

APPROVED

**H-D ELECTRIC COOPERATIVE, INC.
REGULAR MONTHLY BOARD MEETING
October 18, 2024 (Summary)**

President Rogness called the meeting to order. Todd Moritz was appointed the acting secretary. Craig D. Evenson was delegated to take the minutes.

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

Others in attendance for all or part were Matthew Hotzler, General Manager; Craig D. Evenson, project attorney; 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 a motion duly made, seconded, and carried.

Acting Secretary Moritz presented the September 20, 2024, Regular Board and Summary minutes. After a discussion, a motion duly made, seconded, and carried, the September 20, 2024, Regular Board and Summary minutes were approved.

Treasurer Hansen presented the treasurer's report, including cash receipts and disbursements. There were questions and discussions about the transactions in the report. **Resolution 24-66** 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 reported that there were no additional meeting director expenses for October.

General Manager Hotzler presented written and oral reports on various H-D Electric activities and meetings he attended. Hotzler's report included topics of the East River MAC Meeting, East River Margins, Basin Class A meetings, TransCanada spinoff companies, SD PUC-related matters, the GEVO plant received loan guarantees from DOE, East River's work on recommending a policy on AI, USSC denial of NRECA's request for a stay of the EPA's Power Plant Rule, East River's Budget, RUS Loan, and upcoming scheduled Board/Employee Pictures.

Hotzler presented the September Cooperative Scorecard and the membership activity report. After discussing the new memberships, assignments, service connections, and non-active memberships. **Resolution 24-67**, On motion duly made, seconded, and carried, it was RESOLVED that the September 2024 membership activity report is approved.

Hotzler reviewed and discussed the September Cyber report and the Basin financials through September 2024.

Ms. Aberle presented the revenue and expense per one thousand kilowatt hours without margin and stabilization through September 30, 2024. The Board asked questions about Ms. Aberle's reports.

APPROVED

Operations Manager Kwasniewski presented a written and oral report of the department activities, including line construction status and the outage summary. Kwasniewski reviewed the safety meeting minutes for September 26, 2024. **Resolution 24-68** On motion duly made, seconded, and carried, it was RESOLVED, that the September 26, 2024 safety meeting report, as presented, are approved.

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

Bert Rogness, Director on the East River Board, presented an oral report of the East River Board meeting.

Steven Hansen, Director of the SDREA Board, presented an oral report of the last SDREA meeting, including the new office manager, positioning on issues for the legislative season, youth tour and excursion, the budget process, and approval of new board members. He reported on the SDWEA committee meeting and showed a report on the dollars coming into the county; for instance, Deuel is receiving \$1.8 million.

Project Attorney Evenson, presented information regarding the Franchise agreement with Codrington County. Evenson reported that the Franchise was required for the new line proposed in Sheridan Township. He presented a Written Application for the Franchise which will be filed with the Codrington County Auditor, together with a Notice of Hearing, Proof of Notice, and a proposed Resolution. The Application needs to be signed by the President and Secretary. There was discussion regarding the Franchise with Codrington County and other franchises with adjacent counties. **Resolution 24-69** On motion duly made, seconded, and carried, it was RESOLVED, that the Board authorizes and directs President Rogness and Secretary Bass to sign the Franchise Agreement documents.

Hotzler advised the Board there were three applications for estate retirements of capital credits and no applications for early retirement. He advised the Board that \$1,701.17 of the capital credits for estate retirements will be retained, and \$1,287.02 of the estate retirement will be refunded. Pursuant to Article 9, Section 2 of the by-laws and Policy No. 205 for H-D Electric Cooperative, Inc., the total retirement results in \$1,701.17 to be retained by H-D and \$1,287.02 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 24-70** 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 NRECA governance video on Artificial Intelligence and Electric Cooperative part 2 for all present to watch and discuss.

Hotzler and Aberle discussed a report regarding the strategy for the water heater program and it's rising costs. The Board directed management to increase the prices as presented, effective November 1, 2024.

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Hotzler presented a report of the RUS 219 Work Orders available, after a discussion about the report and the need for signatures. **Resolution 24-71** on motion duly made, seconded, and carried, it was RESOLVED, that the Board approves the RUS 219s and authorizes and directs President Rogness to sign the RUS form 219s.

Hotzler presented the 2025 Capital Budget and discussed the budget and the Cooperative construction and equipment needs. **RESOLUTION 24-72** On motion duly made, seconded, and carried, it was RESOLVED that the 2025 Capital Budget, as presented, is approved.

Hotzler presented a report on Board and Attorney compensation. **Per RESOLUTION 24-73** The Board kept the Board Compensation the same and increased the attorney's hourly rate.

Hotzler presented a report regarding the Basin load forecast update from the 2023 load forecast.

There was a discussion about the following meetings coming up.

- a. Safety Meeting and Pictures, November 19, 2024
- b. NRECA Board Leadership Course – Nov. 25-26, 2024
- c. NE Legislative Supper Watertown December 17, 2024
- d. Mid-West Annual Meeting – Dec. 10-12, 2024