

**APPROVED**

**H-D ELECTRIC COOPERATIVE, INC.  
REGULAR MONTHLY BOARD MEETING  
January 26, 2024 (Summary)**

Vice President Terry Strohfus called the meeting to order. The Board delegated Craig D. Evenson the responsibility of preparing minutes.

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

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

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

Secretary Bass presented the December 20, 2023, regular Board meeting and Summary minutes. After a discussion about the minutes. On motion duly made, seconded, and carried, the December 20, 2023, regular Board meeting and the Summary minutes were approved.

Steven Hansen presented the treasurer's report, including cash receipts and disbursements. After discussion of the report transactions. **Resolution 24-01** On motion duly made, seconded, and carried, it was RESOLVED that the treasurer's report be received and placed on file subject to audit.

Treasurer Hansen presented the Director monthly expenses. **Resolution 24-02** On motion duly made, seconded, and carried, it was RESOLVED that the Director's monthly expenses be approved.

General Manager Hotzler presented a written and oral report. Hotzler reported on the East River (ER) MAC, including ER depreciation study, ER new maintenance center, ER December 24-26 storm effect, ER Distribution Automation update, ER mobile subs, ER engineering meeting, Elmira Township issue, the former Basin CEO hired by Tri-State, potential SD DOT road use charge, NRECA CEO Conference and speakers and the topic of AI use at electric coops.

Hotzler presented the Cooperative Scorecard for December 2023. Hotzler presented the membership activity report. There was a discussion about the new memberships, assignments, service connections, and non-active memberships. **Resolution 24-03:** On motion duly made, seconded, and carried, it was RESOLVED that the December 2023 membership activity report be approved.

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

Finance and Administration Manager Aberle presented the December 2023 financials and a written finance and oral report of department activities. After the report, Aberle proposed three year-end

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resolutions for consideration. There was discussion amongst the Board on each of the proposed resolutions. **Resolution 24-04** On motion duly made, seconded, and carried, it was RESOLVED that the 2023 asset write-offs/adjustments for year-end physical material inventory and obsolete materials of \$6,119.09 and junked inoperable meters and transformers of \$45,892.44, is approved. **Resolution 24-05** On motion duly made, seconded, and carried, it was RESOLVED that the adjustment to the Margin Stabilization Fund of \$237,240.00 or after any additional adjusting entries, the adjusted amount required to meet all financial ratios and meet the 2023 MTIER of 2.0, is approved. **Resolution 24-06** On motion duly made, seconded, and carried, it was RESOLVED that the nonoperating margins be non-allocated capital at year-end, is approved.

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 December 21, 2023. **Resolution 24-07** On motion duly made, seconded, and carried, it was RESOLVED that the December 21, 2023 safety meeting report, as presented, is approved.

Member Services Manager Lundberg presented a written and oral report of department activities, including the December service order breakdown report, open service order report, the backlog report, and the East River load management Update.

Steven Hansen, Director of the SDREA Board, presented an oral report. Hansen discussed the last SDREA meeting, including the status of the cooperative statutes re-write and other tax issues.

Project Attorney Evenson discussed the additional developments with AI.

Hotzler advised the Board there was one application for estate retirement of capital credits. He advised the Board that \$1,165.42 of the capital credits for the estate retirement will be retained and \$721.60 of the estate 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 \$1,165.42 to be retained by H-D and \$721.60 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 24-08**, On motion duly made, seconded, and carried, it was RESOLVED that H-D Electric Cooperative, Inc. pay the capital credits pursuant to the Bylaws, policies, and applications as presented.

Hotzler presented Policy Reviews for policy numbers 703,704 & 705. Mr. Hotzler presented a written report with suggested revisions together with an oral report.

- a. Policy 703 – Valued Added Loan
- b. Policy 704 – Electrical Equipment Marketing Loans
- c. Policy 705 – Irrigation Control

**Resolution 24-09** on motion duly made, seconded, and carried, it was RESOLVED that Policy 703, as presented, is approved. **Resolution 24-10** on motion duly made, seconded, and carried, it was RESOLVED that Policy 704, as presented, is approved. **Resolution 24-11** on motion duly made, seconded, and carried, it was RESOLVED that Policy 705, as presented, is approved.

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Hotzler presented a demonstration of a large language model AI, Chat GPT, to show the Board how far along that technology is advancing.

Hotzler presented the 2023 Emergency Response tabletop exercise results. There was a discussion about the scenarios and the lessons learned. **Resolution 24-12** on motion duly made, seconded, and carried, it was RESOLVED that the 2023 Emergency Response tabletop exercise, as presented, is approved.

Hotzler discussed the plans for the 2024 Annual Meeting scheduled for March 19, 2024. There was discussion amongst the Board regarding the plans.

Casper nominated Terry to be the NRECA Annual Meeting delegate and Matt to be the alternate, Kevin seconded, on motion duly made, seconded, and carried, nominations ceased, and the Board cast a unanimous ballot.

Hotzler presented an SDREA Annual Meeting Report from the Annual Meeting held in Pierre. There was discussion amongst the Board about the different events and speakers.

There was a discussion about the following meetings coming up.

- East River Energizer Forum, February 1-2 2024.
- Co-op Day at the Capital, February 20, 2024.
- NRECA Annual Meeting, March 1-6, 2024.
- NRECA CCD Workshop, March 12-13, 2024.
- H-D Electric Annual Meeting, March 19, 2024.

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