

APPROVED

**H-D ELECTRIC COOPERATIVE, INC.
REGULAR MONTHLY BOARD MEETING
December 20, 2023 (Summary)**

President Bert Rogness called the meeting to order. The Board delegated Craig D. Evenson the responsibility of preparing minutes.

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

Others in attendance for all or part were Matthew Hotzler, General Manager, and Craig D. Evenson, project attorney, Annie Aberle, Finance and Administration Manager, Troy Kwasniewski, Operations Manager, Tom Lundberg, Member Services Manager and Michelle Prins, Billing Clerk.

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

Secretary Roxanne Bass presented the November 17, 2023 regular Board and summary minutes. On motion duly made, seconded, and carried, the November 17, 2023, regular Board minutes monthly meeting of the Board of directors, and the Summary, were approved.

Treasurer Steven Hansen presented the treasurer's report, including cash receipts and disbursements. After discussion of the report transactions. **Resolution 23-90** On motion duly made, seconded, and carried, it was RESOLVED that the treasurer's report be received and placed on file subject to audit.

Treasurer Hansen presented the Director's expenses. **Resolution 23-91** On motion duly made, seconded, and carried, it was RESOLVED that the Director's expenses for the month be approved.

General Manager Hotzler presented a written report and an oral report. Hotzler reported on the East River MAC, Crypto Loads, ER large loads, SD FEMA Hazard Mitigation, SPP West, Crow Creek Sioux Tribe Meeting, Elmira Township, Potential South Dakota Ballot Measures, Basin CEO, capital credit retirement, Basin Financials, Basin Nemadji Trail Energy Center, Dairy Solar, East River Load Control, and Succession Planning.

Hotzler presented the Cooperative Scorecard for November 2023. Hotzler presented the membership activity report, including new memberships, assignments, service connections, and non-active memberships. After a discussion. **Resolution 23-92**, On motion duly made, seconded, and carried, it was RESOLVED that the November 2023 membership activity report is approved.

Hotzler reviewed the November 2023 Cyber report and Basin financials year-to-date summary for review and discussion.

Finance and Administration Manager Aberle presented the November 2023 financials and a written finance and oral report of department activities.

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Operations Manager Kwasniewski presented a written and oral report of department activities, including the outage summary report. The Board discussed the reports. In addition, Kwasniewski reviewed the safety meeting minutes from November 21, 2023. **Resolution 23-93** On motion duly made, seconded, and carried, it was RESOLVED, that the November 21, 2023 safety meeting minutes, as presented, is approved.

Member Services Manager Lundberg presented a written and oral report of department activities, including the November service order breakdown report, open service order report, backlog report, and East River load management report. There were discussions of the reports.

Bert Rogness, Director of the East River Board, presented an oral report. Rogness discussed several topics, including Basin Financials and the capital improvement projects, crypto loads, SPP expansion, and many other topics currently facing East River Electric that would potentially affect H-D Electric members.

Steven Hansen, Director of the SDREA Board, presented an oral report. Hansen discussed the last SDREA meeting, including cooperative statutes rewrite, tax issues, Clay-Union headquarters, SD crypto loads, SDREA CEO meetings, and the pace of EV development. There was a discussion by the Board about the topics in the report.

Project Attorney Evenson discussed the expected model policy regarding artificial intelligence from ECBA.

Hotzler advised the Board there was one application for estate retirement of capital credits and one application for early retirement. He advised the Board that \$1,566.35 of the capital credits for estate retirement will be retained and \$1,029.86 of the estate retirement will be refunded. He advised the Board that \$804.81 of the capital credits for early retirement will be retained and \$608.70 of the early retirement 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 \$2,371.16 to be retained by H-D and \$1,638.56 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 23-94**, 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.

Billing Clerk Prins presented a write-off report with an oral report. After discussing the report. **Resolution 23-95**, On motion duly made, seconded, and carried, it was RESOLVED that the 2023 write-offs as presented, are approved.

Mr. Thomas Jones, GFR with RUS, presented a written Construction Work Plan Loan Report with an oral report summarizing information H-D staff completed. There was considerable discussion between the Board and Mr. Jones regarding the loan and documents. Mr. Jones presented the documents that needed to be signed by the President, including Assurances required by 49 CFR 24.2, Federal Debt Delinquency Certification, Lobbying Certification, Assurance Agreement, Cost Estimates and Loan Budget. **Resolution 23-96**, On motion duly made, seconded and carried, it was RESOLVED that the President, Secretary and General Manager are directed to sign the documents where required by RUS. **Resolution 23-97**, On motion duly made, seconded and

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carried, it was RESOLVED that

WHEREAS, the corporate debt limit of H-D Electric Cooperative was established at \$50 million (\$50,000,000.00) as set by previous board resolution,

WHEREAS, future construction work over the next ten years will require a substantial investment in new electric plant facilities to meet the growing electric service needs of our membership.

WHEREAS, a major portion of the cost to construct new electric plant facilities will be financed with long-term debt; and

WHEREAS, H-D Electric Cooperative's mortgage pledges all of its property to secure notes payable to the Government, in the aggregate principal amount, not to exceed the corporate debt limit at any one time; and

WHEREAS, the Board of Directors have the authority to set the corporate debt limit.

NOW, THEREFORE, BE IT,

RESOLVED that the H-D Electric Cooperative Board of Directors hereby approves and adopts a corporate debt limit of \$75 million dollars (\$75,000,000.00) as of December 20, 2023.

Hotzler presented the Balanced Scorecard for 2024, reporting on all the incentives on the scorecard and the methods used to determine the balanced scorecard. **Resolution 23-98**, On motion duly made, seconded, and carried, it was RESOLVED that the 2024 Cooperative Scorecard plan, as presented, is approved.

Hotzler presented Policy Reviews for policy numbers 610, 701, 702, and 413. Hotzler presented a written and oral report with suggested revisions.

- a. Policy 610 – Identity Theft Red Flag Rules
- b. Policy 701 – Marketing
- c. Policy 702 – Regulatory Compliance
- d. Policy 413 – Interconnection of Small Renewable

After discussions of the policies.

Resolution 23-99 on motion duly made, seconded, and carried, it was RESOLVED that 610, 701, 702, and 413, as presented, are approved.

Hotzler discussed the plans for the 2024 Annual Meeting. There was discussion amongst the Board regarding the plans.

There was a discussion about the following meetings coming up.

- a. SDREA Annual Meeting, January 11-12 2024.
- b. East River Energizer Forum, February 1-2 2024.
- c. Co-op Day at the Capital, February 20, 2024.
- d. NRECA Annual Meeting, March 1-6, 2024.
- e. NRECA CCD Workshop, March 11-12, 2024.

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