

APPROVED

**H-D ELECTRIC COOPERATIVE, INC.  
REGULAR MONTHLY BOARD MEETING  
December 20, 2022 (Summary)**

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

Roxanne Bass called roll. Present were: Steve Hansen, Dale Williams, Casper Niemann, Todd Moritz, Bert Rogness, Kevin DeBoer, Roxanne Bass, and Terry Strohfus. Laurie Seefeldt arrived shortly after the roll call. None 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, Member Services Manager Tom Lundberg, Member Services Manager, and Billing Clerk Michelle Prins.

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

Secretary Bass presented the November 18, 2022, regular Board meeting and summary minutes. On motion duly made, seconded, and carried, the November 18, 2022, regular Board meeting and summary minutes were approved.

Treasurer Hansen presented the treasurer's report which included cash receipts and disbursements. **RESOLUTION 22-99** 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 22-100** 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 on several topics including the East River MAC meeting, Basin Electric bill credits, and capital requirements payments, NRECA RESAP safety program and H-D Electric's 2023 safety improvement plan, potential strategic planning dates for January 2024, Hotzler discussed the December storm from the week before, this is an expensive storm that may not be a FEMA event. The total estimated damage is \$500,000 to \$600,000. Hotzler presented the November 2022 Cooperative Scorecard.

Mr. Hotzler presented the report of new memberships, assignments, service connections, and non-active memberships. **RESOLUTION 22-101** On motion duly made, seconded, and carried, it was RESOLVED, that the November 2022 membership activity report is approved.

Mr. Hotzler reviewed the November 2022 Cyber report and the Basin financial summary YTD.

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

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Operations Manager Kwasniewski presented and discussed a written and oral report of department activities including an outage summary report. Kwasniewski reviewed November 22, 2022 safety meeting minutes. **RESOLUTION 22-102** On motion duly made, seconded, and carried, it was RESOLVED, that the safety meeting report for November 22, 2022, 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. Rogness, Director on the East River Electric board, presented an oral report on multiple topics including East River November Storm damage, East River's year-end retirements, and staff changes, and the East River capital credit payout plan.

Mr. Hansen, Director on the SDREA Board presented an oral report of SDREA activities including the SDREA annual meeting, employee retirement, and SDREA's memberships in Value Added and SD Wind Energy Association.

There was no attorney report as Evenson was not available for the first part of the meeting.

Hotzler advised the board there were six applications for estate retirements of capital credits and no applications for early retirements. He advised the board that \$5,194.22 of the capital credits for estate retirements will be retained and \$4,349.74 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 \$5,194.22 to be retained by H-D and \$4,349.74 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 22-103** 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 the 2022 write-off report. One account was on the report for \$1,219.46. Collection efforts will continue and there are enough capital credits to cover the debt. **RESOLUTION 22-104** On motion duly made, seconded and carried, it was RESOLVED that the write-off plan as presented is approved.

Hotzler presented the August and October 2022 RUS form 219 inventory of Work Orders. There are three RUS inventories of work completed (#752, #753, and #754) for a total of \$259,504.68. After review. **RESOLUTION 22-105** On motion duly made, seconded, and carried, it was RESOLVED, RUS Form 219 inventories #752, #753, and #754 are approved as presented.

Hotzler asked if there were any further questions about the budget presentations. The Capital budget plan was presented in October and the Operating budget was presented in November. **RESOLUTION 22-106** On motion duly made, seconded, and carried, it was RESOLVED, 2023 Budget is approved as presented.

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Hotzler presented the 2023 Balanced scorecard plan. **RESOLUTION 22-107** On motion duly made, seconded, and carried, it was RESOLVED, that the plan for the 2023 Balanced scorecard as presented is approved.

Hotzler presented Policy 413 Small Generation Energy Generation Rate with an update to represent the 2023 PURPA rate. **RESOLUTION 22-108** On motion duly made, seconded, and carried, it was RESOLVED, that the amendments and changes to Policy 413 as presented are approved.

Hotzler presented Policy 411 Station Service this rate has never been used since inception and to clean up unused and obsolete policies proposed the policy rate be canceled. **RESOLUTION 22-109** On motion duly made, seconded and carried, it was RESOLVED, that Policy 411 Station Service is obsolete and its cancellation is approved.

Mr. Hotzler presented sponsorship opportunities for the new Deuel High School scoreboard. There were three sponsorship options: 1) the anchor partnership for \$6000/per year with a 5-year commitment, 2) the founding partnership for \$3000/per year with a 5-year commitment and 3) the premier partnership for \$1200/year with no long-term commitment and annual renewals on a year-by-year basis. **RESOLUTION 22-110** On motion duly made, seconded, and carried, it was RESOLVED, that H-D participate at the Premier Partnership level on a year-by-year basis.

Hotzler presented sponsorship opportunities for the new Deubrook High School football field grandstand fundraiser. There were several sponsorship options from \$1000 to \$150,000 and they are looking to raise a total of \$780,000. **RESOLUTION 22-111** On motion duly made, seconded, and carried, it was RESOLVED, that H-D participate at the one-time \$5000 donation level.

Hotzler discussed the upcoming H-D annual meeting.

Director Niemann reported on the Midwest Consumers meeting he attended earlier in the month.

Directors Hanson, Strohfus, Williams, and DeBoer discussed what they learned at the NERCA Board Leadership workshop held on December 6<sup>th</sup> and 7<sup>th</sup>.

There was a discussion about the upcoming meetings.

- 1) SDREA Annual Meeting
- 2) East River Energize Forum
- 3) NRECA Director Conference
- 4) Co-op Day at the Capitol
- 5) NRECA Power Exchange
- 6) H-D Electric Annual Meeting

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