

UNAPPROVED

**H-D Electric Cooperative, Inc.
REGULAR MONTHLY BOARD MEETING
May 16, 2024 (Summary)**

President Bert Rogness called the meeting to order. The Board delegated Craig D. Evenson the responsibility of preparing minutes.

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

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

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

Secretary Bass presented the April 19, 2024, Regular Board and Summary minutes. After a discussion on a motion duly made, seconded, and carried, the April 19, 2024 Regular Board and Summary Minutes were approved.

Treasurer Hansen presented the treasurer's report, including cash receipts and disbursements. After a discussion about the report transactions. **Resolution 24-38** 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 24-39** On motion duly made, seconded, and carried, it was RESOLVED that the Director's monthly expenses are approved.

General Manager Hotzler presented a written report and an oral report on various H-D activities, including the Touchstone Energy Scholar Banquet he attended.

Hotzler presented the April Cooperative Scorecard and the membership activity report. There was a discussion about the new memberships, assignments, service connections, and non-active memberships. **Resolution 24-40** On motion duly made, seconded, and carried, it was RESOLVED that the April 2024 membership activity report is approved.

Hotzler reviewed the April 2024 Cyber report and the YTD Basin financials for discussion.

Finance and Administration Manager Aberle presented a written and oral report on department activities. Aberle presented the revenue and expense per 1000 kilowatt hours without margin and stabilization through April 30, 2024. Aberle discussed the SD kWh Tax, East River Capital Credit Retirements, and general capital credit retirements. She presented the cash investments that H-D Electric uses and interest rates available through local banks, Basin, CFC, and CoBank.

Operations Manager Kwasniewski presented a written and oral report of department activities, including the outage summary report. Kwasniewski reviewed the April 23, 2024 safety meeting minutes. **Resolution 24-41** On motion duly made, seconded, and carried, it was RESOLVED that the safety report for the April 23, 2024 safety meeting, as presented, be approved.

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Member Services Manager Lundberg presented a written and oral report of department activities, including the service order breakdown report, the Load Management Update, and the service order backlog report.

Bert Rogness, Director of the East River Board, presented an oral report. Rogness discussed several topics, including Basin Financials and rates, WAPA rates, large load crypto rates, power line right-of-way issues, and a discussion on green anhydrous ammonia plants.

Steven Hansen, Director of the SDREA Board, presented an oral report. Hansen discussed the latest SDREA bulletin, the SDREA committees, the Clay-Union open house, and the legislative committee meeting scheduled for June.

Hotzler advised the board there was one application for estate retirement of capital credits and three applications for early retirement. He advised the board that \$2,717.32 of the capital credits for estate retirement will be retained and \$1,555.57 of the estate retirement will be refunded. He advised that \$4,446.25 of the capital credits for early retirements will be retained and \$2,394.51 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 \$7,163.57 to be retained by H-D and \$3,950.08 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 42** 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.

Hotzler presented the Loan Documents for the upcoming RUS loan. Hotzler presented with an additional commentary from Project Attorney Evenson. The Board considered the terms of the agreements with RUS and discussed multiple topics. **Resolution 24-43** on motion duly made, seconded, and carried, it was RESOLVED that H-D Electric Cooperative, Inc. approves and directs the President and Secretary to sign the RUS Treasury Note, RUS Loan Contract, and the multiple Originals of the RUS Mortgage.

Hotzler presented the Strategic Plan review. There was discussion about each of the strategic plan priorities.

There was a discussion regarding the plan for Touchstone Energy night at the Crystal Springs Rodeo.

Casper nominated Matt, and Dale seconded. On motion duly made, seconded, and carried, nominations ceased, and the board cast a unanimous ballot for the delegate at the CFC Forum and Annual meeting.

Steve nominated Bert, and Terry seconded. On motion duly made, seconded, and carried, nominations ceased, and the board cast a unanimous ballot for Bert to represent H-D Electric at East River's caucus for the Basin board member.

There was a discussion about the upcoming meetings.

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| a. CFC Forum, June 17-19, 2024 | d. Basin Annual Meeting, August 13-14, 2024 |
| b. Crystal Springs Rodeo, June 29, 2024 | e. SDREA Board Leadership Summit, August 25-26, 2024 |
| c. CoBank Director Conference, July 17-19 | |