

The regular meeting of the board of directors of Capital Electric Cooperative was held on Friday, Feb. 23. The meeting was held in person at Capital Electric, 7401 Yukon Drive, Bismarck, pursuant to due notice to all directors. All directors were present at that time.

Also present were: Manager Paul Fitterer, Business Manager Luke Steen, Operations Manager Jeff Holzer, Engineering Services Manager Greg Owen, Energy Services Manager Josh Schaffner, Manager of Communications and IT Wes Engbrecht and Attorney Zachary Pelham of Pearce Durick PLLC, who acted as recording secretary.

Financial Review: Prior to the board meeting, Directors Dave Charles and Bret Weiland reviewed the January check register and expenditures. They advised all checks and expenditures were in order. The financials were approved as presented.

Management Reports (Business Department, Operations Department, Engineering Services, Energy Services and Communications/IT):

Business Department Report: Steen presented the January financial and statistical report to the board.

Revenue was ahead of budget for January as \$4,014,925 was generated in comparison with the budgeted figure of \$3,973,402 (favorable variance of \$41,523 or 1%).

Capital Electric's January load factor was behind budget by 13.69%.

The operating margin for January was \$-72,615, behind the budgeted \$76,289. The total margin for January was \$-78,242, behind the budgeted \$83,911.

Capital Electric began billing 15 new services in January, bringing our active services to 22,247 versus 21,971 at this time last year, or a net increase of 276 accounts over the last 12 months.

The cash flow statement and accounts receivable balances were reviewed.

Estate Retirements: Following review of the financial condition of the cooperative and recommendation by management, three estate retirements totaling \$1,159.44 were approved.

Capital Credit Retirement:

Following discussion, the general retirement of capital credits totaling \$1,561,058.56 was approved.

Operations Report: Holzer reviewed the written report from the operations department.

Holzer reported crews have made significant progress on installing the remaining meters, the Wing crew has begun annual line inspections in the Goodrich and McClusky area, and monthly substation inspections were completed.

Following discussion, it was approved to authorize purchase of a replacement digger truck.

Safety Report: The safety report was reviewed. There were no lost-time accidents since the last board meeting. Mike Koenig, safety instructor with the the North Dakota Association of Rural Electric Cooperatives (NDAREC), held a safety meeting on Feb. 1, related to mayday procedures and emergency action plans for all employees and pole-top and bucket rescue training for lineworkers.

Engineering Services Report:

Owen reviewed the written report from engineering services. Six work orders were completed in January. Owen reported on ongoing and upcoming projects, a joint utility meeting with local utilities, cities and counties, and coordination with Central Power Electric Cooperative for upcoming constructions projects.

Energy Services: Schaffner reviewed the energy services report. Thirteen service orders were completed in January. Schaffner reported on efforts to work with members to answer questions on grid capacity and heat staging.

Communications and IT: Engbrecht reviewed the communications and information technology (IT) report. Engbrecht reported on the winner of the 2024 Youth Tour essay contest winner, upcoming local pages articles and the upcoming Nominating Committee meeting.

Strategic Planning Summary:

Fitterer reviewed the status of action items for the strategic plan. A resolution regarding "balancing infrastructure needs with rising costs"

was approved as presented.

Policies: Steen presented on Rate Schedule "LCC." Following discussion, it was approved to close Policy IV-01-19 Load Controlled Cooling (Residential) to new entrants as of May 1.

Steen presented on Rate Schedule "OP." Following discussion, it was approved to close Policy IV-01-23 Load Controlled Water Heating Rate to new entrants as of May 1.

Basin Electric Power Cooperative: Fitterer reported on Basin Electric matters.

Industry Update: Fitterer reviewed materials related to power markets and general cooperative news.

NDAREC: Deon Vilhauer reported updates on NDAREC, including the *North Dakota Living* study report, Vilhauer's appointment to serve as NDAREC's representative on the Rural Development Finance Corporation (RDFC) board and being elected as secretary/treasurer of the RDFC board, and Vilhauer's election to serve a three-year term on the Dakotas America board. ☺

CAPITAL ELECTRIC COOPERATIVE

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