

SUMMARY-APPROVED

**H-D ELECTRIC COOPERATIVE, INC.  
REGULAR MONTHLY BOARD MEETING  
January 28, 2022**

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, Kevin DeBoer, and Roxanne Bass. Absent: Terry Strohfus

Others in attendance for all or part were general manager Matthew Hotzler and project attorney Craig D. Evenson, operations manager Troy Kwasniewski, and member services manager Tom Lundberg.

On motion duly made, seconded, and carried, the agenda, as presented on Call to Order, was approved.

Secretary Bass, secretary, presented the minutes for the regular monthly meeting of the Board of Directors on December 17, 2021, together with the Summary Minutes. On motion duly made, seconded, and carried, the December regular monthly minutes and the summary minutes were approved.

Treasurer Hansen presented the treasurer's report which included cash receipts and disbursements. **Resolution 22-01** On motion duly made, seconded and carried, it was RESOLVED that the treasurer's report be received and placed on file subject to audit.

Hansen presented the December 2021 director expenses.

**Resolution 22-02** On motion duly made, seconded and carried, it was RESOLVED that the December 2021 director's expenses are approved.

Mr. Matthew Hotzler presented a written and oral report on several topics from the previous month. Hotzler presented the December 2021 cooperative scorecard results.

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

**Resolution 22-03** On motion duly made, seconded and carried, it was RESOLVED, that the December 2021 membership activity report is approved.

Hotzler reviewed the Cyber report and the Basin Financials YTD.

Hotzler presented the December 2021 financial reports for the absent Ms. Annie Aberle. The following year-end financial resolutions were considered and passed:

**Resolution 22-04** On motion duly made, seconded, and carried, it was RESOLVED, that recording additional depreciation for distribution plant account 364-Poles, Towers & Fixtures and plant account 371-Installations on Consumer Premises to increase the reserve ratios closer to RUS recommendations is approved.

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**Resolution 22-05** On motion duly made, seconded, and carried, it was RESOLVED, that the 2021 asset adjustments for the year-end end physical material inventory and the salvaged meters and transformers are approved.

**Resolution 22-06** On motion duly made, seconded and carried, it was RESOLVED, that the 2021 Margin Stabilization Fund adjustment of \$325,783 to be put into the fund balance, is approved.

**Resolution 22-07** On motion duly made, seconded, and carried, it was RESOLVED, that non-operating margins-other shall be moved to non-allocated capital for year-end.

Mr. Troy Kwasniewski presented a written and oral report of department activities including the outage summary report. Kwasniewski reviewed the December 23, 2021, safety meeting minutes.

**Resolution 22-08** On motion duly made, seconded and carried, it was RESOLVED that the December 23rd, 2021, safety meeting report as presented is approved.

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

Mr. Bert Rogness, H-D's Director on the East River Electric board, presented an oral report discussing legal representation, business development, ag commodities, bill credits, vaccine mandates, and the potential sale of DGC.

Mr. Steve Hansen, H-D's Director on the SDREA Board presented an oral report of SDREA's activities.

Hotzler advised the board there were six 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 \$3,085.78 to be retained by H-D and \$2,060.42 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 22-09** On motion duly made, seconded, and carried, it was RESOLVED that H-D Electric Cooperative, Inc. pay the capital credits according to the by-laws, policies, and applications as presented.

Hotzler, and Craig Evenson, Project Attorney, reviewed the CoBank Credit Agreement, Promissory Notes, and other documents required by CoBank to execute the CoBank membership and a line of credit.

**Resolution 22-10** was made and approved to execute the documents required for CoBank membership and authorized the required signatures.

Hotzler reviewed the Audit Engagement Letter from Eide Bailly.

**Resolution 22-11** On motion duly made, seconded, and carried, it was RESOLVED that the engagement of Eide Bailly to conduct the audit was approved.

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Hotzler presented a proposed change to Policy #410-Outdoor Lighting Service to include rental LED lights above 50 watts.

**Resolution 22-12** On motion duly made, seconded and carried, it was RESOLVED that the amendment to Policy #410 as presented is approved.

Hotzler presented a proposed change to Policy #104-Expense Reimbursement to update with the 2022 rates.

**Resolution 22-13** On motion duly made, seconded and carried, it was RESOLVED that the amendment to Policy #104 as presented is approved.

Hotzler presented a proposed change to Policy #513-Employee Travel to update with the 2022 rates.

**Resolution 22-12** On motion duly made, seconded and carried, it was RESOLVED that the amendment to Policy #513 as presented is approved.

Hotzler presented reported the scenarios and findings used for the Emergency Response Plan exercises conducted by H-D Electric in 2021.

**Resolution 22-13** On motion duly made, seconded and carried, it was RESOLVED that the Emergency Response Plan scenario report is approved.

There was a discussion about the Annual meeting, and the Board was reminded about petitions.

Hotzler noted that the SDREA annual meeting was a good opportunity to talk to Legislators about the priorities for the coops. There was a discussion about the SDREA annual meeting, the presentations.

There was a discussion about the following meetings coming up.

- a. East River Energize Forum
- b. Co-op Day at the Capital
- c. NRECA Power Xchange
- d. H-D Electric Annual Meeting
- e. NRECA CCD Workshop

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