

2023 Annual Meeting Report

BY
ELECTRIC

A Touchstone Energy® Cooperative 

Tuesday, August 22, 2023

5:30 - 7:30 Drive-Thru

134 S. Lidice St. • Tabor, SD • 605-463-2507 • byelectric.coop

2023 Annual Drive-Thru Meeting

A Message From Your Cooperative Leadership

Join us on Tuesday, August 22nd beginning at 5:30 p.m. for the Bon Homme Yankton Electric Association, Inc. 79th annual meeting drive-thru style in Tabor.

The drive-thru meeting last year was a success with another record attendance. Earlier we surveyed the members that attended who overwhelmingly indicated that they preferred this type of meeting. The Board supported the members' feedback and decided that we will have another drive-thru annual meeting. More details on what to expect can be found on page 3.

The 2022 Treasurer report is on page 6 where you will see we ended the year financially strong with a clean audit.

The expenses reflect how we serve the membership, ensuring that reliable cost-effective electricity is being brought to each of you. Here are some of the 2022 highlights.

Just as the construction season was beginning, on May 12th a Derecho blasted through our service territory causing widespread damage to our system. Six of our eight substations were without power, we had 17 broken poles and 150 broken wires from miscellaneous debris cutting through it. Our linemen worked feverishly and had power restored to all our members by 7 p.m. the next day.

The construction season included 52 new services which is about average but less than in 2021 and we retired 34 services. We reduced our overhead line by 19.26 miles and increased our underground line by 20.95 miles. We are also nearing the end of our meter upgrade project.

I am pleased to report that after all this and other projects the line crews completed, they did so with no injuries. This is a testament to their commitment to each other to perform jobs safely and the Board's commitment to a robust safety program.



Paul Voigt
President
District #1



Stephanie Horst
General Manager

2022 was a year unlike any other year. Our power suppliers, East River Electric and Basin Electric, had excess unbudgeted margins which they passed on to their members via power bill credits. B-Y Electric's portion was \$497,793 which was credited to us in April and December. Your Board approved passing these bill credits through to the B-Y Electric members reducing our members electric bills those months.

Our power suppliers, East River Electric and Basin Electric, had excess unbudgeted margins which they passed on to their members via power bill credits.

Not only were electric bills reduced by the bill credits but in November eligible members received their Capital Credit retirements. B-Y Electric retired \$608,561 in Capital Credits in 2022.

Between bill credits and capital credit retirements our members received \$1.1 Million.

While the price of everything was increasing, your electric bill was not. This is a benefit of being owners of an electric cooperative. The margins belong to you, not to a company or outside investors.

Largely our success is how we are set up in a three-tiered cooperative system. Having our generation cooperative, Basin Electric, securing generation capacity to meet our needs and our transmission cooperative, East River Electric, investing in transmission to deliver this power to us puts B-Y Electric in an excellent position to serve our members.

Part of the East River Electric investment in the B-Y Electric territory is the additional substation under construction in the Lake Area to address the load growth and reliability in that area.

Basin Electric continues to make the best use of their generation assets, secure additional power purchase agreements, and participate in the Southwest Power Pool (SPP) to provide us with reliable cost-effective power.

2023 Annual Drive-Thru Meeting

Cooperative Leadership Cont. & Agenda

There are several Federal initiatives that are having us re-look at generation assets. They are affecting the supply chain for our material, and delaying our construction work plan processes. Although there are issues that are jeopardizing our ability to deliver reliable cost-effective power, Basin Electric is dedicated to providing us with reliable power.

Material lead times, depending on the item, can be up to two years, and costs are a concern that affects day-to-day operations. We are working with our suppliers so that we can be responsive to our members' needs. One way to ensure your project doesn't experience excessive delays is to include us early in the planning stages.

Even with the challenges we are facing, we are thriving. We attribute this to the cooperative network with our power suppliers, fellow electric cooperatives, dedicated employees and Board of Directors, and our members working together for a better tomorrow.

We look forward to seeing you at the annual meeting on Tuesday, August 22nd.

Respectfully,

Paul Voigt, Board President

Stephanie Horst, General Manager

2023 Annual Meeting Agenda

- 5:30 PM Meeting Begins broadcast via Facebook Live
 - Call to Order Paul Voigt Board President
- 5:30-7:30 PM Drive-Thru Meeting
 - Registration of Members
 - Election & Democratic Member Participation
- 7:40 Meeting Resumes broadcast via Facebook Live
 - Official Business Paul Voigt
 - Secretary Business Dave Sternhagen Board Secretary
 - Election & Seating of Directors Shelia Woodward
 - Other Business Paul Voigt
 - Adjournment of Meeting Paul Voigt
 - Bill Credit Drawing

Drive-Thru Meeting Instructions

- 5:30-7:30 PM Drive-Thru Meeting on Lidice St. in Tabor
- Remain in your vehicle and drive through 3 stations
- Station 1: Meeting Registration
- Station 2: Pick up Ballot & Receive Member Gift
- Station 3: Submit Ballot & Collect \$20 Meal Certificate
- Leave meeting by continuing down Lidice St. or turning onto Chicago St.
- We will resume official Annual Meeting business at 7:40 PM via Facebook Live
- We will draw five \$100 bill credit winners via Facebook Live after the Annual Meeting has been adjourned
- Over the next few days after the meeting, we will contact the bill credit winners

See page 11 for a map of the event and our August 2023 Cooperative Connections Issue for more information.

2023 Annual Drive-Thru Meeting Director Election & Sample Ballot

Petitions for Director Election

An election for the Bon Homme Yankton Electric Board of Directors will be held at the Drive-Thru Annual Meeting in Tabor on August 22, 2023 from 5:30-7:30 PM. Director Districts 1, 4 and 6 have terms expiring this year. Incumbent directors Paul Voigt, Dean Sternhagen and Rick Cheloha have filed petitions for re-election for Districts 1, 4 and 6 respectively. All incumbent directors are running unopposed.

District 1: Paul Voigt has petitioned for re-election of District 1 which is in the northwest part of our service area around Avon. He has served on the board for 15 years and is currently serving as President of the board. Paul lives and farms near Avon.



Paul Voigt
President
District #1

District 4: Dean Sternhagen has petitioned to continue to serve District 4 which is the central section of our service territory around Tabor. He has served on the board for 6 years. Dean lives Tabor and works in real estate.

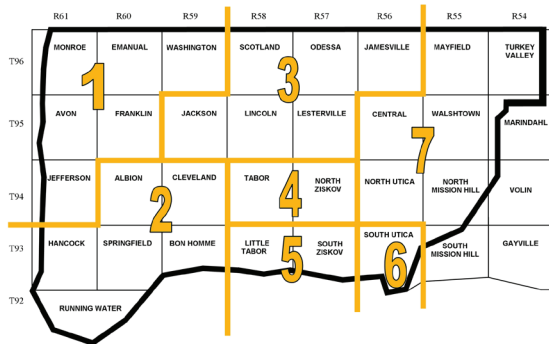


Dean Sternhagen
District #4

District 6: Rick Cheloha has petitioned for re-election of District 6 which is in the southeast part of our service area around Yankton. He has served on the board for 3 years. Rick lives in Yankton, he retired from Loup Power District in Columbus, NE.



Rick Cheloha
District #6



BON HOMME COUNTY YANKTON COUNTY



OFFICIAL ELECTION BALLOT

Bon Homme Yankton Electric Association Inc.
2023 Annual Meeting
August 22nd, 2023
134 S. Lidice St., Tabor, SD 57063

Ballot for director elections in District #1, #4 and #6.
Vote on re-election of each Director per district for a three-year term. All elections are non-contested.

District #1

Paul Voigt

District #4

Dean Sternhagen

District #6

Rick Cheloha

OFFICIAL 2022 ANNUAL MEETING MINUTES APPROVAL

Accept 2022 Annual Meeting Minutes as printed in the Annual Report included in the August 2023 Issue of Bon Homme Yankton Electric Cooperative Connections mailed on July 28th, 2023.

Yes No

OFFICIAL 2022 ANNUAL MEETING FINANCIAL REPORT APPROVAL

Accept 2022 Annual Financial Reports as printed in the Annual Report included in the August 2023 Issue of the Bon Homme Yankton Electric Cooperative Connections mailed on July 28th, 2023.

Yes No

\$20 Meal Certificate Choices:

- The Keg, Tabor
- Joe's Substation, Lesterville
- El Tapatio, Yankton

2023 Annual Drive-Thru Meeting

2022 Annual Meeting Minutes (unapproved)

The annual meeting of the members of Bon Homme Yankton Electric Association was held drive-thru style on Lidice Street in front of the main office in Tabor, South Dakota on August 16, 2022.

At 5:30 PM the meeting was called to order by President Paul Voigt via Facebook live in front of the main office. He announced three members were designated before the meeting to be on our election committee: Darrell Beren, Rick Koupal & Susan Shrader. Our attorney Sheila Woodward functioned as the parliamentarian.

From 5:30 PM - 7:30 PM, members drove through three stations to register and receive an attendance gift, vote, and receive a \$20 meal ticket from either The Keg, El Tapatio, Joe's Substation, or The Dairy Dock. The collected ballots were given to the election committee to process.

At 7:40PM in front of the main office via Facebook live the official business was conducted. Secretary David G. Sternhagen declared a quorum was established with 562 members registered through the drive-thru.

David then reported that the official notice of the 2022 Bon Homme Yankton Electric annual meeting was mailed via United States Post Office on July 26, 2022, in the August 2022 issue of the Cooperative Connections. He also reported that the Minutes of last year's Annual Meeting and the 2021 financials were published in the August 2022 issue of the Cooperative Connections for members review and were officially approved via voting ballot during the drive-thru portion of this meeting.

Attorney Sheila Woodward then conducted the election and seating of the directors. District 2 and District 7 Director seats were open for petitions to be taken. There was one qualified petition taken out in District 2 by Robert Ruppelt, and one qualified petition in District 7 by David G. Sternhagen. The unopposed ballot was officially approved via voting ballot during the drive-thru portion of the meeting with oversight by the appointed election committee. Therefore, Robert Ruppelt and David G. Sternhagen are seated for another three-year term on the board.

President Voigt then announced that there was no other

official business and declared the 78th Annual meeting adjourned at 7:43 PM.

The bill credit drawings were broadcasted via Facebook live immediately following the adjournment. The winners of the \$100 bill credit were Scott Nedved, Ken Jiricek, Edward Soukup, James Larabee, and Douglas VanGerpen.

Paul Voigt, Board President
Dave Sternhagen, Board Secretary



2023 Annual Drive-Thru Meeting

Treasurer's Report

This Bon Homme Yankton Electric Association, Inc. (B-Y Electric) financial report is for the year 2022. The financial records have been audited by Eide Bailly and a clean audit was received. The financial statement is on page 7 which this report will explain.



Robert Ruppelt
Treasurer
District #2

Our Assets show a net value of our utility plant after depreciation of \$25.6 Million. This increased the value by \$600,000 from the previous year. Our other assets include plant materials, supplies, cash, investments, and other funds. Our Total Assets ended the year at \$38.9 Million.

The Rural Utility Service (RUS) is our main lender having a vested interest in our financial position and authorized B-Y Electric to fund a Margin Stabilization plan. The Margin Stabilization fund allows us to weather unforeseen events that could impact our financial position, maintain financial ratios determined by our mortgage requirements, and stabilizes rates. Our Margin Stabilization funds amounted to \$1.4 Million at 2022-year end. This reflects an increase of \$322,321 from the previous year.

Our Total Liabilities, or what we owe, are \$38.9 Million. Patronage Capital and Other Equities were \$13.8 Million at year end. The amount we owed to our lenders RUS, CFC and CoBank was \$21.3 Million. Current liabilities and deferred

credits came to \$3.7 Million. The Members' Equity or Share of Assets is 35.55 % of the total assets.

Revenues received in 2022 were \$11.1 Million which includes the Margin Stabilization Funds left from previous year which is an increase of \$200,670 over 2021.

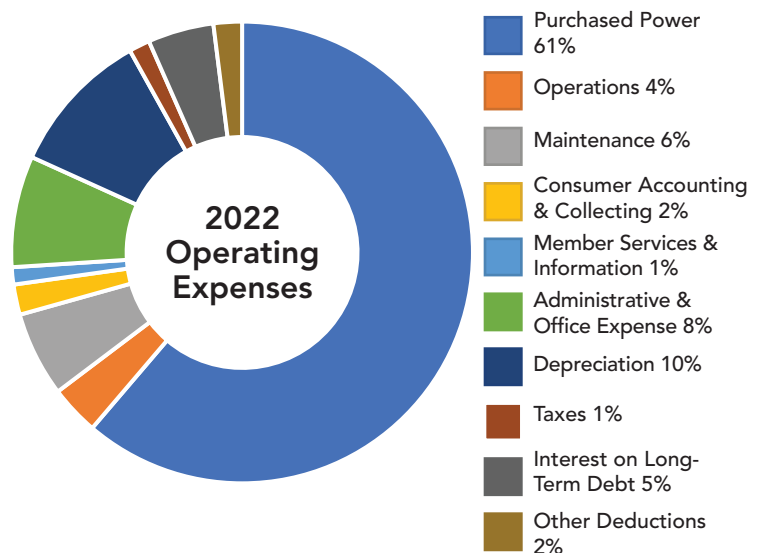
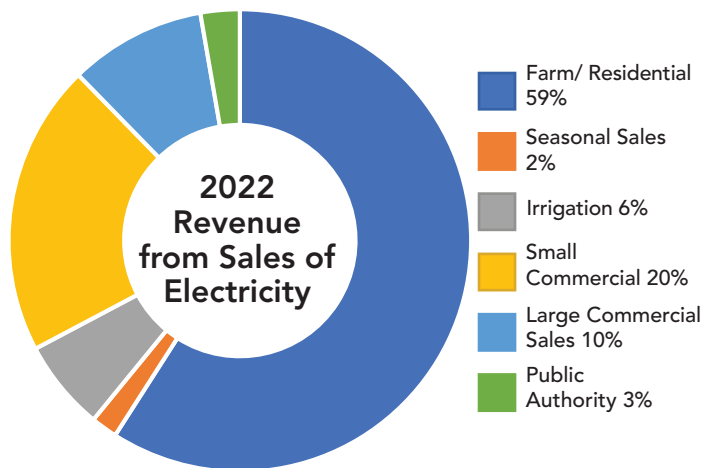
Operating Expenses totaled \$10.5 Million and our Wholesale Power Costs were \$6.3 Million or 60.33% of total operating expenses. Power costs increased \$135,066 while the other operating expenses were \$270,949 more than last year.

Total Margins for 2022 were \$1.4 Million which gets allocated to the members in the form of capital credits and refunded at a later date. Of this total, \$520,716 was Operating and Non-operating Margins. The G&T and Other allocations amounted to \$899,332 which is not cash but are allocation amounts shown as margins on our books for the year. These funds come from our memberships in other cooperatives such as East River Electric and Basin Electric and are returned to our members as we receive them.

This concludes my report. If you have questions regarding the financial statement, contact the B-Y Electric office.

Respectfully Submitted,

Robert Ruppelt, Board Treasurer



2023 Annual Drive-Thru Meeting Financial Report

Financial Report					
For the Years Ending December 31, 2021 and 2022					
Income Statement			Balance Sheet		
Operating Revenue	2021	2022	Assets (What We Own)	12/31/21	12/31/22
Farm/Residential Sales	\$6,639,535	\$6,693,882	Investment in Lines, Buildings and Equipment	\$38,413,036	\$39,162,296
Seasonal Sales	207,101	208,140	Less Accumulated Provision for Depreciation	(13,423,941)	(13,555,918)
Irrigation Sales	713,264	721,238	Net Value of Plant	24,989,095	25,606,378
Commercial Sales	2,298,062	2,316,105	Investments in Associated Organizations	7,335,033	7,889,654
Large Commercial Sales	1,074,734	1,041,505	Margin Stabilization Fund	1,120,634	1,442,955
Public Street Lighting	12,072	12,072	Non-Utility Plant	-	-
Other Sales to Public Authorities	307,935	331,425	Cash and Cash Equivalents	507,174	1,649,047
Other Revenues	123,195	92,300	Accounts Receivable	1,061,813	949,681
Deferred Revenues	(482,236)	(322,335)	Materials and Supplies	1,399,675	1,329,204
Total Operating Revenue	10,893,662	11,094,332	Prepayments	15,024	15,846
Operating Expenses			Deferred Debits	222,869	0
Purchased Power	6,459,560	6,324,492	Total Assets	36,651,317	38,882,765
Operations	365,500	449,889	Liabilities (What we Owe)		
Maintenance	627,045	701,705	Patronage Capital	11,504,930	12,316,417
Consumer Accounting & Collecting	223,507	234,355	Other Equities	1,450,707	1,508,463
Member Service and Information	127,404	145,635	Long-Term Debt	20,389,481	21,319,309
Administrative and Office Expense	822,167	860,313	Current Maturities of Long Term Debt	982,392	997,747
Depreciation	1,070,712	1,094,880	CFC Line of Credit	0	0
Taxes	154,064	162,770	Accounts Payable	798,294	832,132
Interest on Long-Term Debt	487,210	502,406	Customer Deposits	80,026	82,476
Other Deductions	210,110	206,716	Taxes Accrued	163,731	171,847
Total Cost of Electric Service	10,547,279	10,683,161	Other Current Liabilities	129,147	145,197
Margins			Customer Prepayments	31,975	66,222
Operating Margins	346,383	411,171	Deferred Revenues-Margin Stabilization	1,120,634	1,442,955
Non-Operating Margins	77,223	109,545	Total Equities & Liabilities	36,651,317	\$38,882,765
East River Electric, Basin Electric and Other Capital Credits	477,084	899,332			
Total Margins	\$900,690	\$1,420,048			

Comparative Statistics		
	2021	2022
Kilowatt Hours Sold	96,290,017	94,661,944
Average Monthly Use Farm/Rural Residential	1,540	1,594
Average Number of Consumers	3,947	3,882
Miles of Line	1,299	1,296
Consumers per Mile of Line	3.04	3.03

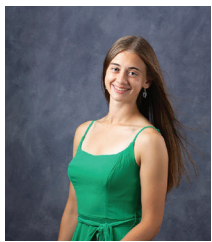
2023 Annual Drive-Thru Meeting

Investing in our Youth

Scholarships



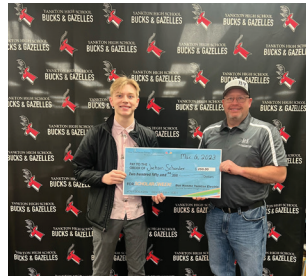
Nora Welker of Yankton High School was chosen to receive the \$1,000 Basin Electric Scholarship. Nora plans to attend Creighton University in the fall and major in Biology. Her parents are Tim and Kristy Welker.



Hope Leshner of Yankton High School was selected to receive the one of the \$500 Bon Homme Yankton Electric Scholarships. Hope plans to attend Gustavus Adolphus College and study Biology and Kinesiology. Her parents are Dave and Chrissy Leshner. .



Jaymison Bjorum of Bon Homme High School was selected to receive one of the \$500 Bon Homme Yankton Electric Scholarships. Jaymison plans to attend Mitchell Tech Power Lineman Program. His parents are Cory and Candy Bjorum.



Jackson Schander of Yankton High School was selected as the Touchstone Energy Scholar of the Week, and he received a \$250 scholarship from B-Y Electric for this honor. Jackson plans to attend Augustana University and pursue a career in medicine.



Madilyn Mudder of Avon High School was selected as the Touchstone Energy Scholar of the Week and she received a \$250 scholarship from B-Y Electric for this honor. Madilyn plans to attend Southeast or Lake Area Tech.



Addison Sedlacek of Yankton High School was selected as the 2023 Youth Tour Delegate from B-Y Electric. Addison plans to attend South Dakota State University and major in Entrepreneurial Studies and Marketing.

Co-ops in the Classroom

Co-ops in the Classroom is a program offered by B-Y Electric in conjunction with our wholesale power provider, East River Electric Power Cooperative. Jennifer Gross, Education/ Outreach Specialist for East River, travels throughout East River's service territory in eastern South Dakota and western Minnesota to teach children about electrical safety, generation, conservation, and economics.

We brought this program to two schools and three summer events in our service territory: Tabor Elementary, Bon Homme Colony Middle School, Yankton County 4-H Farm Safety Day, Bon Homme County 4-H Farm Safety Day and Avon Public Library Farm Safety Day.

B-Y Electric values the time we get to spend in local classrooms and youth events because it is important to teach kids about electrical safety, energy efficiency, and the cooperative business model. Co-ops in the Classroom is a great benefit to our youth because learning these concepts at an early age helps them become better prepared to make wise energy decisions now and educated consumers of energy in the future.



2023 Annual Drive-Thru Meeting Promotions and Services

Water Heater Rebates

B-Y Electric members who purchase a lifetime warrantied electric water heater have the following incentives available:

- \$6.00 per gallon rebate
 - \$7.00 per month bill credit
- Requirements:
- Greater than or equal to 50 gallon.
 - Load control receiver must be installed (no charge to install).
 - No water heater rebate issued at location in the past 10 years.
 - Offered on new construction and existing structures.

Electric Rebates

Electric Heat Rate:

- 2.5 cent per kWh bill credit
- Electric heating systems are eligible for the electric heat credit on all energy used by the heating system.
- System must have a separate sub-meter to determine usage.

Residential Heating:

- Electric Heat Pumps - 2 tons or larger.....\$600
- Electric Resistance Heat.....\$10 per kW
- Mini-Split Heat Pump - under 2 tons.....\$300

Commercial Heating:

- Electric Resistance Heat.....\$10 per kW up to 600 kW
- Electric Heat Pumps - 2 tons or larger.....\$50 per ton of heating capacity

General Contractor Rebate:

\$100 rebate available to the general contractor for installing an all-electric heating system at a new residential dwelling of at least 1,200 sq. ft.

Electric Vehicles Rebate:

B-Y Electric members are eligible for a \$100 rebate for an electric vehicle that is primarily charged at their B-Y Electric residence and is owned by the member.

Online Bill Pay & Account Access

B-Y Electric offers online bill pay and account access. Members can access their accounts through our website byelectric.coop or the SmartHub app. Find sign-up instructions for outage notifications at byelectric.coop/smarthub-tutorials.

Safety Presentations

Another service provided by B-Y Electric to our members and the general public is electrical safety presentations. Whether it be farm safety information, our high voltage demonstration trailer, educating area first responders on contact accidents, or covering electrical safety issues using videos, newsletters, or demonstrations. If your group or class would like B-Y Electric to present a safety demonstration, please give us a call at (605) 463-2507.

Donations & Community Programs

In 2022 we continued to provide donations to local groups as needed.

Throughout 2022, we got out in our community at local events including the Tabor parade of lights, Czech Days parade, Riverboat Days parade, Tyndall Homecoming parade of lights, and the Mazing Acres Farm Scarecrow contest.

Co-op Connections

Another service provided by B-Y Electric to our members and the general public is Co-op Connections. We have continued to offer our discount card program Co-op Connections. We currently have nine local businesses signed up, and we are still looking for more participating businesses. This is a free membership program that gives you incredible discounts on everyday expenses locally and nationally, please give us a call at (605) 463-2507 to learn more.



2023 Annual Drive-Thru Meeting **Employees**



**Office and Members Service: Angie Rempfer,
Kara Zomer, Aaron Melichar, Nicole Einrem,
Jenn Boska and Chantelle Jungemann**



**Operations: (back) Joe Vavruska, Travis Gause,
Travis Zomer, Gunnar Dally, Nathan Kloucek,
Ken Carda, (front) Alex Caba, Kevin Meyer, Tyler Suess,
Sean Kafka and Anthony Walloch**

2023 Annual Drive-Thru Meeting Board and General Manager



Paul Voigt
President
District #1
15 years of service



Dave Sykora
Vice President
District #3
8 years of service



Robert Ruppelt
Treasurer
District #2
7 years of service



Dave Sternhagen
Secretary
District #7
34 years of service



Dean Sternhagen
District #4
6 years of service



John Lillevoid
District #5
7 years of service



Rick Cheloha
District #6
3 years of service



Stephanie Horst
General Manager



The B-Y Electric
Board of Directors and Staff
Thank You for being a member of your cooperative!



You're Invited!



Make Plans to Attend 2023 Drive-Thru Annual Meeting

Who: Bon Homme Yankton Electric Members
What: 2023 Bon Homme Yankton Electric Annual Meeting
When: Tuesday, August 22nd, 5:30-7:30 PM
Where: Lidice Street (main street) Tabor

Each membership that registers will receive an attendance gift, a \$20 meal certificate to their choice of The Keg in Tabor, Joe's Substation in Lesterville, or El Tapatio in Yankton. All registered members will also be entered for a chance to win one of five \$100 bill credits.

**Watch your mail in August for your Annual Meeting postcard!
 Don't forget to bring it to the meeting for fast and easy registration!**

Reminder Voting Delegate for an Organization must be done 24 hours before the Annual Meeting.

Our Cooperative Principles

