MARCH 2022 VOL. 22 NO. 11



Cooperatives: The Power of Working Together



Matt Hotzler Manager



Bert Rognes Board President

We invite you to attend your cooperative's annual meeting on Tuesday, March 22, 2022, at the Hamlin Education Center located approximately four miles west of Hayti, S.D., at the intersection of 188th St and 446th Ave. Registration begins at 6:30 p.m. and the business meeting will begin at 7 p.m. We will not be serving a meal but will be giving a \$20 bill credit for each membership that registers. Don't forget we will also have a \$1,000 bill credit if the member is in attendance and their name is drawn from the entire membership. Each year we draw a name and if no one wins we add \$100. We haven't had a winner for a while now, so we have capped the balance at \$1,000 and started a second drawing which will be for \$200.

The year 2021 continues to be memorable as we continued to address the COVID-19 pandemic. We all have hope that 2022 will bring back some normalcy to our health, but we continue to face new challenges with increased difficulty in getting materials and equipment for line construction because of supply chain issues and the increasing cost of materials. We started increasing our material inventory as we saw this challenge coming, and now some of our material is a full year out before it is available. We are now placing orders for 2023 delivery on many items.

2021 Highlights

- Rates No rate increase for 2021. None expected for 2022.
- Operations We installed nearly 40 miles of new underground line. 30 miles of replacement of existing line and 10 miles of new line installed. This year, we built over six miles of three-phase and nearly 34 miles singlephase line. We added 64 new services and disconnected or retired 22 for a net gain of 42 services. 2021 was again an above-average year of net gained services and the most we've done in the last 10 years except for the 64 services gained in 2020. We continue to be busy with new service growth.
- Member Services We completed a total of 914 service orders, of which 665 were wiring service orders that generated \$405,000

- in revenue and \$41,000 in non-operating
- Bill Credit H-D Electric had an exceptional year in sales of kWh. We saw this coming throughout the year so the board approved a \$250,000 bill credit for active members, based on the purchases made from January to October 2021. This bill credit showed up on the bills sent out on Dec. 1 as a credit to your bill. The amount of the credit represented around 2.5 percent of the revenues paid in those months. You most likely saw a nice decrease in costs for your November usage billed in early December.
- Electric Car We continued to learn about electric vehicles and many members had a chance to examine the 2020 Model 3 Tesla an all-electric car in our fleet. We have gained much-needed knowledge on the strengths and weaknesses of the electric car.
- Safety No Days Away, Restricted or Transfers (DART) employee injuries for our workforce. This is a metric that we monitor and measure if an injury occurs that requires more than minor first aid. Safety needs to remain a top priority in our business.

Overall we had another great year, we kept on pace and worked through the challenges of the year and will continue to work through any future challenges. Last year's annual meeting was different as we held an evening meeting without a meal but instead gave each member attending a \$20 bill credit. We had good feedback on the format and will try that again this year skipping the meal but giving a \$20 bill credit for each membership attending. Who knows, you may even win a \$1,000 bill credit!

For more information on the annual meeting check out this link on our website at http://www.h-delectric. coop/annual-meeting.

MARK YOUR CALENDAR! **Annual Meeting Has Been Set**

Tuesday March 22, 2022 Hamlin Education Center, Hayti, S.D. Registration: 6:30 p.m. Meeting: 7 p.m.

Registration gift plus \$20 bill credit! Other prizes to be given away after the meeting! All member bill credit drawing for \$1,000 and \$200 must be present to win.

COOPERATIVE

H-D ELECTRIC

(USPS No. 018-905)

General Manager: Matt Hotzler **Headquarters Employees:** Annie Aberle - Finance and Administration Manager Michelle Prins - Billing Clerk Heidi Brewer-Grimlie -Accounting Clerk Jami Bolden - Receptionist/Cashier Roger Cutshaw - Engineer Darren Matthies - Building

Property Worker Operations:

Troy Kwasniewski - Operations Manager Todd Sprang – Line Foreman Line Crew: Pat Kirby - Operations Support Joe Raml - Lead Lineworker Cody Scarrott - Lineworker Derek Bille - Lineworker Kevin Holida – Lead Lineworker Matt Miller - Equipment Operator/ Mechanic

Joseph Jordan Jr. - Apprentice Lineworker Eric Page - Apprentice Lineworker

Member Services:

Tom Lundberg -Member Services Manager Noah Reichling – Electrician Rick Shea - Electrician

Board of Directors:

President Bert Rogness - Astoria Vice President Terry Strohfus – Hazel Secretary Roxanne Bass - Castlewood Treasurer Steven Hansen – Clear Lake Dale Williams - Estelline Casper Niemann - Lake Norden Kevin DeBoer – Clear Lake Laurie Seefeldt - Revillo Todd Moritz - Clear Lake

H-D ELECTRIC COOPERATIVE CONNECTIONS is

published monthly by H–D Electric Cooperative, Inc., PO Box 1007, 18240 SD Hwy 15, Clear Lake, SD 57226–1007 for its members. Families subscribe to H–D Electric Cooperative Connections as part of their electric cooperative membership. H-D Electric Cooperative Connections' purpose is to provide reliable, helpful information to electric cooperative members on matters pertaining to rural electrification and better rural living. H–D Electric Cooperative is an equal opportunity provider and employer Subscription information: Electric cooperative members devote 50 cents from their monthly electric payments for a subscription. Nonmember subscriptions are available for \$12 annually. Periodicals Postage Paid at Clear Lake, S.D., and at additional mailing offices. POSTMASTER: Send address changes to: H-D Electric Cooperative Connections, PO Box 1007, Clear Lake, SD 57226-1007; telephone (605) 874-2171: toll-free1-800-358-7233: fax (605) 874-8173; e-mail info@h-delectric.coop Design assistance by SDREA.

Notice of 2022 **Annual Meeting**

Dear Member:

March 22, 2022

The regular annual meeting of the members of H-D Electric Cooperative, Inc. will be held at the Hamlin Education Center in Hayti, S.D., on the 22nd day of March 2022 at 7:00 p.m. pursuant to the provisions of Section I, Article VI of the Bylaws of said cooperative to act upon the following matters:

- 1. To elect Directors
- 2. Pass upon reports for the previous fiscal year
- Transact such business as may come before the meeting.

REGISTRATION OPENS AT 6:30 p.m.

The meeting begins at 7 p.m.

Your registration card will be located on the back cover of this newsletter. Please cut it out, sign, and present the card at the registration table. Your registration card will entitle you to an Official Ballot, a \$20 bill credit, a registration gift, and a chance to win a prize. Several prizes include two \$25 energy credits, two \$50 energy credits, one \$100 energy credit, and many more wonderful prizes will be awarded. You must be present to win.

A special \$1,000 cash credit to energy bill drawing will be held at the end of the program. The entire membership is entered in this drawing. You must be present to win.

If you are disabled and need a reasonable accommodation to have full and equal enjoyment of this program, please notify the business office at 605-874-2171 or 1-800-358-7233.

Dated this 15th day of February 2022 Roxanne Bass, Secretary H-D ELECTRIC COOPERATIVE, INC.

Operating Statistics

| December 2020 | | December 2021 |
|--|-------------|---------------|
| Customers | 3,719 | 3,761 |
| Amount Collected | \$1,031,706 | \$1,169,526 |
| Average Bill | \$277.41 | \$310.96 |
| Average Kilowatt-Hour | 2,714 | 3,163 |
| Kilowatt-Hours Purchased11,028,11912,568,9 | | |
| Kilowatt-Hours Sold | 10,093,927 | 11,896,346 |

Four shocking electrical dangers in your home

Contact with electricity can result in something as innocuous (but still painful) as a mild shock to severe injuries like nerve damage and burns. In some cases, it can even cause cardiac arrest and death. Here's a list of some of the most common shock risks inside a home.

1. Appliances. Most shocks from household appliances occur during repairs. It's not enough to turn off an appliance before working on it - you need to unplug it to reduce risk. Large appliances are responsible for 18 percent of household electrical accidents; small appliances account for 12 percent.

There's also danger if your appliance comes into contact with water. Many of these hazards can be avoided by using a ground-fault circuit interrupter. A GFCI is a protective device installed on electrical outlets, primarily used where water is present. When the device detects an imbalance in the electric current, it turns off the power to minimize the potential for an electric shock.

- **2. Ladders.** Typically, ladders present a falling hazard, but 8 percent of household shocks are also related to ladders. Electrocution typically happens when the ladder makes contact with electrical wires. Before you use a ladder, make sure you can clearly see all power lines in the area including those that may be hidden by tree branches. Ensure that the ladder is 10 feet away and won't contact a power line if it falls in any direction.
- **3. Power tools.** Power tools account for 9 percent of consumer product-related shocks. According to OSHA, when you use power tools that are not double-insulated, are damaged or have damaged cords, you increase your chances of being injured. The chance of danger also increases when you use incompatible cords, use power tools incorrectly or use them in wet conditions. This is another situation in which GFCIs can help.
- **4. Electrical outlets and extension cords.** Inserting anything that doesn't belong screwdrivers, knives, fingers or toy cars, to name a few into an electrical outlet can result in a dangerous electrical contact.

Use cover plates that fit properly and safety covers on all outlets. By installing tamper-resistant receptacles, outlets will have permanent security against foreign objects being inserted into the slots.

Any broken, loose or worn-out plugs, switches and light fixtures should be replaced immediately.

WE'VE GOT CO-OP COUNTRY COVERED



We know you love to read your local edition of Cooperative Connections magazine, but you'll get more great content when you visit our video companion, Cooperative Connections Plus. Scan the QR code or search YouTube for Cooperative Connections Plus and you'll

be treating yourself to an intriguing repository of videos on interesting events going on around our state. There's walleye fishing, rodeos, electric vehicles, curling, Christmas at the Capitol, the State Fair and much more. Visit us today!





Call 811 before digging

Amelia Swift Hawk

Amelia Swift Hawk knows that it's wise to call 811 before digging into the ground. Amelia and her parents, Michael and Alyssa Swift Hawk, are members of Moreau-Grand Electric based in Timber Lake.

Kids, send your drawing with an electrical safety tip to your local electric cooperative (address found on Page 3). If your poster is published, you'll receive a prize. All entries must include your name, age, mailing address and the names of your parents. Colored drawings are encouraged.



minutes. Check with spatula - if salmon has grill marks and comes

off easy, flip it. Cook uncovered

degrees for medium rare or 140

for medium. Serve hot or cold

guacamole, brown rice or quinoa.

on top of salad, mango salsa,

ifoodreal.com

for another 3-4 minutes or

until thermometer reads 125

METHOD

crackers.

Sauté onion and garlic in butter.

Stir in undrained oysters. Cook at

medium heat about 5 minutes until

red pepper flakes, paprika, parsley,

and Tabasco sauce. Heat to serving

temperature. Serve with oyster

Jane Ham, Rapid City

oysters curl at the edges. Stir in milk,

Please send your favorite beverage 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 2022. All entries must include your name, mailing address, phone number and cooperative name.

Home

Minutes of the 2021 **Annual Meeting**

Minutes of the 78th annual meeting of the members of H-D Electric Cooperative Inc., held on Tuesday, March 23, 2021 at 7:00 'clock p.m. at the headquarters building of H-D Electric Cooperative Inc., Clear Lake, county of Deuel, state of South Dakota.

The 78th annual meeting of the members of H-D Electric Cooperative, Inc. was held at the Headquarters Building of H-D Electric Cooperative, Inc., Clear Lake, Deuel County, South Dakota, on Tuesday, March 23, 2021, at 7:00 p.m., pursuant to the notice of the annual meeting duly mailed to all members.

The President of the Board, Mr. Bert Rogness, called the meeting to order at 7:00 p.m. following refreshments in the shop of the new headquarters building. Before the call to order, a video from East River Electric was played for the members.

The President of the board, Mr. Bert Rogness, led the members in the Pledge of Allegiance.

Four students from Deuel School led the members in singing the National Anthem. Mr. Bert Rogness gave the invocation. The President of the board, Mr. Bert Rogness, acted as the Chairman of the meeting and reported a quorum of 125 members were present. A quorum being present, Mr. Bert Rogness, Chairman, announced the meeting was duly convened.

Mr. Bert Rogness introduced the former directors who were present. He thanked the former board members for attending the membership meeting. He also acknowledged those board members that have passed away and thanked them for their service to H-D Electric Cooperative, Inc. Mr. Bert Rogness then introduced each of the current board members for H-D Electric Cooperative, Inc. In addition, he introduced the manager, Mr. Matthew Hotzler, and the project attorney, Craig D. Evenson. Ms. Roxanne Bass read the notice and proof of mailing for the annual meeting. Mr. Bert Rogness referred the members to the minutes of the 76th & 77th annual meeting of the members on March 23,

2019, and August 27, 2020, respectively, printed in the H-D Electric Cooperative Connections and mailed to the members. Because of the Covid-19 pandemic, the 77th Annual Meeting was held in a drive-thru format, so the minutes of the 76th Annual Meeting has yet to be approved by the membership. On motion duly made, seconded, and carried, the minutes of the 76th annual meeting held on March 23, 2019, and the minutes of the 77th annual meeting held on August 27, 2020, were approved.

The panel consisting of Mr. Bert Rogness, President, Mr. Matthew Hotzler, manager, and Mr. Steve Hansen, Treasurer, presented the H-D Electric Cooperative, Inc. Annual Report with the aid of a PowerPoint presentation.

Mr. Matthew Hotzler, General Manager, presented a discussion of Covid-19 preparedness. A few employees got sick, but the spread was controlled. There was discussion about the work that was completed by the number of new services. It was reported about the work that was completed on the distribution system. Mr. Hotzler discussed the aged asset replacement plan. The old lines are being replaced by underground lines. Mr. Hotzler announced that 55% of H-D lines are now underground. There was a report regarding the member service department and service orders. Due to the increased number of new services and service orders from both the operations and members services, there were additional tasks for all the employees at H-D Electric. Mr. Hotzler discussed Sharon Maas's retirement. He discussed the outages from 2020, expressed as the average per member, there were 53.1 minutes on major event days, 7.6 minutes from power supply outages, 22 minutes from planned outages, and 88.8 minutes from all other outages.

Mr. Hotzler advised the membership there is no increase in rates planned for 2021. The long-range plan does, however, show 3-3.5% annually.

Mr. Hansen, treasurer, reviewed the financial reports, which were available to the members in the Cooperative Connections publication. Mr. Hansen reported that 2019 showed a clean audit. There was growth during 2020, even though the total kilowatt-hours were down a bit. Mr. Hansen discussed revenue and expense with the margin stabilization funds, operating and non-operating margins, and capital credits from generation and transmission entities. Upon completion of the audit, there will be an allocation to the members of capital credits. Mr. Hansen discussed the 2019 and 2020 capital credit retirement including general, early, and estate capital credit retirements. Total capital credit retirements have reached \$7.5 million. Mr. Hansen discussed the balance sheet, showing assets of over \$40 million and equivalent liabilities. Last, Mr. Hansen discussed the cost of power. Mr. Bert Rogness, director from East River Electric Cooperative, Inc. presented a report from East River. Mr. Rogness reported that East River is working on a system replacement plan similar to H-D Electric. The plan will provide reliability for H-D Electric for years to come. The Lake Poinsett substation was completed. He discussed the Dakota Energy Lawsuit, discussed the long-term wholesale power contract, and explained that Dakota Energy wants to buy out of their contract. Mr. Rogness explained that the wholesale power contracts do not allow an exit without mutual approval. He discussed issues regarding high market costs during times like the February event. He also discussed rolling blackouts during the February winter weather event and explained how the rolling blackouts were required to avoid a collapse of the electric grid.

Mr. Matthew Hotzler, General Manager, discussed Dakota Gasification Company as a subsidiary of Basin. He explained that for many years it reduced the power bills for the members of H-D Electric. He reported a urea fertilizer plant was built in 2018 for a cost of \$740 million, that year with obsolete plant asset write-offs and operating losses resulted in a loss of \$397 million. Basin Electric is studying plant additions to the urea plant. Low natural gas prices have been the driving force of the Dakota Gasification Company changes. Closing the plant would be an expensive option. The financial losses

shown on the books are not the full story. Basin Electric gets benefits through Dakota Gasification Company such as electric sales, coal mining efficiencies, tax benefits, and sharing employees and business applications. Benefits are estimated to be about \$50-80 million per year. Basin has made aggressive cuts to make their organization more financially viable and do not anticipate an increase in power costs at this time.

Mr. Hotzler discussed H-D Electric's electric vehicle the Tesla model 3 which we call "joule". H-D wanted to learn how electric vehicles would work in this area. It's a popular car and many individuals have take selfies with the Tesla. Mr. Hotzler reported that range anxiety with electric vehicles is a real thing. One must plan where to charge along a route to the destination. The winter cold does reduce the driving range. He discussed the different types of chargers and the economics of running an electric vehicle versus a gas vehicle. Mr. Hotzler reported that the electric vehicle's fuel costs are about three cents per mile in electricity and so far a reduced maintenance costs. Mr. Bert Rogness discussed youth events. He hopes to host a student on the NRECA youth trip in 2022. The Coops in

classrooms program is active this year. He announced the 2021 scholarship recipients from the local high schools. Mr. Hotzler discussed SDREA. He discussed the investment made at the safety program of H-D Electric. He reported that SDREA conducts three safety meetings each year in addition to the H-D Electric monthly meetings. They also facilitate do the Rural Electric Safety Achievement Program evaluation every three years, a safety program in which H-D has participated since 1969. Mr. Bert Rogness reported that there were challenges for the coop to work through but that H-D Electric is doing a good job handling the challenges in front

Because of the Covid-19 pandemic, the 77th Annual Meeting of 2020 was held in a drive-thru format, so the 2019 financial report is yet to be approved by the membership. Mr. Bert Rogness advised the membership that the financial reports of 2019 and 2020 need to be approved by a resolution.

On motion duly made, seconded, and carried, it was resolved that the financial reports for H-D Electric Cooperative, Inc. for 2019 and 2020, shall be and hereby are approved.

Mr. Bert Rogness then introduced the project attorney, Craig D. Evenson for instruction on the voting process. Mr. Craig D. Evenson advised the membership that candidates filing a petition in 2021 are the following:

District 5 - Steve Hansen **District 7 - Bert Rogness** District 8 - Dale Williams

On motion duly made, seconded, and carried, the following directors were elected as the directors for H-D Electric Cooperative, Inc. for a term of three years:

District 5 - Steve Hansen **District 7 - Bert Rogness District 8 - Dale Williams**

Mr. Rogness asked if there was any old business. There was none. Mr. Rogness asked the members if there was any new business. There was none. Mr. Rogness then introduced Mr. Troy Kwasniewski and Ms. Heidi Brewer-Grimlie to draw for door prizes. Mr. Rogness then asked for a motion to adjourn. On motion duly made, seconded and carried the meeting was adjourned. The final total attendance was 129 members.

Are You a Junior or Senior in **High School? Would You Like** to See Washington D.C.?

**Due to COVID 19 this trip may not happen but if it does proof of vaccination is required.

On June 18-24, 2022, H-D Electric will sponsor one high school junior or senior on a week-long trip to Washington D.C. with the Rural Electric Youth Tour. More than 30 students from South Dakota will team up with more than 1,400 students from around the nation. Past participants have described this trip as a once-in-a-lifetime experience. The all-expense paid trip includes transportation, room and board, entertainment and sight-seeing events. Students are asked to provide their own personal spending money for items such as snacks and souvenirs.

Sites that have been visited on part of the past tours are the Lincoln Memorial, Washington Monument, Ford's Theatre, Arlington National Cemetery, the National Archives and many more. Also included on the tour is an opportunity to job shadow in the South Dakota Congressional delegation's

offices. Due to COVID-19 restrictions sites toured may vary in 2022.

How to Apply

To be eligible, you must be junior or senior in high school and your parents are members of H-D Electric Cooperative. H-D Electric is excited to be offering a preferred feature to the application process for the Youth Tour Trip. As part of your application we ask that you send in a two to three minute video telling us about yourself and answering the two essay questions that are on the application form. Details are included on the application as well as instruction on sending H-D Electric the video.

Another option is composing an essay on the two topics included on the application form. The essay should be at least one page.

To obtain the application form and essay questions, contact H-D Electric, PO Box 1007, Clear Lake, SD 57226 or call 800-358-7233. You can also find the application form on our website at www. h-delectric.coop. Application must be completed and returned to the office of H-D Electric by March 18, 2022, we look forward to receiving the applications and videos.



Despite its legacy as the site of an epic battle over good and evil, Sica Hollow State Park near Sisseton is a source of family fun for those who want to get away and enjoy the great outdoors. Photos by SD Tourism.

The State Park system has seen visitation increase with new programs in place to serve the public

Billy Gibson

billy.gibson@sdrea.coop

At first blush, Sica Hollow State Park might seem like someplace you'd want to avoid.

The area was named after a Dakota Sioux word used to describe something sinister and features a winding pathway called the Trail of the Spirits. There are maroon-colored bogs, sangriatinged streams and brown foliage that reminded early tribes of the blood and flesh of their ancestors.

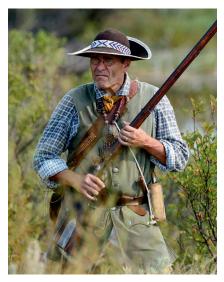
The undulating terrain is said to be the site of an ancient spiritual battle in which the land and the people were overcome by a malevolent force. Local legend has it that the restless souls of the dead manifest themselves as unexplained bursts of fire and light in the night, disturbing sounds of agonized wailing and the ominous beat of war drums in the distance.

Apart from the spooky stories and eerie lore, Sica Hollow turns out to be one of many "hidden gems" in the State Park system that are found off the beaten paths.

Sica Hollow is located in the northeast corner of the state near Sisseton where you'll find rustic bridges, winding creeks, scenic waterfalls and seasonal wildflowers festooning the eight miles of hiking trails. The Trail of Spirits, which today is a self-guided interpretive foot trail, was designated as a National Recreation Trail in 1971. The park also contains the Old River Warren and Coteau des Prairies, which have been named National Natural Landmarks.

With more than 60 facilities in its fold, the State Park system has lots to offer and includes several lesser-known destinations for families to discover such as Sica Hollow, Spirit Mound and Adams Homestead in the eastern part of the state and Shadehill, Rocky Point and Llewellyn Johns out west.

The Shadehill Recreation Area near Lemmon is situated on the shores of Shadehill Reservoir, which is one of western South Dakota's few large lakes.



At Llewellyn Johns Recreation Area, visitors will find a monument to Hugh Glass, a hunter who survived a vicious attack by a grizzly bear in 1823.

There are 85 campsites with seven camping cabins, a group lodge, and facilities for boating, fishing, canoeing, biking, archery and more.

Nearby is the much smaller Llewellyn Johns Recreation Area with just 10 campsites and an opportunity to enjoy

Approximate number of visitors 8,400,000 to South Dakota State Parks in 2021

a quieter and more secluded camping experience. There are points of historical interest close by as many historic figures have traveled through the area, including George Custer's 1874 Expedition and Hugh Glass. According to first-hand accounts, in 1823 Glass was attacked by a grizzly bear, an event documented in the novel Lord Grizzly and recounted in the movie, The Revenant.

Nick Harrington, communications manager for Game, Fish and Parks, reports that the system is stronger and more popular than ever. Last year more than 8.4 million visitors passed through the parks, representing a 25 percent increase in visitation over the nine-year average. Custer State Park, the system's most popular spot, saw a 3 percent increase in attendance with more than 2.3 million visitors.

Seventy-seven percent of visitors rated their camping experience as an A with 43 out of the 48 areas surveyed receiving the top rating.

To keep the momentum moving along, the State Park system has added 15 new facilities from a new Bison Center at Custer State Park to an improved boat ramp at West Whitlock Recreation Area.

And just in time for the spring and summer camping season there is a new and improved way of helping campers navigate the parks and outdoor facilities. Through www.gooutdoorssouthdakota. com, customers can secure a camping reservation or buy an annual park



Sica Hollow is one of the "hidden gems" in the state park system where visitors can commune with nature while learning about local lore.

entrance license while also purchasing hunting and fishing licenses all from the same transaction. A new mobile app provides 360 degree views of the more than 4,000 campsites in the system.

The Department of Tourism has also launched a free mobile pass called South Dakota Great Finds that helps users explore the state's many attractions, including hidden treasures like Sica Hollow. The pass can be accessed at travelsouthdakota.com, and there is no app to download.

According to Department of Tourism Secretary Jim Hagen, "This mobile experience allows us to better highlight what truly makes up the great state of South Dakota. It showcases rural America, unexpected businesses and parks, and gets people off the beaten path to discover something new."

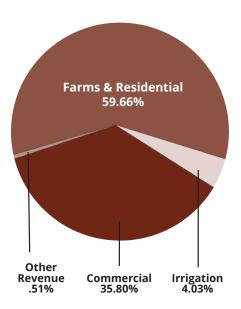
Search for "Go Outdoors South Dakota" to find GFP's official mobile app for iOS and Android.

Top 10 most visited state parks in 2021

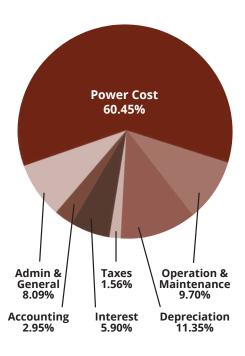
- 1. Custer State Park
- 2. Lewis & Clark Recreation Area
- 3. Spring Creek Recreation Area
- 4. Oahe Downstream Recreation Area
- 5. Cow Creek Recreation Area
- 6. Angostura Recreation Area
- 7. Roy Lake State Park
- 8. Farm Island Recreation Area
- 9. Springfield Recreation Area
- 10. Newton Hills State Park

| Operating Summary | 2020 | 2021 |
|--|----------------------------|-------------------------|
| Income | | |
| Farms and Residential | \$7,725,688 | \$7,396,017 |
| Commercial | \$3,306,258 | \$4,438,259 |
| Irrigation | \$376,476 | \$499,613 |
| Other Operating Revenue | \$70,821 | \$62,858 |
| REVENUE FROM ELECTRIC SALES | \$11,479,243 | \$12,396,747 |
| Margin Stabilization | (318,269) | (325,783) |
| TOTAL REVENUE | \$11,160,974 | \$12,070,964 |
| Expense Cost of Purchased Power | \$6,499,712 | \$7,195,661 |
| Operation of Lines | \$753,688 | \$7,195,661 |
| Maintenance of Lines | \$484,058 | \$434,451 |
| Consumers Accounting & Collecting | \$197,060 | \$144,038 |
| Customer Service Expense | \$155,239 | \$202,486 |
| Sales Expense | \$3,461 | \$4,583 |
| Other Administrative & General Expense | \$889,450 | \$962,637 |
| Depreciation | \$1,242,995 | \$1,350,794 |
| Taxes | \$165,134 | \$185,550 |
| Interest Expense | \$700,344 | \$697,398 |
| Other Misc. Expense | \$6,965 | \$5,504 |
| TOTAL EXPENSE | \$11,098,106 | \$11,903,727 |
| Operating Margins for the Year | \$62,868 | \$167,237 |
| Non-Operating Margins for the Year | \$225,526 | \$101,908 |
| G & T Capital Credits & Other | \$546,164 | \$549,008 |
| TOTAL MARGINS FOR THE YEAR | \$834,558 | \$818,153 |
| Balance Sheet | 12/31/2020 | 12/31/2021 |
| Assets | | |
| Lines, Office Bldg, & Operating Equipment | \$42,327,541 | \$44,723,651 |
| Construction Work In Progress | \$731,955 | \$83,001 |
| Less: Reserve for Depreciation | (\$16,059,323) | (\$17,236,751) |
| TOTAL ELECTRIC PLANT LESS DEPR | \$27,000,173 | \$27,569,901 |
| Cash on Hand | \$21,581 | \$21,367 |
| Patronage Capital & Investments in Related Organizations | \$7,434,362 | \$7,968,916 |
| Working Capital, Member Loans & Investments in Other Organizations | \$2,657,811 | \$3,486,356 |
| TOTAL CASH AND INVESTMENTS | \$10,113,754 | \$11,476,639 |
| Receivables from Electric Consumers | \$1,078,992 | \$1,188,764 |
| Interest & Others | \$65,768 | \$142,768 |
| TOTAL RECEIVABLES | \$1,144,760 | \$1,331,532 |
| Material & Supplies | \$1,001,016 | \$1,306,803 |
| Prepaid Insurance & Dues | \$39,015 | \$47,941 |
| Deferred Debits | \$705,286 | \$511,352 |
| TOTAL MATERIAL & OTHER ASSETS | \$1,745,317 | \$1,866,096 |
| TOTAL OF WHAT WE OWN | \$40,004,004 | \$42,244,168 |
| Liabilities | | |
| Amount borrowed from RUS and CFC | \$43,780,985 | \$45,780,985 |
| We paid back on Principal | (\$18,537,851) | (\$19,440,584) |
| Advance Payment to RUS TOTAL LONG TERM DEBT | (\$1,164,373) | (\$1,074,539) |
| | \$24,078,761 \$75,397 | \$25,265,862 |
| We Owe East River (Consumer Loans) We Owe Consumers (Deposits) | \$38,649 | \$56,497 \$39,815 |
| Deferred Credits | \$77,827 | \$130,652 |
| Regulatory Liabilities | \$1,948,133 | \$2,273,916 |
| Accounts Payable & Other Liabilities | \$1,157,804 | \$2,273,916 |
| TOTAL OTHER LIABILITIES | \$3,297,810 | \$3,937,971 |
| TOTAL AMOUNT WE OWE | \$27,376,571 | \$29,203,833 |
| Patronage Capital & Other Equity | \$12,627,433 | \$13,040,335 |
| TOTAL LIABILITIES AND EQUITY | \$40,004,004 | \$42,244,168 |
| 10 THE EINDIETHED AND EQUIT | ¥-10,00 -1 ,004 | 472,277, 100 |

2021 Revenue Dollar



2021 Expense Dollar



2021 Financial Statements have not been audited.

Director Candidate Profiles

As of the Feb. 1, 2022 magazine deadline, H-D Electric has received a completed petition for District 1 and 2 for the 2022 Director Elections. If more petitions are received on or before the Feb. 25, 2022, petition deadline, a candidate profile will be posted on the H-D Electric website at www.h-delectric.coop.

Terry Strohfus

Terry has served on the H-D board of directors since 2001. Terry and his wife, Naomi, have four children, three daughters, one son and 12 grandchildren. Terry and Naomi live west of Thomas in Oxford Township of Hamlin County and operate a farming and cattle operation. Terry also operates a custom silage chopping business. Terry serves Oxford Township as Supervisor.



Terry comments: "I have enjoyed representing the members of District 1. I believe our electric system improvements have given us a dependable source of electricity. New technology

and great employees will keep H-D providing reliable service to our homes, businesses and future growth. I would appreciate your vote for another term."

Roxanne Bass

Roxanne has served on the H-D board of directors since 2011 after being appointed upon the resignation of Dale Olsen. Roxanne and her husband, Craig, have lived on their farm north of Castlewood since 1975. They have a daughter and son-in-law, two sons and four grandchildren.

Roxanne comments: "I have enjoyed representing the members of District 2. It is very challenging and rewarding to be part of a cooperative that is committed to bringing dependable electric service to its members. The future of our electric cooperative is ever-changing, and I am proud to be a part of that change. I look forward to serving you in the future."



Roxanne Bass

District 6

H-D Electric has not received any completed candidate petitions for District 6 on or before Feb. 1 2022, the deadline date to be featured in the Cooperative Connections. If one or more petitions are received, on or before the Feb. 25, 2022, petition deadline, a candidate profile will be posted on the H-D Electric website at www.h-delelctric.coop.



H-D Monthly Poster Contest Winner

Milo Thompson, son of Kurt and Rebecca Thompson from Hayti, S.D., won the junior artist trifold easel set for being the poster contest winner in December.

Congratulations, Milo!

H-D Electric **Water Heater Program**

H-D Electric sells three sizes (50, 85, 100 gallons) of high-efficiency lifetime warranty Marathon water heaters. We have a rebate and discount program for our members.

Replacing an old water heater?

Call H-D Electric and see if you qualify for a new 50-, 85-, 100-gallon lifetime water heater from H-D Electric, and after the rebate only pay \$500 for a 50 gallon and \$750 for an 85- or 100-gallon (tax included).

New Construction or Gas Water Heater Conversion?

Check out what H-D Electric has to offer for the lifetime warranty water heaters for you. If you qualify a new 50 gallon would only be \$300 and an 85- or 100-gallon would only be \$500 (tax included).

Call the H-D Electric office during normal business hours to find out the complete list of qualifications.

To receive the rebates noted above, a controller must be installed within 90 days

of purchase. If a member chooses to not have a controller installed, they must pay the full amount with no rebates. The cost with no rebates is as follows: 50-gallon -\$1,200, 85-gallon - \$1,450 and 100-gallon -\$1,550.





Newville (left), presents a check to the local Community Center and Cougar Club daycare facility in Franklin, MN, through the electric cooperative REED Fund.

Electric cooperative REED Fund helps meet many needs for communities in South Dakota and western Minnesota

Billy Gibson

billy.gibson@sdrea.coop

Leaders of the Garretson community northeast of Sioux Falls had the vision for a much-needed expansion of the small town's non-profit daycare center. Since cobbling together two older structures in 2019 and taking in more tykes, it was apparent that the current white-hot demand for childcare was going to necessitate yet another expansion.

So they set their jaws, put together a plan and mustered up the will to make it happen for the sake of local families and the greater good of the community.

Now, all they needed was a miracle.

That miracle came in the form of a random conversation that took place between Blue Dragon Academy Board Member Kris Frerk and Sioux Metro Growth Alliance CEO Jesse Fonkert.

Frerk was in full fret mode over a lack of funding for the project, but it turned

out Fonkert had a fail-safe solution.

Through his contacts Angie Neises at East River Electric and Jay Buchholz at Sioux Valley Energy, Fonkert was aware of the Rural Electric Economic Development Fund, or REED Fund. He knew it was a valuable financial resource made available by electric co-ops in South Dakota and western Minnesota just for this kind of project.

Bottom line: Blue Dragon Academy will begin work in April with plans to complete the 3,500-sq. ft. project in November. Best of all, nearly 40 more families in and around the town of Garretson will have access to quality child care services.

While Frerk doesn't recall any trumpets blaring or harps playing in the background, she contends that her off-hand discussion with Fonkert was delivered by divine intervention.

"It's a pure miracle," she said. "We had been putting feelers out for funding because we have a big need in this area.

When I got that information from Jesse, it was just like a miracle. We jumped on it, we got accepted by the REED Fund Board and now we're ready to get the work done."

Blue Dragon secured a low-interest REED loan for nearly \$700,000. The non-profit organization is required to match \$239,000. Now Frerk and her crew are heavy on the fund-raising trail and have already received tremendous support from many donors in the community, she said. The Blue Dragon Board hopes to pay the debt off early with plans to hire five or six more workers once the project is complete.

For East River Electric Economic Development Director Eric Fosheim, it was another day at the office. His job is to match the money with the need, and he says many recipients respond with the enthusiasm and gratitude Frerk expresses when they receive funds.

He does fall just short of uttering the "M" word, however.

"It's extremely satisfying to be in a position to help people solve problems and overcome challenges in their communities," Fosheim said. "We try to work together with folks to cut through the red tape and bureaucratic impediments and come up with clever ways to get projects across the finish line. This is all made possible through the electric cooperatives and the fact that they take their responsibilities and obligations to their communities very seriously."

The REED Fund has backed scores of projects and loaned out more than \$100 million since it was established in 1996. Fosheim sees it as the prefect tool for promoting local economic growth, improving infrastructure, enhancing community facilities and contributing to job, business and wealth creation.

Funds have gone to retail and service businesses, industrial parks and office facilities, fire protection projects, manufacturing firms, housing projects, health care facilities and more.

> **Approximate** amount of money

\$100 million

loaned through the electric cooperative **REED Fund**

Chris Larson, general manager at Clay-Union Electric in Vermillion, and his board tapped REED funds to support the Wakonda Heritage Manor assisted living facility. They also worked with the business to secure a zero-interest loan through the USDA's Rural Economic Development Loan and Grant Program.

"It's truly an honor for us to have this tremendous resource available to help improve the lives of our members and the community at-large," Larson said.

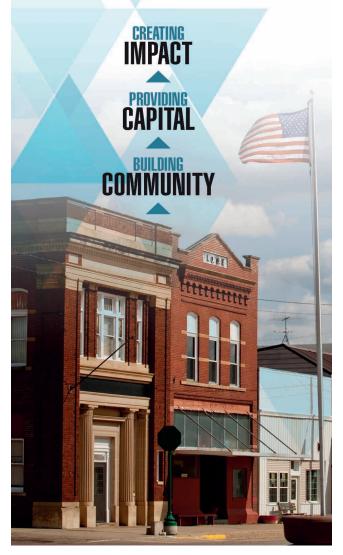
The real meaning of the REED program came to light when he and the board visited the place.

"We viewed the improvements they'd made, and heard from the people there about how it enhanced their quality of life. It really warms your heart to know you're part of a co-op system that can have a positive impact on families and businesses. It just shows how much of a difference we can make when we all work together, pool our resources and get things done."

East River cooperatives serving western Minnesota have also participated in the program. As with the Garretson community, parents in Franklin, MN, also had a need for a daycare center.

www.reedfund.coop

RURAL ELECTRIC ECONOMIC ED FUN



The Cougar Cub Child Care Center was launched with the help of REED funds obtained through Renville-Sibley Co-op Power after two of the town's three daycare facilities closed.

Renville-Sibley CEO DeeAnne Newville said, "We were happy to help fill the gap. Concern for community is one of the seven cooperative principles. It's an example of the city, school and economic development coming together for the good of the people in our rural communities."

For more information about the REED Loan program, visit www.reedfund.coop.



Owned by H-D Electric Cooperative based in Clear Lake, this Tesla Model 3 has been used during the legislative session to educate and inform lawmakers about the emergence of EV technology and beneficial electrification. *Photo by Billy Gibson*

Cooperatives promote the concept of beneficial electrification to help members cut carbon and save money

Billy Gibson

billy.gibson@sdrea.coop

Lather. Rinse. Repeat.

When that short snappy algorithm started appearing on the sides of shampoo bottles back in the 1950s, some said it simply encouraged people to practice good hygiene and do a more thorough job of scrubbing their tresses right down to the scalp.

More cynical observers took it as a thinly-veiled scam devised by some devious marketing firm to sell more shampoo and spin bathers into an endless cycle of washing their hair, breaking only long enough to go out and purchase more Prell.

Rare is the business that encourages customers to use less of its product. But that's the very approach that lies at the heart of electric cooperatives and their guiding principles. Electric co-ops exist exclusively to deliver the power their members need, but they also go above and beyond by working to make sure their members don't pay a penny more than the cost of providing the service while helping them to better manage their consumption.

That basic formula has remained the same since the rural electric cooperative movement began back in the 1930s, even as new methods of generating, distributing and using electricity have evolved over the decades. Every step along the way, co-ops have stood at the forefront to help members make the best and most efficient use of whatever new development comes down the pike.

Enter the emergence of a concept

called beneficial electrification. This is a relatively new term that describes the pursuit of solutions that allow cooperatives to meet rising service demands while helping their consumers save money over time, lowering greenhouse gas emissions, fostering a more resilient electrical grid, protecting the environment and improving the quality of life for all.

Across the country, electric cooperatives are launching and embracing beneficial electrification programs and blazing pathways that lead to providing more value to members, their local communities and the environment.

Some of what falls under the heading "beneficial electrification" has been adopted by co-ops and their consumers for years, such as replacing older and inefficient gas furnaces and water heaters with more efficient electric heat pumps. More recently, cooperatives have implemented load management programs that enable the co-op to control devices in the home and help balance power supply and demand, resulting in more efficient consumption and potential savings for

the member. Or as it's known in more colloquial terms, a "double back scratch."

And even more recently, cooperatives have accelerated their adoption of renewable power and have gotten involved in programs to incentivize the use of electric vehicles and help build out a system of fast-charging stations across the state, region and nation.

All of these types of initiatives are called "beneficial" because they help members save money and also help protect the environment.

In his role as Manager of Beneficial Electrification at Sioux Valley Energy in Colman, Ben Pierson often works with members to give them what they've indicated through surveys that they want: more information about how they can use technology to reduce their energy consumption while saving money.

"As we get out in the community, we hear from our members all the time, especially as we discuss the benefit of EVs in particular," Pierson said. "We try to make it easier to integrate this emissions-reducing and money-saving technology by offering incentives for installing home chargers and a time-of-use plan that allows members to charge their cars overnight at a much lower cost."

Pierson said some members are taking advantage of the home-charger incentive even though they aren't yet among the nearly 500 South Dakotans who own an

"They're just excited that we've made these programs available," he said. "They realize EVs are going to be a substantial part of our transportation future and they want to be ready to ease the transition for them and their families."

Robert Raker is manager of communications and public relations at West River Electric and works out of the co-op's Rapid City office. Raker sees a fertile field for promoting beneficial electrification as the Rapid City area experiences accelerated growth. Like Sioux Valley Energy and other co-ops around the state, West River Electric offers load management programs, rate structures and incentives

Electricity is becoming cleaner every day and can save consumers money on their energy costs over time.



Did you know...

Replacing your HVAC system with an electric heat pump can save you nearly \$1,000 per year on your heating and cooling bills.1



Did you know...

The average cost of charging an electric car is equivalent to \$1.20 per gallon of gasoline.2



Did you know...

Owning an electric vehicle can save you over \$800 in annual maintenance.3

for electric appliances like water heaters and heat pumps.

He uses the cooperative's Nissan Leaf EV to demonstrate the advantages of this emerging technology and is also part of the effort to leverage government and private funds to build a reliable EV charging network.

As neighborhoods grow and businesses expand in his area, Raker collaborates with developers to promote beneficial electrification. He also sees value in encouraging residential members to make more beneficial use of electricity by converting lawn implements from gas to

"We've seen a real shift in mentality toward carbon-free growth," he said. "Our job is to educate and inform our members about how they can continue to integrate technology into their everyday lives on any scale.'

As spring and summer are just around the corner, he said, one way most residential members can help in the goal to curb carbon emissions is to convert lawn and garden equipment from gasoline to

electric/battery-powered.

Electric lawn care equipment options are becoming more popular than ever, offering consumers faster charging times, longer battery life and quieter, greener products.

There are several electric lawn mower brands that operate without a cord, unlike the first generation of electric mowers. Typically priced in the \$200-\$500 range, electric mowers are powerful, low maintenance, and work well for lawns that are a half-acre or less.

Electric trimmers and leaf blowers are also catching up to their gas-powered competitors in performance and reliability.

Raker encourages members to do their research before investing in electric lawn equipment, citing consumerreports.org as a trust source of information.

He and Pierson agree that beneficial electrification is the way of the future and there's no better time for members to engage in this environmentally-friendly approach than the present.



Voter Registration Form

To be used only by: Churches, Halls, Public Entities, Corporations or Partnerships. Please present this form to receive a ballot.

(Name of Organization) delegate and appoints:

(Name of Voting Delegate) as the person authorized to vote on behalf of the above entity at the 2022 annual meeting of H-D Electric Cooperative, Inc.

(Signature of Officer)

To have your event listed on this page, send complete information, including date, event, place and contact to your local electric cooperative. Include your name, address and daytime telephone number. Information must be submitted at least eight weeks prior to your event. Please call ahead to confirm date, time and location of event.

To view the publication's master event calendar, scan the OR code below:



Or visit https://sdrea.coop/ cooperative-connectionsevent-calendar to view more upcoming events.

PLEASE BRING THIS PAGE WITH YOU \blacktriangleleft

MARK YOUR CALENDAR! Attend H-D Electric's Annual Meeting



6:30 p.m. 7 p.m. N

Registration Meeting Begins

Electric Cooperative, Inc.

FEBRUARY 26 The Music of John Williams Washington Pavilion, Sioux

Falls, SD, 605-367-6000 MARCH 4-5, 10-13

The 39 StepsOrpheum Theater Center,
Sioux Falls, SD, 605-367-6000

MARCH 4-6

Home & Garden Show

Brown County Fairgrounds, Aberdeen, SD, 605-225-2055

MARCH 5 I Hate Winter Cornhole Tournament

Scherr Howe Arena, Mobridge, SD, www.mobridge. org/Corn-Hole-Tournament

MARCH 5-8

2022 Summit League Basketball Championships

Denny Sanford Premier Center, Sioux Falls, SD, www.thesummit league.org/tickets

MARCH 10-13 Annual Sioux Empire Sportsmen's Show

Denny Sanford Premier Center, Sioux Falls, SD, www.siouxfalls sportshow.com

MARCH 12

28 Below Fatbike Race, Ride & Tour

Spearfish Canyon Lodge, Lead, SD, www.28below.com

MARCH 12

Meraki Dance Competition & Convention

Washington Pavilion, Sioux Falls, SD, 605-367-6000

MARCH 14

Harlem Globetrotters The Monument, Panid Cit

The Monument, Rapid City, SD, 605-394-4115

MARCH 18-19, 25-26 Schmeckfest

748 S Main Street, Freeman, SD, 605-925-4237

Meeting Location: Hamlin Education Center

44577 188th Street Hayti, SD 57241

REGISTRATION CARD

(Signature of Member)

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