

COOPERATIVE CONNECTIONS



Building Communities

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Support Local Growth
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DERs and the
Electrical Grid
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Dave Eide, right, presents a check to Jason Foster, left, fire chief of Garden City Fire Department. Through the REED fund, the department secured a loan to renovate the fire hall.

Powering Progress:

Balancing Reliability, Financial Stability, and Member Service



Walker Witt - CEO
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I truly enjoy what I do at your cooperative. Risk management, reliability improvement, and regulatory & legislative involvement

are critical areas that I spend significant time on and things I am very passionate about. However, the dollars and cents of our co-op; capital credits, loans, budgets, and collections are just as crucial. Although forecasts, spreadsheets, and financial planning may not be my passion, our cooperative is extremely fortunate to have a team of employees and a board who are not only experts, but who are passionate about these areas.

Your board approved the 2024-2027 Construction Work Plan at the April board meeting. Prepared by our system engineer in collaboration with System Coordinator Jesse Sorenson and Manager of Operations Bill Brisk, the Work Plan outlines an estimated \$14,026,896 in system improvements and additions. This critical step secures loan funds for capital projects, ensuring we continue to deliver the reliable electric service our members expect and need.

A loan through Rural Utilities Services in the amount of \$19,124,000 was applied for by your cooperative in November and approved on December 30, 2024. The loan will be used for many of the capital improvements to our system over the next four to five years.

In November, your board approved the 2025 budget, totaling \$24,875,586. The budget, prepared by CFO Sammi Langendorf with input from all department heads, allocates over half of its total to wholesale power costs. It also reflects an 8% increase in wholesale power costs from WAPA (Western Area Power Administration) and Rushmore Electric.

At the same board meeting, the board of directors approved the retirement of \$2.4 million in allocated capital credits. Decisions about whether to retire capital credits and how much to retire are based on the cooperative's financial health. In recent years, the board has focused on three key goals: strengthening the cooperative's financial position, shortening the capital credit retirement cycle to return allocated credits to members sooner, and structuring retirements in a way that minimizes future impacts. Balancing these goals is challenging, as retained capital credits bolster the cooperative's equity and financial stability, while retiring them reduces equity. Your board does a good job maintaining the correct balance between retiring capital credits and retaining sufficient equity on the balance sheet.

The November retirement marked the completion of capital credit retirements for the years 2004-2005. This included \$1,894,852 returned to current members, reducing the burden of allocated capital credits that might otherwise challenge future boards. In addition to the general retirement, \$69,524 in estate capital credits were paid out in 2024. To date, Black Hills Electric Cooperative has returned over \$20.9 million to its members. In the past six years alone, your board has retired \$12.8 million.

Over the last eleven years, they have also reduced the retirement cycle by more than one-third, from 30 years to under 20 years, ensuring members receive their credits more quickly.

During the December board meeting, your directors took action to write off the bad debt of 2024. The total amount written off was \$1,267.18. That is just .005% of electric revenue of \$24,409,050. That is the lowest percentage of revenue since the cooperative started keeping track of this in 1989. Even more significant is that \$1,267.18 is the lowest dollar amount written off since we began recording bad debt. This achievement is due to two key factors. First, the exceptional efforts of your Member Service Representatives: Stephanie Zacher, Jennifer Kainz, Terri Herman, and Shannan Steele. This group works tirelessly with members to help them pay their bills, and once a member leaves with bad debt, they vigorously work to collect that debt. The second and most important reason for the low write-off is that your co-op has great members who pay their bills.

Your cooperative remains dedicated to balancing financial strength, operational excellence, and member satisfaction. Through careful planning and prudent decision-making, your board and employees have ensured reliable service while maintaining fiscal responsibility. From securing funds for critical system improvements to effectively managing budgets and retiring capital credits, the cooperative demonstrates its commitment to serving its members' best interests. Together, we continue building a brighter and more sustainable future for our cooperative and community.

COOPERATIVE CONNECTIONS

BLACK HILLS ELECTRIC

(ISSN No. 1531-104X)

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WRAPPED IN SAVINGS

Ensuring your home is properly insulated can improve energy efficiency and make your home more comfortable. Insulation acts like a cozy coat that reduces heat loss during winter months and a protective layer that reduces heat gain during summer months.

Many older homes have less insulation than newer homes, but even newer homes can benefit from additional insulation. While it's not the least expensive efficiency improvement, adding insulation and air sealing your home can provide the biggest bang for your buck in energy savings and overall comfort.

The most common areas to insulate are attics, ceilings, crawlspaces or unconditioned basements, exterior and interior walls, floors, and ductwork located in unconditioned spaces.

The amount and effectiveness rating of insulation required for each area varies by climate, but many

websites like The Department of Energy or Home Depot provide easy-to-follow recommendations. Visit energy.gov/insulation to learn about recommended R-values for specific areas of the home based on climate zones.

It's important to understand how insulation effectiveness is measured. Insulation is rated in R-value, which measures the material's resistance to conductive heat flow. The higher the R-value, the greater the insulating effectiveness. The R-value you'll need depends on factors like climate, type of heating and cooling system and which area of the home you plan to insulate.

Insulation is offered in a wide range of materials from bulky fiberglass rolls to cellulose materials made from recycled paper products. If you're considering installing additional insulation, talk to an expert who can offer guidance on the right materials for your budget, climate and comfort needs.

Investing in proper insulation for your home not only enhances comfort but also reduces energy consumption.



Fire Safety

Cooking and heating are the leading causes of home fires and fire injuries, and winter months are the peak time for fire-related deaths.

Minimize Your Risks

The good news: Deaths from home fires in the U.S. have trended downward since the 1970s, according to Injury Facts, but even one death from a preventable fire is too many. While fire doesn't discriminate by age, it is the third leading cause of death for children 1 to 14.

When cooking, make fire safety a priority by keeping these tips in mind:

- Be alert; if you are sleepy or have consumed alcohol, don't use the oven or stovetop
- Stay in the kitchen while you are frying, grilling, boiling or broiling food
- When simmering, baking or roasting, check the food regularly, remain in the kitchen while cooking and use a timer
- Keep anything that can catch fire away from your stovetop

Heating is the second leading cause of home fires.

Follow these tips:

- Keep all flammables, like paper, clothing, bedding, drapes or rugs, at least three feet from a space heater, stove or fireplace
- Never leave portable heaters and fireplaces unattended; turn off heaters and make sure fireplace embers are extinguished before leaving the room
- If you must use a space heater, place it on a level, nonflammable surface, like ceramic tile, not on a rug or carpet
- Keep children and pets away from space heaters
- When buying a space heater, look for models that shut off automatically if the heater falls over

Other top causes of fire include smoking, electrical problems and candles. To minimize risks:

- Institute a "no smoking" policy in the house
- Check all cords and replace any that are frayed or have bare wires
- Switch to flameless candles
- Keep matches and lighters high and out of children's reach in a locked cabinet

Working Smoke Alarms Are a Must

Replacing the Battery on a Smoke Alarm About three out of five fire deaths happen in homes without working smoke alarms. Smoke alarms are a key part of a home fire escape plan providing early warning to reduce your risk of dying in a fire. The National Fire Protection Association recommends you:

- Install smoke alarms on every level of your home, inside bedrooms and outside sleeping areas on the ceiling or high on the wall
- Keep smoke alarms away from the kitchen, at least 10 feet from the stove, to reduce false alarms
- Use special alarms with strobe lights and bed shakers for people who are hard of hearing or deaf
- Test smoke alarms monthly
- Replace batteries in your smoke alarm and carbon monoxide detector annually
- Replace smoke alarms that are 10 or more years old

Source: National Safety Council



"Be aware of overhead wires."

Vance Claeys, Age 11

Vance Claeys cautions readers to be careful when working around power lines. Thank you for your picture, Vance! Vance's parents are Jake and Bridget Claeys, members of Lyon-Lincoln Electric.

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.

SOUP

Sensation

BROCCOLI CHEESE SOUP

Ingredients:

- 1 large pkg. frozen broccoli
- 1/4 cup water
- 3 tbsps. margarine
- 10 oz. package corn
- 1/4 cup chopped carrots
- 1/4 cup chopped onion
- 1/4 tsp. pepper

Cook the above and add
 3 cans cream of potato soup
 3 cups milk
 2 cups shredded Cheddar cheese
 1/2 cup shredded Monterey Jack cheese
 Stir until melted

LaVonne Schmidt
 Sioux Falls, S.D.

NORWEGIAN FRUIT SOUP

Ingredients:

- Bring 1/2 gallon water to a slow boil.
- Add 1 pkg. of sweetened dried cherries, banana chips, apricots, prunes, 2 apples (all cut into pieces)
(Optional to use any dried fruit you wish)
- 1/2 cup golden raisins
- 1/2 cup regular raisins
- 2 whole cloves
- 2 cinnamon sticks
- 1 cup sugar (you can use Splenda)

Method

Boil slowly for one hour add 3 tbsps. tapioca and a large pkg. of cherry jello.
 Refrigerate and serve with whip cream.

Kari Reder
 Warner, S.D.

CABBAGE SOUP

Ingredients:

- 1-2 tbsps. vegetable oil
- 1 pkg. (14 oz.) smoked sausage, sliced 1/4 in. thick
- 1 large yellow onion, chopped
- 1 tbsp. tomato paste
- 1 small green cabbage, cored and shredded (about 8 cups)
- 1 medium carrot, finely chopped
- 1 can (14 1/2 oz.) petite diced tomatoes
- 1 1/2 tsps. salt
- 1/2 tsp. garlic powder
- 1/2 tsp. ground black pepper
- 1/4 tsp. onion powder
- 1/8 tsp. crushed red pepper
- 4 cups chicken stock or broth
- 1 can (15 1/2 oz.) white beans, drained and rinsed
- 1 tbsp. white wine vinegar

Method

Heat oil and cook sausage, until browned. Remove from skillet. Add onion and tomato paste; cook and stir until onions are slightly softened and tomato paste has darkened. Add cabbage and carrots to stockpot. Cook, stirring frequently, about 30 minutes or until cabbage has softened and begins to caramelize. Stir in tomatoes, salt and spices. Cook 10 minutes longer or until cabbage is very soft. Return sausage to pot. Stir in stock and beans. Bring to boil. Reduce heat and simmer 10 minutes. Stir in vinegar. Serve hot, sprinkled with freshly grated Parmesan cheese, if desired.

McCormick.com

Please send your favorite 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 2025. All entries must include your name, mailing address, phone number and cooperative name.

Fireplace Efficiency: Maximize Warmth and Minimize Waste



Miranda Boutelle
Efficiency Services
Group

Q: I heard fireplaces can make your home colder. How do I keep my home comfortable while enjoying cozy fires?

A: When I was a little girl growing up in North Carolina, I remember my dad telling me that some nights were too cold to have a fire. That always seemed crazy to me, but like many other things he said, he was right.

A heat pump heated our home. We had an open fireplace that was more suited for ambiance than creating heat. When you have a fire, warm air rises and draws the smoke out through the chimney. This also draws the warm air out of the house. This invisible force is called the stack effect.

The impact is exacerbated in drafty homes. When the warm air escapes through the chimney, it is replaced by cool air leaking in through gaps and cracks in the home. The greater the difference between the indoor and outdoor temperatures, the greater the stack effect, hence Dad's rule of no fires on the coldest nights.

Wood fireplaces are not an efficient option to heat your home. Most of the heat goes out of the chimney. If you enjoy the comforting ambiance and curling up in front of the fireplace during the colder months, here are some tips to efficiently operate a fireplace in your home.

Because it is out of sight, it can be easy to forget to close the chimney damper. The damper should be open when you have a fire going or when any hot ashes are in the fireplace to ensure smoke and carbon monoxide don't come into your home. Once the fire and all ashes are fully extinguished, close the damper. Leaving the damper open allows warm air to escape, wasting energy. It's like leaving a window open when your heating system is turned on in the winter.

If your damper doesn't close properly or your chimney doesn't have one, purchase a product

designed for the task. There are a variety of chimney plug sizes and styles available, including inflatable options designed to fit snugly in place. While you are at the hardware store, pick up some caulking and weatherstripping to seal air leaks around windows, doors and pipes along exterior walls.

Fireplaces with gas logs are required to be installed with a mechanism that always keeps the damper open. This safety feature allows gases from the pilot light to escape. Glass doors can reduce the impact of air leakage in the winter and summer months. Consider installing glass doors on open fireplaces and keep them closed to minimize drafts.

Sealed combustion gas fireplaces are fully enclosed systems that draw the air needed for combustion from the outside. When properly installed, you get the benefit of the warmth of the fire without the worry of heat loss from drafts. If you have gas logs and enjoy the ease of a gas fireplace, consider upgrading to a sealed combustion unit.

Turning the pilot light off in the summer can reduce wasted gas. If you plan to turn the pilot light off, follow the instructions in the owner's manual to avoid any potential safety issues.

Woodstoves and pellet stoves are additional options that provide more heat than wood or gas fireplaces. Federal tax credits are available for high-efficiency biomass stoves. A credit of 30% of the project cost—including the cost of installation up to a maximum of \$2,000—is available for products purchased and installed between Jan. 1, 2023, and Dec. 31, 2032. The unit must have a thermal efficiency rating of 75% or more. Visit www.energystar.gov for more information.

If you have a woodstove, fireplace or any fuel-burning appliance in your home, be sure to install and maintain smoke and carbon monoxide detectors. Carbon monoxide is an odorless, colorless gas that can be harmful or even deadly if not detected.

Use my dad's sage advice and these tips to keep your home warm while gathering your loved ones around a glowing fire during the winter season.

When the Lights Turned On

Lyle Gehm Remembers the Days Before Power

Jacob Boyko

jacob.boyko@sdrea.coop

For many rural farmers in the 1940s, time seemed to stand still.

The technological advancements born from electrification weren't easily accessible for anyone living off of the electric grid. Kingsbury County-native Lyle Gehm's family was no exception.

The Gehm family's farm seemed to share more similarities with Laura Ingalls' nearby 1880s homestead than it did with the houses just up the road in De Smet.

"You didn't want to get too far away from the stove in the wintertime," Gehm said of freezing nights inside the home. "The stove sat in the middle of the house and bedrooms were scattered around. At night, you'd change the covers around on the bed every so often because we'd lay there and our breath would frost on the covers."

Like other farm families before electrification, the Gehms found creative solutions for everyday challenges. Iron bed warmers helped make getting into a cold bed a little more bearable, but the coldest nights were spent huddling by the stove. Butter and cream were stored in the cistern to stay cool in the summer. Windmills assisted some of the more laborious tasks. The house had several small lights, but they were powered by a battery in the basement.

"I remember mom would run her Maytag washing machine with a gas motor, and we had to stick a pipe out the back of the house for the exhaust," Gehm recalled. "And I remember seeing dad standing with the tire pump, filling a tire."

Gehm says at the time, he never really considered how electricity could change how he lived and worked. So far, his only experience with power was when the family would make the trip into town to shop.

Even Gehm's country school was without electricity; Students squinted down at their workbooks on dreary, cloudy days, while in the wintertime, they took turns standing next to the stove.

The family's way of life drastically changed in 1948 when, after several long years of hard work, crews from Kingsbury



Electric Cooperative finally reached the farm south of De Smet as they worked to put the prairie on the grid.

"The folks told us, 'they're working this way and we're gonna have juice,'" he recalled. "We were happy. It was a great experience getting electricity and seeing all it could do for you."

For 13-year-old Gehm, that meant chores were a little simpler, the lights were a bit brighter and the house was much, much warmer.

"For me as a kid, being warm during the wintertime was a big, big change," Gehm said. "After we got power, dad put in a furnace [with a fan] so we got heat in every room. That made a world of difference, and it changed our lives a lot."

Kingsbury Electric crews didn't look much like they do today, Gehm pointed out. On a small budget with limited manpower, the work crew that arrived on Gehm's farm in 1948 was a rag-tag group of guys working with rudimentary equipment. But they didn't let that stop them from seeing to it that Kingsbury County was electrified.

"The equipment that they'd use to put poles in – it wasn't painted white like it is today," Gehm recalled. "It looked like a bunch of stuff the blacksmith shop made. It probably took those guys an hour to put one pole in. Getting electricity was hard work for those guys."

It was Gehm's deep appreciation to the workers' commitment that led him to run for a seat on the co-op's board of directors in 1977, where he served 12 years.

"It's probably one of the best things that ever happened to peoples' lives, getting electricity," he said. "We were able to do things faster, better, cheaper. Once we had electricity, we didn't want to get rid of it."



Pulse of Life Kids Center in Vermillion, S.D.

BUILDING COMMUNITIES

REED Fund Helps Support Local Growth

Jacob Boyko

jacob.boyko@sdrea.coop

Small towns and rural communities are the backbone of electric cooperatives, with many co-op members relying on their small towns for shopping, childcare, entertainment and other basic needs and services.

That’s why co-ops are working to help keep – and expand – services and job opportunities in small towns using the co-ops’ Rural Electric Economic Development Fund, or REED.

REED is a non-profit organization launched by the electric cooperatives in 1996 to finance community-focused projects across small towns in South Dakota and Western Minnesota where affordable financing can be harder to secure.

REED has multiple sources of funding, but one of the main sources of funding over the years has been the United States Department of Agriculture. REED has utilized both the Rural Economic Development Loan and Grant Program (REDLG) and the Intermediary Relending Program (IRP), which together have amounted to more than \$30 million.

Through the REDLG program, REED

can fund eligible projects at a 0% interest rate. Through the IRP program, REED applies for low-interest loans and then re-lends the money at a rate slightly higher than the USDA rate – but still less than traditional lending sources. This adds money to the fund and perpetuates it for future projects.

Since the fund’s inception, it’s been used to support more than 400 community-focused projects.

East River Electric Business Development Director Mike Jaspers says it’s in co-ops’ best interests to make rural living just as feasible as living in a larger city.

“It comes back to our principle of commitment to community,” Jaspers explained. “REED ensures our membership has their vital needs met, and they can enjoy the amenities of life in a rural setting when they’d otherwise have to go to a larger city to access some of those services.”

Eric Fosheim, East River Electric’s economic development director in charge of the REED fund, said the \$130 million lent by REED has impacted more than 10,000 jobs and amounted to over \$1 billion of economic impact throughout

South Dakota and Western Minnesota.

“Our \$1 million investments help spur \$10 million projects, which means for every \$1 REED invests into a project, it roughly has a \$9 or \$10 impact,” he explained.

As a supplemental lender, REED won’t finance a project alone; organizations still must secure funding from other sources. However, REED’s low interest rates and community focus can be just what a project needs to catalyze it over the finish line.

As members of the REED fund, co-ops can impact economic development projects while letting REED take on the financial risk.

“The co-ops aren’t on the hook and aren’t guaranteeing the loans here,” Fosheim explained. “REED is doing that.”

Pulse of Life Kids Center – Vermillion, S.D.

Pastors Glenn and Angela Pulse had a vision and a calling. Pulse of Life Foursquare Church, which they hoped to start on Vermillion’s Main Street inside an old medical clinic, had the ability to serve a greater need in the community, where the wait lists for childcare sometimes exceeded three months. They had the faith — they just needed some resources.

The church council worked with First Bank & Trust to secure a loan to create the Pulse of Life Kids Center, but the bank couldn’t lend them the entire amount they needed.

“New daycare centers have a high rate

of failure, so we couldn't qualify for all of the money that we needed through bank loans," Angela explained. "Instead of saying no, the bank manager suggested we go about it in a different way. That's how the conversation about the REED fund came up."

Clay-Union Electric Manager Chris Larson said supporting the Pulses, who are members of the co-op, made sense for Vermillion, where challenges from workforce shortages and the lack of childcare options are prevalent.

"It fills a need in our community," Larson said.

Fosheim agrees.

"Workforce challenges have really been an issue in recent years and one way we try to help with that is by investing in daycares," he said. "Daycares don't always look that good on paper from a financial standpoint, so a lot of these organizations have a hard time getting adequate financing."

With the REED fund's \$245,000 loan, the Pulses' vision finally took shape and the Kids Center opened in 2023. Today, the center offers faith-based daycare with a capacity for 43 of the community's children.

"It's encouraging because it puts more options on the table to make these new things possible," Angela said. "There's no way we could have done this without the REED fund."

Fire Station – Garden City, S.D.

In Garden City, a small community northwest of Watertown, a dilapidated fire hall sat rotting into its own footprint.

"It was just in a state of disrepair," said Scott Campbell, treasurer at the Garden City Fire Department. "The walls were pushing out and we had to put plastic over the doors. It was cramped and old. The truck was parked over a basement area, and being heavy and full of water it caused some concern."

Options were narrowing; Garden City would have to act fast or lose their fire station and rely on surrounding communities during an emergency.

Codington-Clark Electric Director



Nursing home expansion in Philip, S.D.

Russel Foster, who also volunteers for the fire hall, approached his co-op's manager, Dave Eide, in 2022 about using REED to breathe new life into Garden City's fire hall.

Eide agreed and helped with the application process, championing the fire hall as a vital need for Garden City, the co-op and co-op members.

"Everybody needs fire protection," Eide explained.

Through REED, the fire hall secured a \$230,000 loan. The new hall features a community room, which Scott said filled a desperate need.

"We had no place to vote, no place for birthday parties," Campbell said. "Township meetings were in houses at kitchen tables."

For Eide, the REED fund is just another example of what co-ops are supposed to do – serve communities.

"It's an extension of what co-ops are in the first place," he said. "We sell power to members and that's one way we help and serve our communities. The REED fund is just another extension of that."

Elder Care – Philip, S.D.

In rural Philip, limited options for elder care had some long-time locals facing tough decisions.

"Our nursing home for a lot of years was not big enough," said Cindy Pfeifle, business manager at Philip Health Services. "Members of our community were having to leave the area when they needed nursing home care."

After applying for a REED loan in 2022 through West Central Electric and securing funding from other community sources, Philip Health Systems renovated and expanded the nursing home, increasing occupancy from 30 beds to 42 beds.

West Central Electric CEO Jeff Birkeland said access to the REED fund is essential for rural areas without much population growth.

"We need to keep our people from moving away and keep our businesses local," Birkeland said. "The best way to do that is by giving them access to very low-interest financing. Saving hundreds of thousands of dollars in interest costs makes projects much more feasible."

Pfeifle says the community support was essential to initiate the project and applauds REED for helping bring opportunities back to small towns.

"It sends a message of support and cooperation and that they understand how important it is to keep services in rural areas for people who live here," Pfeifle said.

The nursing home project was the first in West Central Electric's territory to use the REED fund, but Birkeland hopes many more projects are to come.

"We are a cooperative, so job number one is to take care of our members and do everything we can to help our communities," Birkeland continued. "If somebody comes to you or you see a need in our communities, we're all in."

SCHOLARSHIP & YOUTH TOUR

Black Hills Electric Cooperative is now accepting applications for the \$1,000 scholarship sponsored by Basin Electric Cooperative, our generation cooperative based in Bismarck, ND. The recipient will be selected based on a combination of criteria, including SAT or ACT scores, overall GPA, a personal statement of career goals, a one-page essay, and an adult appraisal. All applications are confidential and will only be reviewed by the BHEC-appointed selection committee.

Application forms are available on our website at www.bhec.coop. Please send all supporting documents to BHEC, Attn: Michelle Fischer, PO Box 792, Custer, SD 57730, no later than Friday, February 7th. For more information, you can reach Ms. Fischer at 800-742-0085 or via email at michellef@bhec.coop.

SCHOLARSHIP DEADLINE: FEBRUARY 7, 2025 WINNER WILL BE ANNOUNCED IN APRIL

One lucky dependent of a Black Hills Electric Cooperative member has the chance to win a FREE trip to Washington, D.C., from June 15-21 as part of the NRECA Youth Tour! This exciting opportunity allows students to explore our nation's capital, develop leadership skills, and gain a deeper appreciation for the role of electric cooperatives.

To apply, students must submit a 500-word essay on the topic: **“As technology evolves, electric cooperatives face new opportunities and challenges. How do you see technology shaping the future of energy?”** Applicants must also complete page 2 of the Youth Tour Application, available on our website at www.bhec.coop. Please note that students must be at least 16 years old at the time of the tour.

Entries can be emailed to michellef@bhec.coop or mailed to BHEC, Attn: Michelle Fischer, PO Box 792, Custer, SD 57730, no later than Friday, February 7th, 2025.



YOUTH TOUR DEADLINE: FEBRUARY 7TH, 2025

AREA MEETINGS SCHEDULED FOR 2025

Meal will be served from 5:30 - 6:30 p.m. at all meetings.

AREA MEETING	DATE	LOCATION	CO-SPONSOR
Oelrichs	February 13th	Oelrichs Community Hall	Oelrichs Rodeo Association
Whispering Pines	February 17th	Whispering Pines VFD	Whispering Pines VFD
Rockerville	February 21st	Rockerville Community Hall	Rockerville Community Hall
Johnson Siding	February 27th	Rimrock Community Hall	Rimrock Community Club
Hermosa	March 7th	Hermosa Elementary School	Battle Creek Fire District
Rochford	April 11th	Rochford Community Hall	Rochford Community Club

DIRECTOR NOMINATING PROCEDURES

BHEC's 80th Annual Meeting will be held Thursday, May 29, 2025, at the Ramkota Convention Center in Rapid City. Two directors will be elected at the meeting—one from the Meade, Pennington & Lawrence Counties geographical area, where incumbent Dave Lindblom is seeking re-election, and one from Custer & Oglala Lakota Counties geographical area, where incumbent James Preston is seeking re-election. The qualifications of a director and nominating procedures, as set forth by Article IV, Sections 3 and 4 of the bylaws, are:

No person shall be eligible to become or remain a Director of the Cooperative who has been employed by this or any other electric cooperative during the previous five years, or who is a close relative of an incumbent Director or of an employee of the Cooperative, or who has been convicted of a felony in any court of law in the United States of America, or who is not a member in good standing of the Cooperative and receiving service therefrom at his or her primary residential abode.

No person shall be eligible to become or remain a Director of, or to hold any other position of trust in, the Cooperative who does not have the legal capacity to enter into a binding contract or is in any way employed by or financially interested in a competing enterprise, or electric utility, or a business selling electric energy to the Cooperative, or a business primarily engaged in selling distributed generation equipment such as wind turbines, solar systems, or fuel cells to, among others, the members of the Cooperative. Upon establishment of the fact that a nominee for Director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Chairman presiding at the

meeting at which such a nominee would otherwise be voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding, a Directorship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause him to be removed therefrom, as the case may be. Nothing contained in this Section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the Directors have an interest adverse to that of the Cooperative.

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It shall be the duty of the Board of Directors to appoint not less than forty-five days or more than one hundred eighty days before the date of the meeting of the members at which Directors are to be elected, a committee on nominations consisting of not less than five nor more than eleven members who shall be selected from different sections so as to ensure equitable representation. No member of the Board of Directors may serve on such committee. The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principal office of the Cooperative at least thirty days before the meeting a list of nominations for Directors which may include a greater number of candidates than are to be elected. Any fifty or more members acting together may make other nominations by petition not more than one hundred twenty days nor less than thirty days prior to the meeting, and the Secretary shall post such nominations at the same place where

the list of nominations made by the committee is posted. The Secretary shall mail with the notice of the meeting or separately, but at least ten days before the date of the meeting, a statement of the number of Directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by the committee on nominations and also the nominations made by petition if any.

An individual on the board of directors can expect to serve a number of days in a given year. An example of service would be as follows:

BOARD MEETINGS

A minimum of twelve regular board meetings per year. These meetings are typically held at the headquarters office in Custer on the first Tuesday after the third Monday of each month. Meetings start at 8:30 a.m. and are usually over by 4:00 p.m.

TRAINING, SEMINARS, & CONFERENCES

Involvement in Cooperative training courses, seminars, and conferences for a total of between 5 and 15 days per year. These meetings normally last from two to four days each and are held at various locations throughout the year.

ANNUAL MEETING & AREA MEETINGS

Attendance at the Annual Meeting of members, and from time to time, local area meetings.

Applications must be returned by Friday, February 14, 2025

Strong Cooperatives need active members.



The Waxdahl's solar array and hog farm, east of Flandreau. *Submitted Photo*

DISTRIBUTED ENERGY

Understanding the Impact of DERs to the Electrical Grid

Frank Turner

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Farming has always been a way of life for fourth-generation producers Matt Waxdahl and his brother, Ben. Growing up just outside of Flandreau, the brothers spent their childhood lending a hand on their grandfather's and father's farms.

Over time, Matt and Ben started their own operation. As the market evolved, so did the brothers. In 2009, they expanded into hog farming, building their first barn. Their success led to the addition of two more barns, the most recent constructed in 2022.

According to Matt, raising hogs comes with one major benefit: temperature-controlled barns.

"It's all under one roof, and it doesn't matter if it's 100 degrees outside or -20, it's always T-shirt weather," said Matt.

However, keeping their hogs on a permanent tropical vacation requires a significant amount of energy. During the summers, industrial fans and a stout ventilation system keep the barn cool, while powerful heaters maintain a comfortable environment in the biting South Dakota winters.

Two years ago, the brothers tackled this energy-intensive challenge by installing a 30-kW solar array. With guidance from Sioux Valley Energy, their local electric cooperative, they determined the project would financially benefit their operation due to availability of tax credits and grant funding.

"We saw that the majority of our power usage was always during the day," Matt explained. "We did some number crunching, and it penciled out."

Distributed Energy Resources

The Waxdahl brothers' decision to invest in a solar array reflects how farmers and ranchers across the state are utilizing Distributed Energy Resources (DERs) like solar panels and on-site wind turbines. While some producers use solar panels to power remote water pumps, others invest in larger systems like solar arrays to offset the energy demands of their farms.

According to Ben Pierson, energy services manager at East River Electric, DERs are not common across the state. However, Pierson noted there are situations where DERs make sense: in remote areas where connecting to the electrical grid is too costly, for businesses or individuals looking to leverage tax credits and grant funds, and

for individuals who want to produce their own energy as a personal or environmental choice.

“The most successful applications of DERs that I’ve seen have been for agricultural operations like hog and dairy farms, where the producer has been able to secure both grant funding and tax incentives,” said Pierson. “It makes sense economically because they are using most their energy during the day when solar is producing.”

Even in the best-case scenarios, DERs still face challenges. Without existing tax breaks and grant funds, the energy savings from Waxdahls’ solar array would not have justified the expense. “It wouldn’t be economically efficient at all without the tax credits and grant funding,” Matt said.

The array has also not been as efficient as the Waxdahls had hoped. While the panel installers projected a return on investment within seven to 10 years, the reality after two years of operation suggests it may take closer to 12 to 15 years for the panels to pay for themselves.

Despite the challenges, Matt considers his solar array a successful addition to his hog operation. “If I had another barn the same size, I would make the same decision to add a solar array,” he said.

The Electrical Grid

While DERs offer renewable energy options at the local level, South Dakota’s electrical grid already incorporates significant contributions from renewable energy sources at a wholesale price.

In fact, Basin Electric Power Cooperative, a generation and transmission cooperative serving South Dakota’s electric cooperatives, began purchasing energy from the Wild Springs Solar Project in 2024. Located near New Underwood, the 128-megawatt facility is the largest solar farm in the state. Basin Electric is set to purchase 114 megawatts of the project’s output, marking its first step into utility-scale solar generation.

The benefits of this project are already underway, said Pierson.

“Building a large-scale solar array is much more economically feasible than

a smaller-scale solar array,” said Pierson. “It lets us implement renewable energy into the portfolio in a cost-effective way.”

According to Pierson, power providers are continually working to implement renewable energy where it makes sense while providing reliable energy at an affordable price.

Connecting to the Grid

When considering the addition of DERs such as solar panels or an on-site wind turbine, Pierson encouraged members to contact their local electric cooperative to ensure the system is properly sized and safely connected.

When implementing a DER, there are often safety requirements in place to protect both the DER owner and the grid operators.

“Especially if you are talking to a third-party vendor, please reach out to your local utility to discuss the pros and cons – and realities – of implementing DERs,” said Pierson. “Utilities can offer unbiased information regarding the expected output and proper sizing of a DER.”

SAFETY NEAR SOLAR

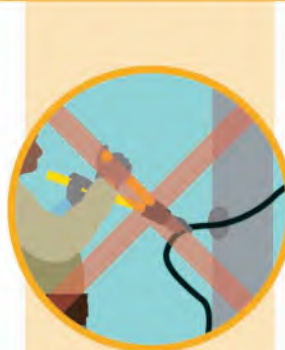
Like any other source of electricity, solar panels can pose potential hazards. Keep these safety tips in mind when you’re near solar panels.



Stay at least 10 feet away from the installation.



Never walk on solar panels.



Never cut any wiring to the solar panels.



Never touch broken or damaged solar panels.



COMMUNITY GROWTH

Twin home built in 2022. These handicap accessible units have three bedrooms, two baths and double attached garages.
Photo submitted by Dick Werner

Building a Stronger Community Through Workforce Housing

Jocelyn Johnson
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Supply and demand for workforce housing in South Dakota remains an issue for many smaller communities. Wage and worker demand has outpaced what many rural communities offer in affordable housing supply. Attracting and retaining qualified workers is becoming more of a challenge due to the simple, albeit costly, prerequisite for a place to live.

The need to develop and provide workforce housing at reasonable rates is a trending topic that one community advocate in Herreid, S.D., quickly acted on – resulting in a population increase for the first time since the town’s 1960 census.

Dick Werner, member of Cam Wal Electric and Black Hills Electric, has long championed the development of rural towns as a business owner, economic development consultant,

former state legislator and former county commissioner. He saw a need in his hometown for workforce housing, which he attributed to the dwindling population.

“When we first started tracking our population, we found that the highest number in our population fell into the category of 65 and older,” Werner said, “Next was the workforce group. Our lowest was our youth, which directly correlated with our depleting school enrollment.”

In 2016, Werner and other community leaders found the Herreid Area Housing Development (HAHD), a nonprofit committed to improving the town’s housing stock and ensuring long-term growth. Using this, the group worked quickly – gaining funds to build a place where workforce families would want to live

“It’s been one of the most rewarding challenges you can deal with,” Werner

said. “If you don’t control the dirt, you don’t control the future.”

Werner attributes his community’s growth to working families moving and staying in Herreid as well as welcoming diversity into the community’s workforce.

“It’s not just building homes, but it’s knowing what you have in your community,” Werner said. “We not only needed places for families to live, but we also needed to welcome diversity and make our community family friendly.”

Public facilities were similarly given attention to promote community growth. Playgrounds, sports facilities and the city pool were updated through a combined effort of donations, loans and grants.

Since 2017, five speculative homes have attracted 25 new residents to Herreid. The HAHD also purchased a remodeled eightplex apartment, a fourplex built in 2009, and two new twin homes – all full with a waiting list.

“That’s where we worked with the South Dakota Housing Opportunity Fund,” Werner said. “It gave us half the money to build and it’s forgivable after 20 years.”

South Dakota Housing is a self-supporting, nonprofit entity that

provides financing solutions such as housing bonds, tax credits and other federal and state resources to fund housing programs. This funding provides housing construction and rehabilitation, rental assistance, educational opportunities and more. One program offered is the South Dakota Housing Opportunity Fund.

Amy Eldridge, Rental Housing Development Director for South Dakota Housing, highlighted the financial virtues of the program.

“Local economic development groups and any property developer may apply for the funding,” said Eldridge. “It’s about the attractive financing that the program offers at 0% interest. With today’s interest rates, it’s hard to develop a property if you have to pay 7% interest while trying to construct it.”

Working with \$3 million annually, the South Dakota Housing Opportunity Fund has a competitive application process. New construction as well as building acquisition and rehabilitation qualify.

South Dakota Housing also offers infrastructure funding through the Housing Infrastructure Financing Program. John Curry and partner Chris Dunham of Elk Point Investments were recent recipients of these funds. They are currently developing land in Elk Point, S.D., where more than 150

homes have been built over the past 27 years.

“We’re the land developers, so we do the dirt work and civil engineering, and we sell to home builders,” said Curry. “The South Dakota Infrastructure Fund was something I had read about. . . We were in a good position to apply, and it provided 1/3 of the development costs if you met the criteria. With this funding, we are targeting to sell 56 lots beginning the spring of 2025.”

South Dakota Housing was allocated \$200 million by the state in 2023 to provide loans and grants for the development of housing infrastructure through the Housing Infrastructure Financing Program. Any for-profit or non-profit entity, tribal government, housing authority, political subdivision or agency of South Dakota is eligible to apply for funding.

“There is a shortage for housing,” said Curry. “I think you’re going to see a nice boom in workforce housing throughout the state because of this funding.”

(Right) Elk Point development. *Photo submitted by John Curry*

(Below) The pool project included a new bath house, new step-in pool with water features and existing main pool enhancements. The total project cost was \$1,132,000, with HAHD raising \$800,000 through grants and fund raising activities.

Photo submitted by Dick Werner



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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.

FEB. 1
Lions Club Valentine Bingo
5 p.m. Dinner
6 p.m. Bingo
Hill City Center
Hill City, SD

FEB. 6
Lions Club Vitalant Blood Drive
1-5:45 p.m.
Hill City Center
Hill City, SD

FEB. 8
Polar Bear Chili Cook-Off
11 a.m.-2 p.m.
Main Street
Hill City, SD

FEB. 8
ALL Ability Skate Day
Disability Awareness & Accessibility Committee
1-3 p.m.
Main Street Square
Rapid City, SD
605-390-4434

FEB. 8
Lions Club Bingo
5 p.m. Dinner
8 p.m. Bingo
Hill City Center
Hill City, SD

FEB. 8, 22
Live on Stage
6 p.m.
Chute Rooster
Hill City, SD
605-574-2122

FEB. 7-9
Tour de Chocolate
All Day
Main Street
Hill City, SD

FEB. 9
Hill City Senior Sunday Breakfast
8 a.m.-12 p.m.
Hill City Center
Hill City, SD

FEB. 13
Oelrichs Area Meeting
5:30 p.m.
Oelrichs Community Hall
Oelrichs, SD

FEB. 17
Whispering Pines Area Meeting
5:30 p.m.
Volunteer Fire Department
Whispering Pines, SD

FEB. 21
Rockerville Area Meeting
5:30 p.m.
Rockerville Community Hall
Rockerville, SD

FEB. 20, 22
A Trip to Portugal
Thu. 6:30 p.m., Sat. 5:30 p.m.
Mangiamo
Hill City, SD

FEB. 26
Hill City Garden Club
1 p.m.
Yard Tree Care in a Difficult Setting
Jason Pebble, Arborist
Super 8 Motel, Floor 3

FEB. 27
Johnson Siding Area Meeting
5:30 p.m.
Rimrock Community Center
Rapid City, SD

FEB. 22
Law Enforcement Special Olympics Polar Plunge
10 a.m. Check-In
Rapid Spa
131 E Omaha St., Rapid City, SD

FEB. 26
Day of Remembrance for Battle of the Little Big Horn, Ruth Ziolkowski

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