

Rep. Tim Johnson, South Dakota leads delegation to Pat Lyons Farm, Yankton to Observe REA in Action - Summer 1987

Rep. Tim Johnson* (D-SD) toured the **Pat Lyons Farm** and **Gavins Point Dam**, Yankton, South Dakota in the summer of 1987 to educate members of Congress and the public about Rural Electric Cooperatives (**REA**) and their mission to farms and rural communities. The tour was arranged by Mike Kjose of the **Clay Union Electric Cooperative**, South Dakota's first electric cooperative. Two bus van loads toured the intensive hog farming operation and irrigation systems on the Lyons farm of nearly 600 acres of corn, soybeans and alfalfa, all heavily reliant on the use of electricity. **Mary Lyons**, Pat's mother, gave a history lesson on farming and the **REA** in South Dakota from 1928 to the present, which some tour participants remembered over twenty years later. This congressional tour was a response to President Reagan's proposal for serious cutbacks in the REA's activities with the goal of ultimate dismantling of the agency by 1990. In 1987 and 1993, first President Reagan and then President Clinton would attempt to dismantle the REA structure of federal subsidies. They were unsuccessful in their efforts.



L. to R. Rep. Ben Cardin (MD), Jessica (granddaughter), Pat Lyons, Justin (grandson), Rep. Tim Johnson (SD), Mike Kjose, REA, Farrowing House on Pat Lyons Farm Yankton, SD Summer 1987



The delegation went on to visit **Gavins Point Dam** which generates hydro-electric power, provides flood control, irrigation, improve water supply, fish and wildlife management, and recreation since 1957. Electric cooperatives buy power from these hydro-electric dams.

Farmers in southeastern South Dakota and in the nation were without electricity until 1935 when President Franklin D. Roosevelt created the **Rural Electrification Administration (REA)** by executive order. Prior to the REA, private power holding companies controlled nearly 85 percent of the nation's supply of the country's electrical market. They were not willing to take the risk to extend electrical service to rural areas. Millions of American communities, farms, and ranches were without any source of electricity.



WE WANT LIGHTS

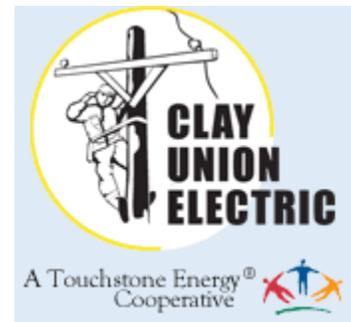
Rural residents were anxious for the convenience of electricity in the 1930s.

Clay-Union Electric – South Dakota's 1st Electric Cooperative



Delco-Light Portable Generator * Sales Display, 1937 Home Electricity Pre REA

On November 25 of that same year the REA was created, 1935, some 15 men met in E.J. Manning's store in Burbank and organized the first rural electric cooperative of the state of South Dakota. The first organization was known as the Fairview Electric Association. A loan from REA was applied for by this infant organization but was turned down because not enough members had been "signed up" to make the loan feasible. These rural electric leaders didn't give up. They went out and got more signers. **Bill Lyons**, (Lyons farm, 1930-1960), Pat's father, went around the neighborhood to encourage farmers to agree to "hook up" to the new electric cooperative. A loan was approved. After nearly two years of hard work by these directors, 67 miles of line were constructed and on



October 3, 1937 electricity began flowing through Clay-Union Electric's lines. That was the humble beginning for a business that today serves electricity to more than 2,500 members and over 3100 meters in Clay and parts of Yankton and Union counties.

Each cooperative was typically governed by a board of directors elected from the ranks of its residential customers. The board established rates and policies for the cooperative, and hired a general manager to conduct the ordinary business of providing electricity to customers within the service region. Only two restrictions were placed on the formation of cooperatives: they could not compete directly with utility companies, and coop members could not live in areas served by utilities or within a municipality with a population of 1500 or more.



Reddy Kilowatt

The first rural cooperative organizations were humble main street storefronts and by 1938 the typical coop had about 800 consumer-members with democratically elected directors to manage the affairs of the organization. These early coops were “first name” neighborly affairs and about as formal as your local grange. A typical “staff” might consist of a manager, a bookkeeper, a line foreman and a single crew. Growth would be revolutionary, and by the 1940s REA cooperatives would deliver power to over 97% of America’s farms and ranches. The cooperatives would politically band together under the National Rural Electric Cooperative Association. As the country grew, the demographics of many cooperatives would change from rural to suburban and the original small farm, grassroots, community character would begin to take on a more corporate feel.

Today about 99 percent of the nation’s farms have electric service. Most rural electrification is the product of locally owned rural electric cooperatives that got their start by borrowing funds from REA to build lines and provide service on a nonprofit basis. Today the REA is the Rural Utilities Service and is part of the U.S. Department of Agriculture. The federal law gives preference in the sale of power at-cost to public bodies and electric cooperatives. The availability of low-cost power to electric cooperatives has promoted economic development and has offset the cost of serving sparsely populated areas.

	<u>YEAR</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
South Dakota	FARMS	32,000	31,800	31,600	31,600	31,400	31,300	31,300
Total population:	for 2010	<u>819,761</u> an increase of <u>+62,887</u> from Year 2000						

---**Robert F. Lyons * Low Gables, Kennebunkport, Maine * February 2011**

***Tim Johnson** (D – SD) is the senior U.S. Senator from South Dakota, serving since 1997 and was U.S. Representative for South Dakota’s At-large congressional district from 1987 to 1997. He is a member of the Senate Energy and Natural Resources Committee and is working on a comprehensive energy bill that will benefit South Dakota and the environment by incentivizing investment in renewable fuels like wind and biofuels.