

APPROVED

**H-D ELECTRIC COOPERATIVE, INC.
REGULAR MONTHLY BOARD MEETING
January 23, 2026 (Summary)**

Vice-President Terry Strohfus called the meeting to order with a quorum present. Secretary Todd Moritz conducted roll call. Eight directors were present, with one absence. Members of management and legal counsel attended all or portions of the meeting.

The agenda and the December 19, 2025, Regular Monthly Board Meeting minutes, along with the accompanying summary, were reviewed and approved following discussion.

Treasurer Steve Hansen presented the treasurer's report, including cash receipts and disbursements, which was received and placed on file subject to audit. The Board also approved directors' expenses for December.

Management and Department Reports

General Manager Matthew Hotzler provided a comprehensive written and oral report covering a wide range of topics, including East River activities and margins, Basin capital credits and planning, wildfire mitigation, data centers, property tax issues, legislative updates, safety and OSHA training, succession planning, and national cooperative meetings. The Board approved the December 2025 membership activity report. The December cyber report was reviewed, and it was noted that Basin's year-end financials were not yet finalized.

Finance and Administration Manager Annie Aberle reviewed monthly financials and presented 2025 year-end entries. Following discussion, the Board approved:

- A net inventory adjustment of \$5,789.13 and a write-off of damaged or unusable meters and transformers totaling \$88,797.45.
- A 2025 MTIER of 2.0, including a Margin Stabilization Fund adjustment of \$389,544.
- The transfer of \$146,387.66 in non-operating margins to permanent non-allocated capital at year end.

Operations Manager Troy Kwasniewski reported on monthly operations, including outages and safety activity. The Board approved the December 18 and December 23, 2025 safety meeting minutes.

Member Services Manager Tom Lundberg reviewed departmental activity reports, including service orders, load management updates, and the December service order backlog.

Director Steve Hansen provided an update on SDREA activities, legislative topics, and renewable energy association matters.

Capital Credits and Bylaws

The Board reviewed and approved estate capital credit retirements totaling \$1,175.46 refunded and \$1,510.67 retained, confirming that the payments do not impair the Cooperative's financial condition.

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The Board discussed and approved the final proposed bylaw changes and directed management to present them to the Membership at the annual meeting with a recommendation for approval.

Other Activities

The Board approved the engagement of Eide Bailly to conduct the 2026 audit. Emergency Response Tabletop Exercise minutes were approved following discussion.

The Board discussed the H-D Electric annual meeting planning.

Terry Strohfus was elected as NRECA Annual Meeting delegate and Matt Miller as alternate by unanimous ballot.

Other Business

Discussion included the SDREA Annual Meeting report and review of upcoming meetings and events through March 2026.

With no further business, the meeting was adjourned.