Charitable Contributions	\$41,330	\$136,790
Volunteer Time (Estimated)		
at Hourly Rate (Estimated)	\$1,678,220	n/a
Other	\$79,534	\$158,738
Total	\$3,664,638	\$6,217,366

Capital Credits Retired/Refunded

	2009	2007-2009
	\$10,121,826	\$29,691,772

WEST RIVER ELECTRIC

West River Electric Association Employees



ABOVE: Wall Line Crew, Left to Right: Joel Stephens, Wayne Shull, Mike Kroells, BJ Dartt, Michael Herber, and Sanden Simons. Not shown Bill Greiner and Sid Geigle.

TOP: Rapid Line Crew, Back Row Left to Right: Jory Skaare, Sam Lockart, Byron Frank, Alex Nudd, Brendan Nelson, Hadley Lemburg, Tyson Gunn, Mike Oyen, Koozie Johnson and Mike Letcher. Front Row Left to Right: Ron Lauer, Lance Steiger, Dustin Brimm, Ross Johnson, Dave Ladner, Brandon Bisgaard, Frank Dupris, Dwight Peterson, and Matt Schmahl.

TOP RIGHT to BOTTOM RIGHT: Enning Line Crew: Lane Butler & Tyler Arnio. Member Services: Veronica Kusser, Willy Nohr and Robert Raker. Economic Development: Mark Merchen. Rapid City Office, Back Row Left to Right: Amy Thompson, Jannette Thayer, Becky Chihak and Dave Semerad. Front Row Left to Right: Bonnie Almeida, Tracea Ladner, Christine Ritter and Vikki Parsons. Wall Office, Left to Right: Jenny Patterson, Alicia Fortune, John Fortune, Cindy Hauk, Cheryl Walker, Betty Haerer, Jeannie Smith, Roberta Rancour, Debbie Shephard and Dawn Hilgenkamp.

2011 ANNUAL REPORT

Capital Credits Applied To Your Account

Once again this year West River Electric Board of Directors have approved a capital credit retirement in the amount of \$300,000. This money will be distributed to those member-owners who were active on our service during the years 1984 thru 2010. If you opened your account since January 1, 2011 you will NOT receive a capital credit retirement payment.

Again this year we are applying your capital credits to this months' electric bill. By doing this, your member-owned cooperative saves the cost of printing, stuffing and mailing checks. Look for the notice on this months' bill entitled "CAPITAL CREDITS RETIRED 1984 THRU 2010". If you have any questions, please contact our Wall office at 279-2135 or Rapid City at 393-1500.

WREA WILL BE CLOSED: MONDAY, OCTOBER 10, 2011 FOR EMPLOYEE TRAINING

If you have an emergency or an outage please call 393-1500 in the Rapid City area or 279-2135 in the Wall or Enning area to report an outage to our answering service.

Annual Meeting Announcement



West River Electric Annual Meeting to be held Saturday, October 8, 2011 at the Wall Community Center. We will be changing the start time of our Annual Meeting this year. Registration will begin at 9:00 a.m. with the Business Meeting starting at 10:00 a.m.

There will be door prizes during the meeting with a grand prize opportunity at the end. One lucky member will be given the opportunity to win up to \$500.00 by playing the High/Low Game.

After the meeting lunch tickets will be given out and lunch will be served at your favorite restaurant in Wall.

Murphy



Regional Dateline

September 23

Rapid City Office
Member Appreciation Day
West River Electric Assn
Rapid City, SD
605-393-1500

September 24

19th Annual Ag
Appreciation Banquet
Sturgis Area Chamber
Sturgis Armory
Sturgis, SD
605-347-2556

September 24-25

Black Hills
Coin & Stamp Club
Rushmore Plaza Civic Center
Rapid City, SD
605-381-4625

September 25

Willie Nelson
Fine Arts Theatre
Rushmore Plaza
Civic Center
Rapid City, SD
605-394-4115

October 3-4

Boys State High School
AA Golf Tournament
Spearfish, SD

October 3-4

Boys State High School
A Golf Tournament
Vermillion, SD

October 6-8

South Dakota
State High School
Soccer Tournament
Mitchell, SD



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.

2011 ANNUAL MEETING

The 2010 Annual Meeting will be held on **October 8, 2011** at the **Wall Community Center in Wall, SD**. Registration will begin at **9:00 a.m.** with the official business meeting starting at **10:00 p.m.**

October 6-8

Girls State High School
Tennis Tournament
Brandon & Sioux Falls, SD

October 8

West River Electric
Annual Meeting
9:00 Registration
10:00 Business Meeting
Wall Community Center
Wall, SD
605-279-2135
605-393-1500

October 9

Barney Live in Concert
Rushmore Plaza Civic Center
Fine Arts Theatre
Rapid City, SD
605-394-411

October 15

Broadway Play - Rain
Tribute to the Beatles
Rushmore Plaza
Civic Center Ice Arena
Rapid City, SD
605-394-4115

October 22

BH Symphony
Stormy Weather
Rushmore Plaza Civic Center
Fine Arts Theatre
Rapid City, SD
605-394-4115

October 22

State High School
Cross Country Meet
Yankton Trail Park
Sioux Falls, SD

Events of Special Note

September 18

Gluten Freedom Fest
Hampton Inn-Rapp St
Rapid City, SD
605-348-1333

October 10

West River Electric Will Be Closed
For Employee Training
605-279-2135
605-393-1500

November 5

BH Workshop Gala
Rushmore Hall
Rushmore Plaza Civic Center
Rapid City, SD
605-394-4115

November 11-12

Broadway Play
Fiddler on the Roof
Rushmore Plaza Civic Center
Fine Arts Theatre
Rapid City, SD
605-394-4115

November 10-12

South Dakota State
High School
Football Tournament
Vermillion, SD

November 12

South Dakota State
High School
Competitive Cheer
Brandon Valley High School
Brandon, SD