

**APPROVED**  
**H-D ELECTRIC COOPERATIVE, INC.**  
**REGULAR MONTHLY BOARD MEETING**  
**January 27, 2023 (Summary)**

The meeting was called to order by the vice president, Terry Strohfus. Kevin DeBoer, acting secretary, acted as secretary of the meeting. The responsibility to prepare minutes was delegated to Craig D. Evenson.

Kevin DeBoer called roll. Present were: Steve Hansen, Dale Williams, Casper Niemann, Todd Moritz, Kevin DeBoer, Laurie Seefeldt and Terry Strohfus. Roxanne Bass and Bert Rogness were absent.

Others in attendance for all or part were General Manager Matthew Hotzler, Project Attorney Craig D. Evenson, Finance and Administration Manager, Annie Aberle, Operations Manager, Troy Kwasniewski, and Member Services Manager, Tom Lundberg.

On motion duly made, seconded, and carried, the agenda was approved.

Acting Secretary DeBoer presented the December 20, 2022, regular Board minutes and summary minutes. On motion duly made, seconded, and carried, the December 20, 2022, regular Board meeting and the summary minutes were approved.

Treasurer Hansen presented the treasurer's report which included cash receipts and disbursements. After questions and discussion regarding the transactions from the report. **Resolution 23-01** On motion duly made, seconded, and carried, it was RESOLVED that the treasurer's report be received and placed on file subject to audit.

The Board considered director expenses. **Resolution 22-02** On motion duly made, seconded, and carried, it was RESOLVED that the director expenses as presented are approved.

General Manager Hotzler presented a written report together with an oral report. Hotzler discussed the East River MAC Meeting, Federal Regulatory Outlook, EPA calculations, Carbon capture projects, Basin Electric, and RESAP Safety Improvement plan.

Hotzler presented the Cooperative Scorecard for December 2022. He presented a proposed payout for the employees according to the results of the 2022 Cooperative Scorecard. **Resolution 22-03** On motion duly made, seconded, and carried, it was RESOLVED, that the proposed payout to the employees for the Cooperative Scorecard as presented is approved.

Hotzler presented the membership activity report. There was discussion regarding the new memberships, assignments, service connections, and non-active memberships. **Resolution 23-04** On motion duly made, seconded, and carried, it was RESOLVED, that the December 2022 membership activity report is approved.

Hotzler reviewed the December 2022 Cyber report and the Basin financial summary year-end. There was an employee who clicked on a phishing campaign email. They were required to attend phishing awareness online training.

Finance and Administration Manager Aberle presented the December 2022 financials and a written

## APPROVED

and oral report of department activities. Ms. Aberle presented a Federated Insurance Summary for 2023 and the Eide Bailly audit engagement letter. Aberle proposed resolutions for physical inventory count, scrapped meter, and transformer write-offs/adjustments, to approve the 2022 MTIER of 2.0 and to approve the non-allocated margins. **Resolution 23-05** On motion duly made, seconded, and carried, it was RESOLVED, that the 2022 physical inventory count, scrapped meter, and transformer write-offs/adjustments as presented are approved. **Resolution 23-06** On motion duly made, seconded, and carried, it was RESOLVED, that the MTIER of 2.0 as presented is approved. **Resolution 23-07** On motion duly made, seconded, and carried, it was RESOLVED, that the non-allocated margin plan as presented is approved.

Operations Manager Kwasniewski presented and discussed a written and oral of department activities including an outage summary report. Kwasniewski reviewed the December 28, 2022 safety meeting minutes. **Resolution 23-08** On motion duly made, seconded, and carried, it was RESOLVED, that the December 28, 2022 safety meeting minutes, as presented is approved.

Member Services Manager Lundberg presented a written and oral report of department activities including the service order breakdown report, the service order backlog report, and a load management update.

Mr. Steve Hansen, Director on the SDREA Board presented an oral report of SDREA activities including their last board meeting, Basin report, and NRECA report. The SDREA board re-elected the current slate of officers after the 2023 SDREA Annual meeting. There were good comments about the speakers at the SDREA Annual meeting and a discussion about federal dollars for infrastructure.

Hotzler advised the board there was one application for estate retirements of capital credits and no applications for early retirements. He advised the board that \$88.15 of the capital credits for estate retirements will be retained and \$80.57 of the early retirements will be refunded. Pursuant to Article 9, Section 2 of the bylaws and Policy No. 205 for H-D Electric Cooperative, Inc., the total retirement results in \$88.15 to be retained by H-D and \$80.57 to be refunded to the members requesting their retirement. The financial condition of the cooperative will not be impaired by the payment of capital credits. **Resolution 23-09** On motion duly made, seconded and carried, it was RESOLVED that H-D Electric Cooperative, Inc. pay the capital credits pursuant to the By-laws, policies, and applications as presented.

Hotzler presented a written together with an oral report regarding Policies 501, 502, and 503. Hotzler presented proposed changes to each policy. There was considerable discussion regarding each proposed change. **Resolution 22-10** On motion duly made, seconded, and carried, it was RESOLVED that the amendments changes to Policy numbers 501, 502, and 503 as presented are approved.

Hotzler presented two Emergency Response Tabletop exercise reports for a headquarters power outage and a cyber attack. There was a discussion about the reports amongst the board. **Resolution 23-11** On motion duly made, seconded, and carried, it was RESOLVED, that the 2022 Emergency Response Tabletop exercise reports are approved.

Hotzler discussed the preparations for the 2023 annual meeting. There was a discussion on the door prizes and the all-member drawing for future meetings.

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There was a discussion about the following meetings coming up.

1. East River Energizer Forum Feb 1-2
2. NRECA Director Conference Feb 4-7
3. Co-op Day at the Capital Feb 21
4. NRECA Annual Meeting Mar 3-8
5. H-D Electric Annual Meeting Mar 21

No Further business coming before the meeting, on motion duly made, seconded, and carried, the meeting was adjourned.