

APPROVED - SUMMARY

**H-D ELECTRIC COOPERATIVE, INC.
REGULAR MONTHLY BOARD MEETING
September 21, 2021**

The meeting was called to order by the president, Bert Rogness.

Roxanne Bass called roll: Present: Steve Hansen, Dale Williams, Casper Niemann, Todd Moritz, Bert Rogness, Laurie Seefeldt, Terry Strofus, Kevin DeBoer and Roxanne Bass. Absent:none

Other in attendance for all or parts were Matthew Hotzler, General Manager, Craig D. Evenson, project attorney, Ms. Annie Aberle, Financial Administrative Manager, Troy Kwasniewski, Operations Manager, and Tom Lundberg, Member Services Manager.

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

Secretary Ms. Roxanne Bass, presented the minutes for the August regular monthly meeting held on August 20, 2021. On motion duly made, seconded, the minutes were approved

Treasurer Mr. Steven Hansen presented the treasurer's report which included cash receipts and disbursements.

Resolution 21-52 On motion duly made, seconded and carried, it was RESOLVED that the treasurer's report be received and placed on file subject to audit.

Mr. Steven Hansen presented the director's expenses for August 2021. Various meetings attended by some directors include the September board meeting, NRECA Director workshop, East River annual meeting, and NRECA's region VI meetings.

Resolution 21-53 On motion duly made, seconded and carried, it was RESOLVED that the director's expenses for August 2021 are approved.

Mr. Matthew Hotzler, General Manager, presented a written and oral report

There were discussions regarding Dakota Gasification Company, CoBank, equipment issues, the parking lot and traffic flow, marketing personnel, and the EV Drive night. Hotzler reviewed the August 2021 cooperative scorecard.

Mr. Matthew Hotzler presented the membership activity report of new memberships, assignments, service connections, and non-active memberships.

Resolution 21-54 On motion duly made, seconded, and carried, it was RESOLVED, that the membership activity report is approved.

Ms. Annie Aberle presented a written and oral report of department activities and presented the August financial reports. In addition, she gave options available for returning an energy refund to members including amount impacts, messaging for refunds, and how to issue the refunds.

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Resolution 21-55 On motion duly made, seconded, and carried, it was RESOLVED, that the plan to use bill credits for the \$250,000 energy refunds for energy revenue from January to October 2021, together with messaging on available media is approved.

Mr. Troy Kwasniewski, Operations Manager, presented a written and oral report of department activity, line construction activity, reviewed the minutes from the August employee safety meeting and presented an outage summary report.

Resolution 21-56 On motion duly made, seconded, and carried, it was RESOLVED, that the minutes for the August 24, 2021 safety meeting, as presented are approved.

Mr. Tom Lundberg, Member Services Manager, presented a written and oral report of department activity. Lundberg presented the service order breakdown report and the East River Load Management Update report.

Mr. Bert Rogness, East River Electric board representative presented an oral report. Mr. Rogness discussed new East River Board members, the technology used at East River, crypto mining and other future large loads member system are inquiring about, and the positive Southwest Power Pool membership effect on East River.

Mr. Steve Hansen, SDREA board representative presented an oral report. He discussed the South Dakota Wind Energy Association trade show and the upcoming SDREA legislative committee meeting.

Mr. Craig D. Evenson discussed that there likely will be tax issues to report in the future based on proposed legislation.

Mr. Matthew Hotzler, General Manager advised the board there were three applications for estate retirements of capital credits and two applications for early retirement. Under Article 9, Section 2 of the bylaws and Policy No. 205 for H-D Electric Cooperative, Inc., the total retirement results in \$2,766.30 to be retained by H-D and \$2,220.70 to be refunded to the members requesting their retirement. The financial condition of the cooperative will not be impaired by the payment of the capital credits.

Resolution 21-57 On a motion duly made, seconded, and carried, it was RESOLVED that the H-D Electric Cooperative, Inc. pays the capital credits according to the By-laws, policies, and applications as presented.

Mr. Matthew Hotzler, General Manager, discussed withdrawal from the Basin FERC Case.

Resolution 21-58 On a motion duly made, seconded, and carried, it was RESOLVED that H-D Electric Cooperative, Inc. withdraw from the Basin FERC case.

Mr. Matthew Hotzler, General Manager provided a Strategic Planning update with an oral report. Mr. Hotzler discussed each goal, objective, and status.

Mr. Bert Rogness, Chairman of the Board, presented the Director Annual Surveys, which all directors reviewed and discussed.

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The Board entered an executive session by motion at 12:50 pm and exited the executive session at 2:48 pm. To discuss employee pay plan for 2022 and manager evaluations. Hotzler was in attendance to present the 2022 pay plan.

Resolution 21-59 On motion duly made, seconded, and carried it was RESOLVED, that the 2022 pay and benefits plan totaling \$2,963,243.15 is approved. Ms. Laurie Seefeldt votes nay.

Mr. Matthew Hotzler presented a draft Volunteer PTO policy allowing employees up to 8 hours of time off to participate in certain local volunteer activities.

Resolution 21-60 On motion duly made, seconded, and carried it was RESOLVED, that the volunteer PTO policy, as presented, is approved.

Mr. Matthew Hotzler presented a written 2022 Basin Electric Power load forecast for H-D Electric and the proposed resolution.

Resolution 21-61 On motion duly made, seconded, and carried it was

WHEREAS, Basin Electric Power cooperative has completed a detailed forecast of total demand and energy requirements for the period of 2021 through 2050; and

WHEREAS, the forecast was prepared in accordance with current Rural Utilities Service regulations using reasonable methodologies and assumptions; and

WHEREAS, the Board of Directors of H-D Electric Cooperative, Inc. has reviewed the study and its conclusions;

THEREFORE, BE IT RESOLVED that the Board of Directors of H-D Electric Cooperative, Inc. does hereby adopt and approve the 2022 Load Forecast prepared by Basin Electric Power Cooperative as a reasonable forecast of the future demand and energy requirements for H-D Electric Cooperative, Inc. through the year 2050.

Mr. Matthew Hotzler, General Manager announced that nominations for a delegate and alternate were needed for the Basin Electric Annual Meeting. It will be held in Bismarck on November 9-11, 2021. Mr. Dale Williams was nominated as the delegate and Ms. Roxanne Bass was nominated as the alternate. Mr. Casper Niemann motioned that nominations cease and the board cast a unanimous ballot, Mr. Dale Williams seconded. The Board cast a unanimous ballot for Mr. Dale Williams as the delegate and Ms. Roxanne Bass as the alternate

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