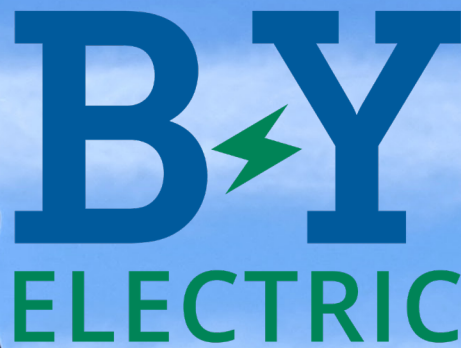


2022 Annual Meeting Report

The logo for BYELECTRIC features the letters 'B' and 'Y' in a large, blue, sans-serif font. A green lightning bolt is positioned between the 'B' and 'Y'. Below 'B' and 'Y', the word 'ELECTRIC' is written in a smaller, green, sans-serif font.

BYELECTRIC

A Touchstone Energy® Cooperative 

The background of the entire page is a photograph of a worker in a white hard hat and a high-visibility yellow vest standing in a white bucket. The bucket is part of a crane or lift system, with a red arm extending from the left. The worker is holding a rope. In the background, there are several large, cylindrical, corrugated metal silos or grain elevators. The sky is blue with some light clouds. The overall scene is an industrial or construction setting.

Tuesday, August 16, 2022

5:30 - 7:30 Drive-Thru

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

2022 Annual Drive-Thru Meeting

A Message From Your Cooperative Leadership

On behalf of the Board of Directors of your electric co-op, Bon Homme Yankton Electric Association, Inc., we welcome you to your 78th annual meeting drive-thru style on Tuesday, August 16th beginning at 5:30 p.m.

The drive-thru meeting last year was a success, and we had a record number of registered members. Pre-Covid, we struggled with how to get more members to participate in the annual meeting and be a part of the democratic process by voting directors in each year. We thrive on being locally owned and locally controlled. So it was exciting to see so many members participate in 2021, which led the Board to continue with the drive-thru meeting this year. Last year, we were not expecting the high turnout, and some members waited in line longer than expected. We have addressed the bottlenecks and hope to have a smoother time this year. Find more details on what to expect on page 3 and 12 of this annual report and page 2 and 11 of our August Cooperative Connections magazine.



Paul Voigt
President
District #1



Stephanie Horst
General Manager

Now to review 2021. The Treasurer report is on page 6, and there you will see we ended the year financially strong with a clean audit. Even though at the beginning of the year Covid restrictions were rapid nationwide, it did not stop the growth. We installed 78 new services and sold 1.6 million more kilowatt hours than in 2020. Most of the new services were residential and campgrounds in the Gavin's Point area.

This area continues to require more of our attention. Because of the quick load growth, our distribution system was tested with the load demand during the 100+°F 2021 July 4th weekend. During an outage on one circuit, we had to transfer load around to handle the demand needs. To improve reliability, we invested over \$100,000 in cable upgrades in that area to handle current and future load demands. This event also got the attention of our power supplier, East River Power Cooperative (East River), who was

closely monitoring the Gavin's substation that day. We have additional load that is being added to the Gavin's area and we are working with East River on how we can continue to provide resilient, reliable power to our members. Upgrades to their transmission system and the B-Y Electric distribution system will be needed.

The average B-Y Electric member had power 99.998% of the time in 2021.

New services and line upgrades kept the linemen busy, but they also completed line patrol, fixed items discovered during line patrol, tree trimming, pole change outs from the pole testing, load control receiver change outs, meter change outs, and numerous other items. I commend the linemen for their hard work. They accomplished a lot in the year and did it without any injuries. The average B-Y Electric member had power 99.998% of the time in 2021. This reliability is attributed to the efforts of the operations department.

With every bit of work the operations department does, the office department processes the necessary documentation that each job creates. This is where their efforts are measured with clean audits that look over all aspects of our accounting. We can't say enough about the high-quality employees serving the B-Y Electric members.

In 2021, we focused on more member engagement since COVID distanced everyone in 2020. Since hiring Communications/Marketing Coordinator Jaclyn Arens, we were able to launch several projects. One was the Cooperative Connections Card that was sent to members in April 2021. This card provides local and national discounts saving our members money and supporting local businesses. Check out our website for the current list, and if you are a business owner, contact Jaclyn about being added. Another project was rebranding as B-Y Electric and launching a new logo. Members, employees, and outside entities were all referring to us as B-Y Electric, so it only made sense to call ourselves that. Other member engagement included participating in local parades, putting on electrical safety presentations at schools and 4-H programs, and classroom visits with Co-ops in the Classroom.

2022 Annual Drive-Thru Meeting

Cooperative Leadership Cont. & Agenda

An independent cost-of-service study was conducted and then presented to the Board by National Rural Utilities Cooperative Finance Corporation (CFC) in March. This information will provide guidance with restructuring current rates and designing future rates. Future load demands on our system from electric vehicles, campgrounds, irrigation systems, and other increased demands may shape the rate design of the future. Demand rates, time-of-use rates, or a combination of each may be the approach to rate design in the future.

February 2021 showed how delicate the electric grid can be with weather events. The Polar Vortex that dipped down into Texas caused the Southwest Power Pool (SPP) Regional Transmission Organization (RTO) market to not have enough generation for the demand causing some blackouts. B-Y Electric was not affected by this, but other South Dakota electric cooperatives were. And this summer MISO, the RTO just to the east of us, expressed that they do not have enough generation to cover the anticipated demand and rolling blackouts may happen.

Basin Electric Power Cooperative, Inc. (Basin) in Bismark, ND is our generation cooperative serving nine Midwestern states. They are taxed with providing energy to the rapid growth in this region, and they continue to invest in new generation to meet our needs. Our power supply generation mix continues to evolve as more renewables are added in with the “All of the Above” energy strategy utilizing coal, natural gas, nuclear and fuel oil to meet our growing electrical needs. The partnership we have with East River, our transmission cooperative, and Basin, our generation cooperative, creates one of the best power supply arrangements and will continue to meet the needs of our members.

At the end of 2021, supply chain issues began to affect us with transformer lead times being over a year and increased material prices. We urge our members to contact us early in your planning process because we cannot guarantee we will be able to get material in a timely manner.

Our mission is to provide cost-effective, safe-reliable electricity to our members, and we take pride in serving our members with top-notch service, and we did just that in 2021. 2022 has been challenging with rising costs and supply

chain issues, but our mission will not change, and serving you, our members, will continue to be our top priority. We look forward to seeing you at the annual meeting on Tuesday, August 16th.

Respectfully,

Paul Voigt, Board President

Stephanie Horst, General Manager

2022 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 12 for a map of the event and our August 2022 Cooperative Connections Issue for more information.

2022 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 16, 2022 from 5:30-7:30 PM. Director Districts 2 and 7 have terms expiring this year. Incumbent directors Robert Ruppelt and Dave Sternhagen have filed petitions for re-election for Districts 2 and 7 respectively. Both incumbent directors are running unopposed.

District 2: Robert Ruppelt has petitioned for re-election of District 2 which is in the southwest part of our service area around Springfield. He has served on the board for 6 years and is currently serving as Treasurer of the board. Robert drives bus for the Bon Homme School District.

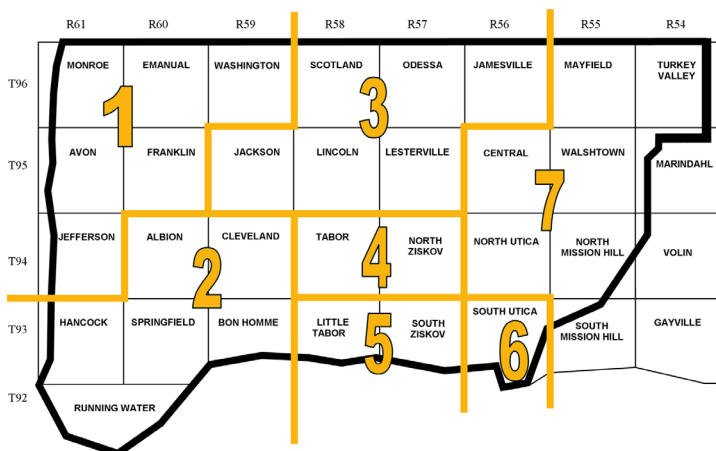


Robert Ruppelt
Treasurer
District #2

District 7: Dave Sternhagen has petitioned to continue to serve District 7 which is the northeast section of our service territory from North Utica to Mayfield. He has served on the board for 33 years. Dave farms north of Yankton, and he also serves as our SDREA director.



Dave Sternhagen
Secretary
District #7



BON HOMME COUNTY YANKTON COUNTY



OFFICIAL ELECTION BALLOT

Bon Homme Yankton Electric Association. Inc
2022 Annual Meeting
August 16th, 2022
134 S. Lidice St., Tabor, SD 57063

Ballot for director elections in District #2 and #7.
Vote on re-election of each Director per district for a three-year term. Both elections are non-contested.

District #2

☐ Robert Ruppelt

District #7

☐ Dave Sternhagen

OFFICAL 2021 ANNUAL MEETING MINUTES APPROVAL

Accept 2021 Annual Meeting Minutes as printed in the Annual Report included in the August 2022 Issue of Bon Homme Yankton Electric Cooperative Connections mailed on July 26th, 2022.

☐ YES

☐ NO

OFFICAL 2021 ANNUAL MEETING FINANCIAL REPORT APPROVAL

Accept 2021 Annual Financial Reports as printed in the Annual Report included in the August 2022 Issue of Bon Homme Yankton Electric Cooperative Connections mailed on July 26th, 2022.

☐ YES

☐ NO

\$20 Meal Certificate Choices:

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

2022 Annual Drive-Thru Meeting

2021 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 10, 2021. Due to the Coronavirus Pandemic, indoor gatherings were not encouraged.

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 & Bob Felber. 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, JoDean's, Country Drive Inn, 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 504 members registered through the drive-thru.

David then reported that the official notice of the 2021 Bon Homme Yankton Electric annual meeting was mailed via United States Post Office on July 22, 2021, in the August 2021 issue of the Cooperative Connections. He also reported that the Minutes of last year's Annual Meeting and the 2020 financials were published in the August 2021 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 3 and District 5 Director seats were open for petitions to be taken. There was one qualified petition taken out in District 3 by Dave Sykora, and one qualified petition in District 5 by John Lillevoid. 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, Dave Sykora and John Lillevoid are seated for another three-year term on the board.

President Voigt then announced that there was no other official business and declared the 77th Annual meeting adjourned at 7:48 PM.

The prize drawings were broadcasted via Facebook live immediately following the adjournment.

Paul Voigt, Board President

Dave Sternhagen, Board Secretary



2022 Annual Drive-Thru Meeting

Treasurer's Report

This Bon Homme Yankton Electric Association, Inc. (B-Y Electric) financial report is for the year 2021. 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 Million. This increased the value by \$1.6 Million from the previous year. Our other assets include plant materials, supplies, cash, investments, and other funds. Our Total Assets ended the year at \$36.7 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 \$1.1 Million at 2021-year end. This reflects an increase of \$482,236 from the previous year.

Our Total Liabilities, or what we owe, are \$36.7 Million. Patronage Capital and Other Equities were \$13 Million at year end. The amount we owed to our lenders RUS, CFC and CoBank was \$20.4 Million. Current liabilities and deferred

credits came to \$3.3 Million. The Members' Equity or Share of Assets is 35.35 % of the total assets.

Revenues received in 2021 were \$10.9 Million which includes the Margin Stabilization Funds left from previous year which is an increase of \$108,481 over 2020.

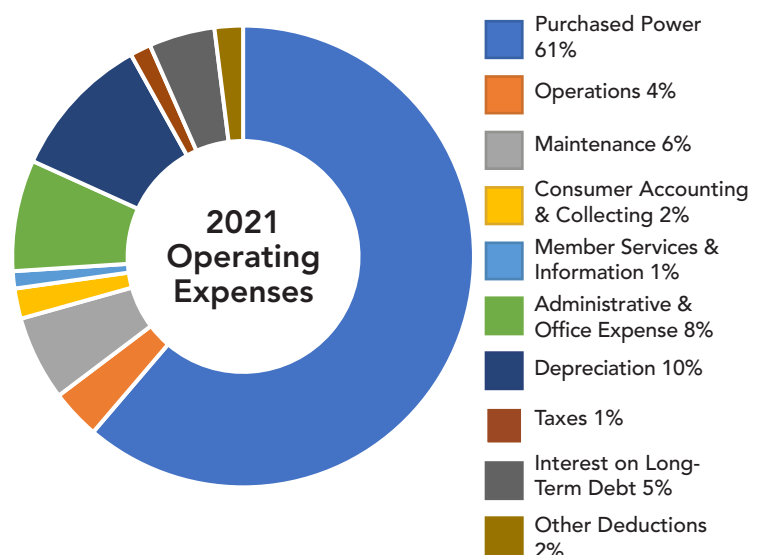
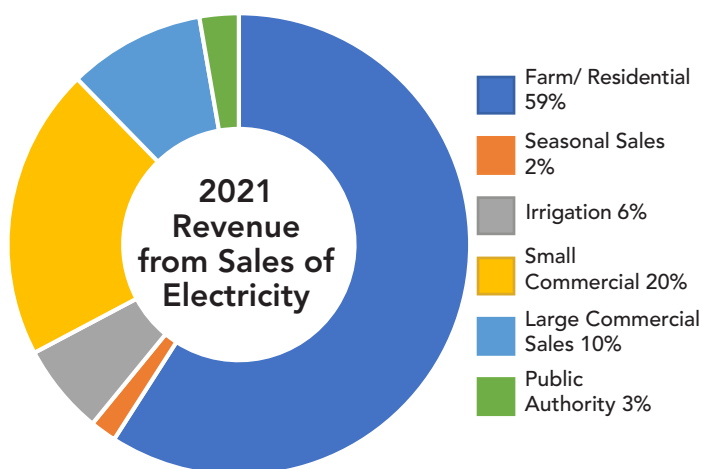
Operating Expenses totaled \$10.5 Million and our Wholesale Power Costs were \$6.5 Million or 61.24% of total operating expenses. Power costs increased \$126,714 while the other operating expenses were \$50,165 less than last year.

Total Margins for 2021 were \$900,690 which gets allocated to the members in the form of capital credits and refunded at a later date. Of this total, \$423,606 was Operating and Non-operating Margins. The G&T and Other allocations amounted to \$477,084 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



2022 Annual Drive-Thru Meeting

Financial Report

Financial Report					
For the Years Ending December 31, 2020 and 2021					
Income Statement			Balance Sheet		
Operating Revenue	2021	2020	Assets (What We Own)	12/31/21	12/31/20
Farm/Residential Sales	\$6,639,535	\$6,321,377	Investment in Lines, Buildings and Equipment	\$38,413,036	\$36,105,001
Seasonal Sales	207,101	218,737	Less Accumulated Provision for Depreciation	(13,423,941)	(12,742,750)
Irrigation Sales	713,264	381,488	Net Value of Plant	24,989,095	23,362,251
Commercial Sales	2,298,062	2,069,619			
Large Commercial Sales	1,074,734	1,051,804	Investments in Associated Organizations	7,335,033	7,160,869
Public Street Lighting	12,072	12,072	Margin Stabilization Fund	1,120,634	1,038,398
Other Sales to Public Authorities	307,935	311,138	Non-Utility Plant	-	-
Other Revenues	123,195	42,366	Cash and Cash Equivalents	507,174	1,065,776
Deferred Revenues	(482,236)	376,580	Accounts Receivable	1,061,813	817,149
Total Operating Revenue	10,893,662	10,785,181	Materials and Supplies	1,399,675	898,959
Operating Expenses			Prepayments	15,024	11,680
Purchased Power	6,459,560	6,332,846	Deferred Debits	222,869	412,514
Operations	365,500	470,331	Total Assets	36,651,317	34,767,596
Maintenance	627,045	501,975			
Consumer Accounting & Collecting	223,507	201,648	Liabilities (What we Owe)		
Member Service and Information	127,404	133,907	Patronage Capital	11,504,930	10,972,148
Administrative and Office Expense	822,167	755,566	Other Equities	1,450,707	1,405,241
Depreciation	1,070,712	1,031,252	Long-Term Debt	20,389,481	19,688,811
Taxes	154,064	151,459	Current Maturities of Long Term Debt	982,392	905,105
Interest on Long-Term Debt	487,210	484,477	CFC Line of Credit	0	0
Other Deductions	210,110	407,269	Accounts Payable	798,294	700,237
Total Cost of Electric Service	10,547,279	10,470,730	Customer Deposits	80,026	72,076
Margins			Taxes Accrued	163,731	195,562
Operating Margins	346,383	314,451	Other Current Liabilities	129,147	122,255
Non-Operating Margins	77,223	35,787	Customer Prepayments	31,975	67,763
East River Electric, Basin Electric and Other Capital Credits	477,084	503,170	Deferred Revenues-Margin Stabilization	1,120,634	638,398
Total Margins	\$900,690	\$853,408	Total Equities & Liabilities	36,651,317	\$34,767,596

Comparative Statistics		
	2021	2020
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

2022 Annual Drive-Thru Meeting

Investing in our Youth

Scholarships



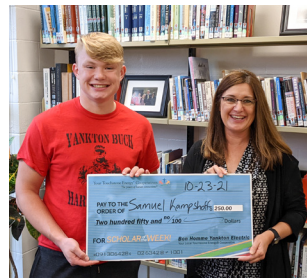
Zach Loest of Yankton High School was chosen to receive the \$1,000 Basin Electric Scholarship. Zach plans to attend South Dakota Schools of Mines and Technology and study chemical or mechanical engineering. His parents are Greg and Cheri Loest.



Isabell Sees of Irene-Wakonda High School was selected to receive the one of the \$500 Bon Homme Yankton Electric Scholarships. Isabell plans to attend University of Mary to study Psychology. Her parents are Mike and Kris Sees.



Elizabeth Elsen of Yankton High School was selected to receive one of the \$500 Bon Homme Yankton Electric Scholarships. Elizabeth plans to attend South Dakota State University and study data science. Her parents are Mary and Jim Elsen.



Samuel Kampshoff of Yankton High School was selected as the Touchstone Energy Scholar of the Week for the week of October 24th-30th, 2021, and he received a \$250 scholarship from B-Y Electric for this honor. Samuel plans to attend Dakota State University and major in computer science.



Katie Greschamnn of Avon High School was selected as the Touchstone Energy Scholar of the Week for the week of February 27th - March 5th, 2022, and she received a \$250 scholarship from B-Y Electric for this honor. Katie plans to attend the University of South Dakota and major in dental hygiene.

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.

In February, we brought this program to four elementary schools in our service territory: Scotland Elementary, Tyndall Elementary, Springfield Elementary, and Yankton Stewart Elementary. Co-ops in the Classroom is targeted to 5th grade students.

B-Y Electric values the time we get to spend in local classrooms because it is important to teach kids about electrical safety, energy efficiency, and the cooperative business model. Co-ops in the Classroom targets fifth graders 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.



2022 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.

Safety presentations in 2021 and through June of 2022:

- 5 High Voltage Trailer Demos
- 6 PowerTown Presentations
- 6 Co-ops in the Classroom Presentations
- 3 First Responder Trainings

Donations & Community Programs

In 2021 we continued to provide donations to local groups as needed. At the end of 2021, we donated \$2,500 and received matching funds from CoBank to bring our donation up to \$5,000 to the Tabor Town & Country Pool. The pool was raising money to renovate the pool and replace the pool liner.

This year, we held an employee volunteer day at Habitat for Humanity of Clay and Yankton Counties on January 31st. B-Y Electric employees had a great time painting and volunteering for a great cause. On June 10th, 2022, our Operations Department volunteered to remove the Tabor Town & Country Pool liner and prepare the pool to be renovated.

Throughout 2021, 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.

We launched our new discount card program Co-op Connections in April, 2021. All members received a physical discount card in the mail, and we have had over 450 members sign up for online accounts at www.connections.coop. We currently have eight local businesses signed up, and we are still looking for more participating businesses.

2022 Annual Drive-Thru Meeting

Employees



Stephanie Horst
General Manager
19 years of service



Nicole Einrem
Office Manager
33 years of service



Ken Carda
Operations Manager
29 years of service



Jaclyn Arens
Communications/Marketing Coordinator
2 years of service



Teresa Holland
Billing Clerk
23 years of service



Kara Zomer
Accounting Work Order Clerk
15 years of service



Jennifer Boska
Member Services Representative
3 years of service



Linda Schenkel
Part Time Office Assistant
8 years of service



Travis Zomer
Line Foreman
21 years of service



Travis Gause
Lead Lineman
18 years of service



Tyler Suess
Lead Lineman
11 years of service



Nathan Kloucek
Lead Lineman
10 years of service



Gunnar Dally
Journeyman Lineman
6 years of service



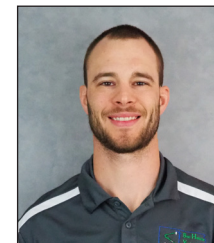
Alex Caba
Apprentice Lineman
3 years of service



Sean Kafka
Apprentice Lineman
2 years of service



Kevin Meyer
Electrical Contractor
23 years of service



Wes Kloucek
Journeyman Electrician
7 years of service



Aaron Melichar
Materials/Facilities Coordinator
5 years of service

We would like to recognize Kara Zomer (15 years), Nathan Kloucek (10 years), Stephanie Horst (5 years with B-Y Electric), Aaron Melichar (5 years), and Dean Sternhagen (5 years) for their Milestone Anniversaries.

Congratulations and **Thank You**
for your Dedication!

2022 Annual Drive-Thru Meeting

Board of Directors



Paul Voigt
President
District #1
14 years of service



Dave Sykora
Vice President
District #3
7 years of service



Robert Ruppelt
Treasurer
District #2
6 years of service



Dave Sternhagen
Secretary
District #7
33 years of service



Dean Sternhagen
District #4
5 years of service



John Lillevold
District #5
7 years of service



Rick Cheloha
District #6
2 years of service



2022 Annual Drive-Thru Meeting

Meeting Map



You're Invited!



Make Plans to Attend the 2022 Drive-Thru Annual Meeting

WHO: Bon Homme Yankton Electric Members

WHAT: 2022 Bon Homme Yankton Electric Annual Meeting

WHEN: Tuesday, August 16, 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, Dairy Dock in Yankton, or El Tapatio in Yankton. All registered members will also be entered for a chance to win one of five \$100 bill credits.

