

APPROVED

**H-D ELECTRIC COOPERATIVE, INC.
REGULAR MONTHLY BOARD MEETING
December 19, 2025 (SUMMARY)**

President Bert Rogness called the meeting to order.

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

Absent: none

Others in attendance for all or part of the meeting 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, and Billing Rep / MDM Analyst Michelle Prins.

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

Secretary Moritz presented the November 21, 2025, Regular Monthly Board meeting minutes along with the Summary. After a discussion. On the motion duly made, seconded, and carried, the minutes were approved as presented.

Treasurer Steve Hansen presented the treasurer's report, including cash receipts and disbursements, after a discussion regarding the transactions. **RESOLUTION 25-73** 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 directors' expenses for November. After a discussion. **RESOLUTION 25-74** On motion duly made, seconded, and carried, it was RESOLVED that the directors' expenses for November are approved as presented.

General Manager Hotzler presented a written and oral report on various issues, including East River MAC Meeting, East River Margins, RUS, FEMA Reform, Basin Patronage Retirement, and Indian Tribal Utilities. Hotzler presented the November 2025 Cooperative Scorecard results and the membership activity report. **RESOLUTION 25-75** On motion duly made, seconded, and carried, it was RESOLVED that the November 2025 membership activity report is approved.

Hotzler reviewed the November 2025 Cyber report and Basin Electric Financials through November 2025.

Finance and Administration Manager Aberle reported on the monthly financials and other department activities with a written and oral report.

Operations Manager Kwasniewski presented a report on the monthly department activities, including the outage summary report.

Kwasniewski reviewed the November 25, 2025 safety meeting minutes. **RESOLUTION 25-76** On motion duly made, seconded, and carried, it was RESOLVED, that the safety report for the November 25, 2025, safety meeting, as presented, is approved.

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

Bert Rogness, Director of the East River Board, presented an oral report covering several topics, including Basin Financials, the Large Load update, the SPP High Impact Large Load Policy, Development issues, and cost increases.

Steve Hansen, Director of the SDREA Board, presented an oral report. Mr. Hansen discussed the last SDREA meeting and some legislative topics.

Hotzler reported four estate retirements and no early retirement applications.

Type	Retained	Refunded
Estate	\$2,360.22	\$1,883.43
Early	none	none
Total	\$2,360.22	\$1,883.43

The Cooperative's financial condition is not impaired by the payment of these.

RESOLUTION 25-77 On motion duly made, seconded, and carried, it was RESOLVED THAT H-D Electric Cooperative, Inc., pays the capital credits pursuant to the Bylaws, policies, and applications as presented.

Prins presented one potential account for write-off due to non-payment. After the presentation, no action was taken on the write-off.

Hotzler presented the Work Order inspection summaries for RUS inventory numbers 765, 766, and 767, covering construction completed in June and October 2025. The respective inventory amounts were \$65,870.89, \$219,779.05, and \$27,891.46, for a total of \$313,541.40. The three RUS inventories included 29 construction work orders and 7 retirement work orders. Inspections were completed by Star Energy, which reported the workmanship on the projects to be very good. **RESOLUTION 25-78** On motion duly made, seconded, and carried, it was RESOLVED to approve Work Order inspection summaries RUS #765, #766, and #767 and authorize their submission to RUS as presented.

Hotzler presented the necessary rate increases for 2026 to maintain the financial health of the Cooperative. Each rate was reviewed for the changes proposed. Overall average 9.9% increase for general services, a 10.2% increase for heat, and a 5.8% for multi-phase service. Irrigation rates followed the three-phase methodology but allowed for control to reduce demand during peak periods. **RESOLUTION 25-79** On motion duly made, seconded, and carried, it was RESOLVED, to approve the 2026 rate changes as presented, with all going into effect on January 1, 2026, except irrigation going into effect on April 1, 2026.

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Hotzler asked for any questions after reviewing the budget book and presentation given last month. After a discussion. **RESOLUTION 25-80** On motion duly made, seconded, and carried, it was RESOLVED to approve the 2026 budget as presented.

Evenson brought forward the remaining bylaw items. After discussion, it was decided that Hotzler would distribute the redlined version and a draft of the revised bylaws prior to the next meeting for review and discussion at that meeting.

Hotzler presented and reviewed the 2026 Balanced Scorecard plan, which includes four focus areas: Operational Efficiency, Safety, Service, and Reliability. Following the presentation and discussion. **RESOLUTION 25-81** On motion duly made, seconded, and carried, it was RESOLVED to approve the 2026 Balanced Scorecard plan as presented.

Hotzler discussed the preparations being made for the upcoming March annual meeting.

Hotzler informed the board that a delegate for online voting for NRTC was needed. **RESOLUTION 25-82** On motion duly made, seconded, and carried, it was RESOLVED to appoint Matt Hotzler as the delegate for NRTC online voting.

Upcoming Meetings

- a. SDREA Annual Meeting - January 15-16, 2026
- b. NRECA Director Conference - January 25-28, 2026
- c. Director-Employee Energize Forum - February 4-5, 2026
- d. Co-op Day at the Capital - February 17, 2026
- e. NRECA Annual Meeting - March 6-11, 2026

There being no further business before the board, on motion duly made, seconded, and carried, the meeting was adjourned.