

APPROVED

**H-D ELECTRIC COOPERATIVE, INC.
REGULAR MONTHLY BOARD MEETING
March 15, 2024 (Summary)**

Vice-President Terry Strohfus called the meeting to order and appointed Todd Moritz to act as secretary of the meeting. The Board delegated Dennis D. Evenson the responsibility to prepare minutes.

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

Others in attendance for all or part were Matthew Hotzler, General Manager, and Dennis D. Evenson, assistant project attorney; Ms. Annie Aberle, Finance and Administration Manager; Troy Kwasniewski, Operations Manager; Tom Lundberg, Member Services Manager and Roger Cutshaw, Systems Engineer.

The agenda was approved on motion duly made, seconded, and carried.

Acting Secretary Moritz presented the February 16, 2024, regular Board and summary. On motion duly made, seconded, and carried, the February 16, 2024, regular Board meeting and Summary minutes were approved.

Treasurer Hansen presented the treasurer's report, which included cash receipts and disbursements, all reviewed on Call to Order. The board asked questions and had discussions about the transactions in the report. **Resolution 24-22** 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 director's expenses for the month. **Resolution 24-23** On motion duly made, seconded, and carried, it was RESOLVED that the Director's monthly expenses are approved.

General Manager Hotzler presented a written and oral report. Hotzler reported on the East River MAC, Basin FERC proceeding on 2020 and 2021 rates, Northwestern Energy Connection, Elmira Township, Carpenter Transformer damage, CCP cyber threat, State Grid Resiliency Funding, East River Load Control, Lake Poinsett Survey, and Basin Electric new rates. East River advises that H-D can intervene to be informed, but H-D may be called to testify. The board agreed not to intervene now.

Hotzler presented the February 2024 Cooperative Scorecard and presented the membership activity report. **Resolution 24-24:** On motion duly made, seconded, and carried, it was RESOLVED that the February 2024 membership activity report is approved.

Hotzler reviewed the February Cyber report and advised the board about a phishing attempt aimed at himself. He coordinated with East River to make sure it was shut down. Hotzler reviewed the year-to-date Basin financials. There was a discussion about financials and the Dakota Gasification Corporation.

Finance and Administration Manager Aberle presented the February 2024 financials, a written report, and an oral report of department activities.

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Hotzler and Aberle reviewed information for capital credit retirements. **Resolution 24-25** On motion duly made, seconded, and carried, it was RESOLVED that the Capital Credit Retirement shall be \$348,860.

Operations Manager Kwasniewski presented a written and oral report on the department's activities, including the outage summary report. The Board discussed the report. In addition, Kwasniewski reviewed the safety meeting minutes for February 13, 2024, and February 20, 2024. **Resolution 24-26** On motion duly made, seconded, and carried, it was RESOLVED, that the safety reports for the February 13, 2024, and February 20, 2024, safety meetings, as presented, are approved.

Member Services Manager Lundberg presented a written and oral report on the department's activities, including February's service order breakdown report, open service order report, backlog report, and East River load management report. Lundberg and Hotzler showed the Board the Online Scheduling Tool they use for the member services department. The amount of work in the department requires daily updating and scheduling.

Hotzler provided information for board training and meetings. Calvin will be going to Nashville.

Hansen, Director of the SDREA Board, presented an oral report. Hansen also reviewed South Dakota Wind Association membership drives and Invenenergy, etc., to promote wind and solar.

Assistant Project Attorney Dennis Evenson advised the board that Craig is at Fort Knox for annual training.

Hotzler advised that Star Engineering reviewed the 2023 work orders and commented that the work was done well. The total is \$1,513,97.98. Hotzler presented work orders on RUS 219 forms 756, 757, 758, 759 and 760. He advised that work orders 758 and 759 will not be submitted to RUS.

Resolution 24-27 on motion duly made, seconded, and carried, it was RESOLVED that RUS 219 forms 756, 757, and 760, as presented, be submitted to RUS.

Attorney D. Evenson reviewed Conflict of Interest and Fiduciary responsibilities, including Policy 505, Policy 103, Bylaws, and Case Law.

Aberle reviewed the board and management questions on the RUS from 990, so board and management can answer, complete and sign.

Hotzler reviewed Bylaw, Article V, Section 6, specifically the data for each director district, all reviewed. **Resolution 24-28** on motion duly made, seconded, and carried, it was RESOLVED to keep director districts the same.

Engineer Cutshaw reviewed and compared the 2022 and 2023 outages.

Hotzler advised the board that his RESCO board member seat expires. Hotzler advised that he is the current chairman. There was a substantial turnover on the board, and he requested permission to be a candidate to continue on the RESCO board. **Resolution 24-29** on motion duly made,

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seconded, and carried, it was RESOLVED that Mr. Hotzler is authorized to be a candidate and to serve on the RESCO board.

Hotzler reviewed the plan for the annual meeting. The National Anthem and Pastoral Prayer were discussed. The board agreed to sit together in the first row on the floor facing the stage. The Board agreed that no director names should be in the drawing to avoid an appearance of conflict. The Board recommended that videos of staff working be shown at future annual meetings.

Hotzler and Stroffhus represented H-D Electric Cooperative at the NRECA Annual Meeting. There were 673 coops at business meetings with good speakers. Generational workforce were discussed. They attended a breakout session where a Cooperative in SC got rid of their whole board for excessive board compensation and not being fiduciary responsible.

There were discussions about the following meetings coming up.

- a. H-D Annual Meeting, March 19, 2024.
- b. NRECA Director conference – April 6-9, 2024.
- c. NRECA Legislative conference - April 21-24, 2024.
- d. CFC Forum - June 17-19, 2024.

The Board discussed items at the roundtable.

The meeting was adjourned.