

APPROVED

**H-D ELECTRIC COOPERATIVE, INC.
REGULAR MONTHLY BOARD MEETING
July 17, 2026 (SUMMARY)**

President Bert Rogness called the meeting to order with a quorum present. Secretary Todd Moritz conducted roll call and reported all directors except Terry Strohfus were present. Members of management and legal counsel participated in the meeting as required.

The agenda and the June 19, 2026 Regular Board Meeting minutes and 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 the Directors' June expenses.

Management and Department Reports

- **General Manager Report (Hotzler):** Reported an update on cooperative and industry-related activities, including East River Electric matters - financial updates and headquarters building projects, Knife River development, cybersecurity initiatives, regulatory issues, Basin Electric updates, and other power supply and industry topics. The Cooperative Scorecard, membership activity report, and June cybersecurity report were also reviewed. The Board approved the June 2026 membership activity report.
- **Finance and Administration (Aberle):** Reviewed consumer sales and revenue, monthly revenue and expense reports, cash flow summaries, investment balances, and revenue and expense performance per 1,000 kWh. The Board reviewed year-to-date financial performance compared to budget. Additional financial statements and reports were made available for Board review.
- **Operations (Kwasniewski):** Presented the monthly operations activities, safety meetings, and system performance. The Board reviewed and approved the June 23 safety meeting report. The June outage summary was also reviewed, including discussion of outage events and reliability performance.
- **Member Services/Wiring (Lundberg):** With Tom Lundberg absent Hotzler presented a written report from Member Services/Wiring, including service order activity, service order breakdowns, and backlog information. The Board discussed current member service activities and workload.
- **East River Report (Rogness):** Provided an update on East River budget, Basin Electric activities, FERC, East River Headquarters, and other issues facing East River Electric.

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- **SDREA Report (Hansen):** Provided an update on SDREA activities, SD Value Added-Development Center, South Dakota Renewable Energy Association activities, and various PUC activities.

Capital Credits

The Board reviewed estate and early retirement capital credit requests and approved payment of \$2,443.12 to members, with \$2,206.60 retained by the cooperative.

Other Activities

- Approved revisions to **Policy 205 – Patronage Capital Retirement** to clarify and update the Cooperative’s capital credit retirement process.
- Reviewed and approved the Cooperative’s **Wildfire Mitigation Plan** prepared by STAR Energy.
- Viewed NRECA governance training videos covering: **1) Artificial Intelligence: The Board’s Role in Mitigating Risk and 2) The Business Judgment Rule.**
- Reviewed progress on the Cooperative’s **Strategic Plan initiatives** and discussed current progress toward identified goals.
- Selected delegates for upcoming cooperative meetings:
 - **Basin Electric Annual Meeting:** Kevin DeBoer, Delegate; Casper Niemann, Alternate.
 - **NRECA Region VI Meeting:** Casper Niemann, Delegate; Kevin DeBoer, Alternate.
- Discussed the RESCO SD Director election ballot, which included one candidate, and will cast vote for that delegate.

Upcoming Meetings

- **H-D Electric Basin Tour:** August 3–4, 2026
- **Basin Electric Annual Meeting:** August 11–13, 2026
- **SDREA Board Leader Summit:** August 30–31, 2026
- **East River Annual Meeting:** September 9, 2026
- **Line Patrol Charity Ride:** September 11–12, 2026
- **NRECA Regional Meeting 5 & 6:** September 21–23, 2026

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