

**APPROVED**

**H-D ELECTRIC COOPERATIVE, INC.  
REGULAR MONTHLY BOARD MEETING  
December 20, 2024 (Summary)**

President Bert Rogness called the meeting to order.

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

Others in attendance for all or part were General Manager Matthew Hotzler, Project Attorney Craig D. Evenson, Finance and Administration Manager Annie Aberle, Operation Manager Troy Kwasniewski, Member Services Manager Tom Lundberg, and Billing Clerk Michelle Prins.

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

Secretary Bass presented the November 22, 2024 Regular Board and Summary minutes. After discussion, a motion duly made, seconded, and carried, the November 22, 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 report transactions. **Resolution 24-81** 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 the director's expenses for the month. **Resolution 24-82** 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 together with an oral report. Hotzler reported on the East River MAC Meeting, East River Margins, Basin and East River Capital Credit Retirement, WAPA Drought Adder, WAPA RECs, Basin RECs, 2023 Vintage Market Value, East River RTO Revenue and SPP ATTR, 2024 SPP Integrated Transmission Plan, SD Renewable Energy Association, Chad Kinsley wins spot of Touchstone Energy Board, Green Hydrogen Facilities, Talus Renewables, FERC of Trial Staff Brief opposing exceptions.

Hotzler presented the November Cooperative Scorecard and the membership activity report. After discussing the new memberships, assignments, service connections and non-active memberships. **Resolution 24-83**, On motion duly made, seconded and carried, it was RESOLVED that the November 2024, membership activity report is approved.

Hotzler reviewed the November Cyber report and the Basin financials through November 2024.

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

Operations Manager Troy Kwasniewski presented a written and oral report of the department activities including the outage summary. Kwasniewski reviewed the November 19, 2024 safety meeting minutes. **Resolution 24-84** On motion duly made, seconded, and carried, it was RESOLVED, that the November 19, 2024, safety meeting be approved.

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

Mr. Bert Rogness, Director of the East River Board, presented an oral report. Rogness discussed several topics, including Basin Financials, Basin Load Forecast, Basin Patronage Retirement, Drought Adder, GEVO planning to accept East River's service, Dakota Coal, CO2 pipeline maintenance, tar oil and fertilizer above budget, McKenzie Electric lawsuit, new generator in the Bakken, looking at a new gas powered power plant, 2024 is ahead of budget, short term financing, the planning queue for East River, battery storage presentation planning and nuclear power presentation planning.

Mr. Steven Hansen, Director of the SDREA Board, presented an oral report. Hansen discussed the last SDREA meeting, strategic planning session and focus areas, employee issues, legislative session planning, investor roundtable, Antelope Valley mine tours, new CEO for West-River Electric, changes made to the Clubhouse Hotel in Pierre, and an NRECA report.

Hotzler advised the board that there was one application for estate retirements of capital credits and two for early retirement. He advised the board that \$400.75 of the capital credits for estate retirements will be retained, and \$192.86 of the estate retirement will be refunded. He advised the board that \$2,143.78 of the capital credits for estate retirements will be retained and \$701.31 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 \$2,544.53 to be retained by H-D and \$894.17 to be refunded to the members requesting their retirement. The payment of capital credits will not impair the cooperative's financial condition. **Resolution 24-85** 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 write-off report for the year. The board discussed the report and expressed appreciation for a year with low write-offs. **Resolution 24-86** On motion duly made, seconded, and carried, it was RESOLVED that the 2024 write-off plan, as presented, was approved.

Hotzler presented a report regarding the Cost-of-Service Rates. There was discussion about the various models to help determine the Cost of Service. He also discussed the rate philosophy for the cost of service. There was discussion about every aspect of the cost of service. The directors gave Mr. Hotzler direction.

Hotzler asked for any additional questions regarding the budget presentation from the November Meeting. **Resolution 24-87** On motion duly made, seconded, and carried, it was RESOLVED that the budget for 2024, as presented, is approved.

Hotzler presented Policy #413 "Small Renewable Energy Generation Rate", with proposed changes. **Resolution 24-88** On motion duly made, seconded, and carried, it was RESOLVED, that Policy #413, as presented, is approved.

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Hotzler presented the Eide Baily Engagement Letter. The board decided to continue with Eide Baily's services. **Resolution 24-89** On motion duly made, seconded, and carried, it was RESOLVED that the terms of the Engagement letter are approved.

Hotzler presented the 2025 Balanced Scorecard for the coop. Hotzler highlighted the changes from the previous year's scorecard to match the current strategic plan. **Resolution 24-90** On motion duly made, seconded, and carried, it was RESOLVED that the 2025 Balanced Scorecard, as presented, is approved.

Hotzler presented the NRECA Board Governance Education video of the Board's Role in Safety Part 1. There was discussion amongst the board about the video.

Hotzler presented the initial planning for the H-D Annual Meeting. There was a discussion. The Board gave Mr. Hotzler their thoughts on the Annual Meeting.

Hotzler announced that voting needed to be done for the NRTC.

There was a discussion about the following meetings coming up.

- a. SDREA Annual Meeting Jan 16-17
- b. NRECA Directors Conference Jan 25-30
- c. East River Energize Forum Feb 5-6
- d. Co-op Day at the Capital Feb 18
- e. NRECA Annual Meeting/Power Exchange

Rogness discussed the Mid-West Consumers meeting he attended in December.

On motion duly made, seconded, and carried, the meeting was adjourned.