



CAPITAL ELECTRIC
COOPERATIVE

CAPITAL ELECTRIC COMMENTS

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AUGUST 2016

Growth and traffic prompt line conversion project

In June, Capital Electric Cooperative crews converted some overhead powerline and poles to underground on north Washington Street and surrounding neighborhoods. In this month's issue, learn how the conversion to the electric distribution system will add functionality and increase visual appeal.



PHOTO BY CARMEN DEVENEY

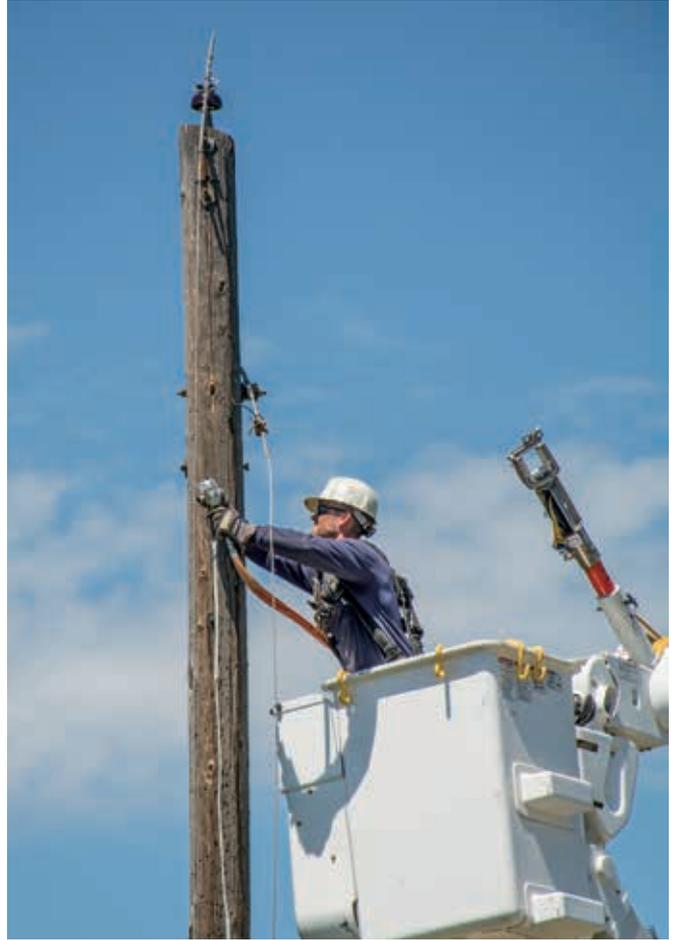
AUGUST 2016 IN THIS ISSUE

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*Journeyman Lineman **Lance Diebold**, foreground
Journeyman Lineman **Steve Kuball**, background*



When converting from overhead to underground, the cooperative's staking department first plans the route in which to lay the cable. Here, Assistant Staking Engineer **Beau Townsend** shows how he places white flags in the ground to mark the route a contract crew will follow to trench or bore the powerline.



Once the linemen set and install the switches and terminate the cable, they energize the underground power line. Then, the overhead distribution line is ready to be de-energized and taken out of service. Here, Journeyman Lineman **Lance Diebold** cuts down the overhead line.

Line conversion improves efficiency, appeal

STORY AND PHOTOS BY CARMEN DEVNEY

Housing developments are steadily being added in north Bismarck and traffic continues to increase. To ease congestion on roads that lead to homes, schools and churches in the area, north Washington Street is being converted from a two-lane to a four-lane road from Calgary Avenue to 57th Avenue.

Some overhead distribution poles were in the way of construction,

so the city of Bismarck contacted Capital Electric Cooperative and asked for them to be removed. In June, line crews started the process of converting overhead power lines and poles to underground.

Rick Dressler, operations supervisor at Capital Electric, says the cooperative converted about a mile-and-a-quarter of overhead distribution to underground on Washington Street and some

surrounding neighborhoods. He says the project will improve the electric distribution system's functionality as well as give it visual appeal.

"Instead of removing only the poles that were in the way and having the system run underground, then overhead, and then underground and overhead again, we decided to bury it all," he said. "It looks better."

The system will also be more efficient. The linemen added several



After the overhead conductor was removed, Journeyman Lineman **Steve Kuball** clamped the pole with a set of claws to control it. Journeyman Lineman **Matt Hagen** wrapped a cable from the winch around the pole, and the digger/derrick pulled the pole from the ground.



Capital Electric's linemen buried some overhead power line in housing developments adjacent to Washington Street. This will increase the system's reliability, because the mature trees will no longer be a threat to cause a power outage. Here, Journeyman Lineman **Braden Martin** prepares to retire the overhead line.

padmount switches that will eventually tie in with two new circuits that will feed out of the cooperative's relatively new Horizon Substation in northwest Bismarck. In the event of a power outage, electricity can be rerouted from another source so members won't have to wait for electric service to be restored. The cooperative can also

take a stretch of line out of service for maintenance or change the feed of electric service, and members will not experience a disruption in service.

"Having the option to feed lines from various sources is very beneficial," Dressler says. "Especially this time of year when it's hot, and overloads are a possibility." **CEC**



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Kramer resigns from board to accept position with NDAREC

Josh Kramer, a Capital Electric Cooperative member who has served on the board of directors since June 2012, has resigned and accepted the role of executive vice president and general manager for the North Dakota Association of Rural Electric Cooperatives (NDAREC). He filled the vacancy created by the retirement of Dennis Hill, who stepped down from the position in July after 34 years of service. Hill is also a member of Capital Electric.



Kramer

The Capital Electric board selected Rex Hollenbeck, a former director from McClusky, to complete Kramer's term.

Robert Grant, president of NDAREC, says Kramer brings a wealth of experience to the position.

"Josh is uniquely qualified to lead the electric cooperative movement in an ever-changing utility environment. His experience, enthusiasm, values and philosophy matched perfectly with the leadership skills NDAREC is looking for in our next leader," he said.

Throughout his career, Kramer has supported agriculture, served in the military and worked for a

trade association dedicated to farmers, ranchers and cooperatives. Most recently, he served in a leadership role with USDA Rural Development, an organization dedicated to improving the quality of life in rural America.

Kramer grew up on a dairy farm in Emmons County that was served by KEM Electric Cooperative in Linton. He says the importance of cooperatives and their principles are in his DNA.

"It was my experience with cooperatives that inspired me to pursue a career dedicated to service, and I plan to continue that commitment with the RECs," he says. "I'm excited to work more closely with North Dakota's electric cooperatives. Their efforts in providing services and bringing economic opportunity to our members is important to the success of our state."

Kramer, who lives in north Bismarck with his wife, Sarah, and their five children, says serving on the board of directors for Capital Electric has been a valuable experience. Participating in local, regional, statewide and national meetings and conferences in the electric cooperative network, Kramer learned about the electric utility industry, cooperatives and the members they serve.

"I am very proud to have had the opportunity to work alongside my fellow board members and with the great employees, to serve the members of Capital Electric Cooperative," he concludes. **CEC**

Hunting electrical equipment is never in season

As fall approaches, along with various North Dakota hunting seasons, please remember that electrical insulators, conductors and electrical equipment are NOT on the hunting season list.

Capital Electric Cooperative encourages hunters to be aware of electrical equipment while enjoying the great outdoors this season. Be aware of what's behind that big buck or it might cost big bucks. Repairs can be costly in both equipment and outages to our members. As a nonprofit cooperative, owned by our members, we all share in this expense.

This doesn't include the inconvenience, damages and hazards to members down the line that require power for medical equipment or other needs while a lineworker does some hunting of his own, looking at spans of line trying to locate the problem.

Hunters and other gun owners should not shoot near or toward power lines, power poles and substations. A stray

bullet can cause damage to equipment, could be deadly to the shooter, and potentially interrupt electric service to large areas.

Sometimes the damage isn't noticed for several weeks or months, and is only discovered when an unexplained outage occurs.

Landowners are also encouraged to take note of nonmembers who are hunting on their property, and remind them to be aware of power lines.

We recognize the majority of hunters practice safe hunting and understand the potential risks when discharging a firearm. We encourage experienced hunters who are familiar with the area to identify the locations of utility properties and equipment to young or new hunters in their group and remind them to avoid shooting toward these facilities. Enjoy the great outdoors. Just be sure to hunt only what's in season. **CEC**

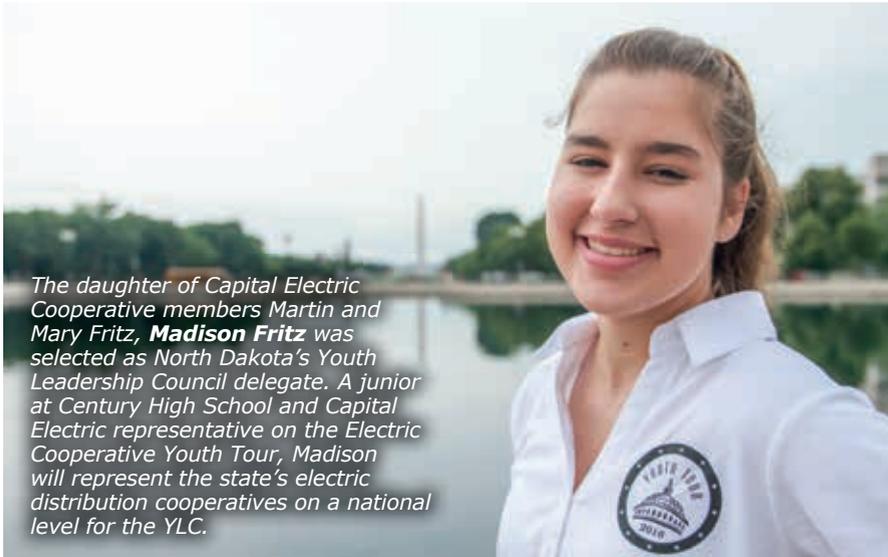


PHOTO BY KATIE RYAN-ANDERSON

The daughter of Capital Electric Cooperative members Martin and Mary Fritz, **Madison Fritz** was selected as North Dakota's Youth Leadership Council delegate. A junior at Century High School and Capital Electric representative on the Electric Cooperative Youth Tour, Madison will represent the state's electric distribution cooperatives on a national level for the YLC.

Fritz to represent North Dakota's electric cooperatives on national level

Madison Fritz, the winner of Capital Electric Cooperative's essay-writing contest and Electric Cooperative Youth Tour trip to Washington, D.C., has earned a position on the Youth Leadership Council (YLC). While on the tour in June, Fritz represented her family's local electric distribution cooperative as she toured museums and memorials, visited with Rep. Kevin Cramer, and learned more about history, character building and the cooperative business model. Now as the YLC delegate, she will represent all of North Dakota's electric distribution cooperatives on a national level.

YLC is a joint effort of local electric cooperatives, statewide electric cooperative associations and the National Rural Electric Cooperative Association (NRECA) — created to provide an extension of youth activities available to states that participate in the Youth Tour program. Each state is entitled to have one representative on the YLC.

Six of the 15 North Dakota

students who earned the Youth Tour trip vied for the YLC position. They were required to submit an extensive application and be interviewed by a three-person selection committee following the Youth Tour orientation at the North Dakota Association of Rural Electric Cooperatives (NDAREC) in Mandan. Pamela Clark-Stein, director of education and member services for NDAREC, says that while some of the best and brightest students competed for the opportunity, Fritz was chosen because she was outgoing, personable and passionate about serving her community. "From organizing fundraising events for veterans to teaching ice skating lessons and picking up garbage in ditches, Madison wants to make a difference," Clark-Stein says. "She has already proven she has leadership skills, and the YLC opportunity will take her to the next level. We couldn't be more proud to sponsor someone of her caliber."

YLC is designed to provide participants with stronger leadership

skills, presentation skills and a broader understanding of electric cooperatives. As a YLC delegate, Fritz attended the NRECA Youth Leadership Conference in Washington, D.C. July 16 to 20. It provided hands-on activities designed for promoting individual leadership development.

A junior at Century High School, Fritz will also attend the NDAREC annual meeting in January 2017 in Bismarck, where she will give a report on her Youth Tour experience. The following month, she will travel to San Diego, Calif., to attend the NRECA annual meeting and join more than 12,000 rural electric leaders nationwide. As a YLC delegate, she will provide assistance to NRECA staff during the annual meeting, attend educational seminars and participate in a variety of programs. Students will also have an opportunity to meet with many influential people including elected officials, NRECA's board of directors, CEOs and administrative staff.

Education is a fundamental principle of electric cooperatives. Boards of directors and managers say they believe it is imperative to help students understand the democratic process and gain the skills necessary to become tomorrow's leaders. By sponsoring the Electric Cooperative Youth Tour and the Youth Leadership Council, North Dakota's electric cooperatives are helping high school students experience government firsthand and build a better understanding of our country and their role as engaged citizens.

In the September Capital Electric local pages of the *North Dakota Living* magazine, we'll visit with Madison Fritz once again and learn the highlights of her Electric Cooperative Youth Tour trip, and how she feels about being selected as the North Dakota YLC delegate. Congratulations, Madison, on this well-deserved honor. **CEC**



Electric water heaters are efficient and safe — and available at Capital Electric

Do you remember when propane prices hit \$4 a gallon in North Dakota? It wasn't too long ago — and it could happen again. Historically, propane prices have fluctuated significantly. Recently, the boom in North American oil and gas drilling has slowed. One of the byproducts it produced — propane — is starting to rebound in price. If filling your tank was difficult a couple winters ago when the cost of propane was at an all-time high locally, prepare for history to repeat in the coming months and years.

Heating water accounts for 14 percent to 18 percent of energy use in a typical home. If you're in the market to purchase a new water heater or replace an outdated model that is not energy-efficient, consider investing in a GE GeoSpring™ heat pump water heater.

- The GeoSpring water heater is 310-percent efficient.
- The price of electricity is less volatile than other fuels. Even at current low propane prices hovering around \$1/gallon, electric heat pump water heaters are still a more economical choice for installation and operation.
- Electric water heaters are safe. They produce no carbon monoxide, and they pose no threat of combustion or explosion.
- Electric water heaters don't lose energy from exhaust or the replacement air that circulates into and out of a house.
- Electric water heaters cost less to install due to no gas line or vent needed.
- The GeoSpring comes with a 10-year warranty, a \$300 tax credit (see sidebar) and the ability to produce enough hot water for a six-person family in heat pump mode.
- These high-efficiency water heaters are readily available at Capital Electric Cooperative.

As trusted energy advisers, Josh and Doug in the member services department at Capital Electric Cooperative are educating our member-owners about the benefits of utilizing electric water heaters and other electric heat products. As members of the local business community, our cooperative is also educating local contractors who install residential hot water heaters.

To learn more or to purchase a unit, contact Josh or Doug at the cooperative by calling 701-223-1513, or visit www.capitalelec.com and click on energy efficiency and energy efficient products. Our member services department can help you assess your family's needs and recommend a unit that will work most efficiently for you. **CEC**

Get a \$300 tax credit by purchasing a GE GeoSpring™ hybrid water heater

The Tax Relief Extension Act of 2015 extended the period in which the section 25C tax credit can be claimed for purchasing certain energy-efficient property for use in existing homes, including a retroactive provision for certain purchases made in 2015.

GeoSpring heat pump water heater models GEH50DEED, GEH50DFEJ, GEH50DEEJ, GEH80DFEJ and GEH80DEEJ qualify for a tax credit of \$300.

GE Appliances certifies that the above models, if purchased and installed between Jan. 1, 2015 and Dec. 31, 2015 in a homeowner's principal residence, meet criteria of "Qualified Energy Property" as set forth by Section 25C of the Internal Revenue Code.

For more information, visit <http://programs.dsireusa.org/system/program/detail/1274>.

Capital credit claims

Listed below are the names of former Capital Electric Cooperative, Inc. members who had capital credit checks mailed to them in June of the year 2010. These checks have been returned to Capital Electric Cooperative by the postal service because they could not locate the members at the address on file. A further search by Capital Electric personnel has not turned up their whereabouts.

If you received electrical service from Capital Electric Cooperative, Inc. any time during the year 1994 and your name is on this list, please contact our office. If you know of the whereabouts of members on this list who received electrical service from Capital Electric Cooperative, Inc. any time during the year 1994, please have them contact our office at 701-223-1513.

Please keep in mind that not all of the capital credit amounts are large. However, we desire to get the money due to those who earned it, and clear up our records.

We will redeem capital credits for those members on the following list who notify us prior to Dec. 1, 2016. Notice is hereby given that any of the aforementioned unclaimed capital credits outstanding after Dec. 1, 2016 will be forfeited pursuant to Section 10-15-34.1 and 10-15-23 of the North Dakota Century Code.

2ND NOTICE - AUGUST 2016

4 L Mfg Inc.	Erickson, Tara	Huber, Audrey	Mcnary, Laurie	Richter, Traci	Vetter, Mary
Aberle, Dave	Erickson, Yvette D.	Huber, Gerald R.	Mees, Larry	Rickerd, Nancy L.	Volk, Barbara
Adams, John T.	Essler, Leon	Huber, Mary G.	Meier, Tammy	Ritz, Rickey	Volk, Marsha
Adv Business Methods	Feist, John J.	Huck, Edward	Meissner, Janice	Roberts, Greta L.	Volk, Richard
Allen, Lee H.	Ferdig, Jeanette L.	Huck, Monica	Melby, Steven J.	Rogerson, Traci	Wahl, Stacy L.
Allen, Linda B.	Ferdig, Vincent D.	Hudson, Lavina	Melde, Dean T.	Roth, Donovan W.	Wahl, Todd J.
Anderson, Harley J.	Field, Donald B.	Inga, Samuel	Messer, Mark	Roth, Marcene J.	Wegner, Lavonne L.
Anderson, Mike	Finneman, Ronald	Iverson, Lynn	Messer, Shelly	Rush, Donald Z.	Weiss, Rhonda
Anderson, Ruth M.	Flemmer, Garry	Iverson, Lynn R.	Metzger, Shawna	Rusk, Kelley	Welch, Holly A.
Ash, Jennifer	Forsberg, Jeffrey C.	Jacobs, Lester D.	Meyers, Tammy	Sailer, J. T.	Weston, Andrew M.
Bachmeier, Kelly	Fox, Bridget D.	Jenkins, Brian D.	Michelson, Amy Jo	Sailer, Ramona	Weston, Jan
Banyai, Frank A.	Frank, Sandra	Jensen, Dennis W.	Miller, Janice K.	Sanders, Billy D.	Wetch One Auto
Banyai, Joyce J.	Friesz, Lester	Johnson, Jolette R.	Moch, Nathan	Sanders, Carolyn R.	Wetzel, Alan
Bauer, Delila D.	Friesz, Sandie	Joyce, Alice M.	Moen, Kim	Sarukhanov, Vladimir	White, Lonnie
Bauer, Duane E.	Frohlich, Angie	Karrington Cottage	Moen, Phyllis	Sarukhanova, Nina	White, Scott A.
Berger, David	Garrison, David L.	#00224	Molinaro, Daniel J.	Saxvik, Dale R.	White, Sheila A.
Bice, Leitha	Garrison, Linda M.	Kaufman, Cory	Moore, Terry R.	Saylor, Joyce A.	White, Tessie
Bickler, Jeffrey S.	Geico Financial	Keller, Deborah	Moritz, Tim	Saylor, Mark A.	Wicks, Timothy J.
Big Eagle, Kathleen	Services	Keller, Leon H.	Morris, Brett A.	Schafer, Art	Wiley, Kim
Big Valley Gravel	Supply	Keller, Ralph J.	Morris, Margaret	Schaffer, Esther V.	Williams, Bev
Binder, Lonnie J.	Gerhardt, Frederick	Keller, Russell	Morrison, David W.	Schaffer, Robert J.	Williams, James A.
Binder, Pamela J.	Gerhardt, Lynne	Kendall, Darlene	Morrison, Paula M.	Schan, Glenda	Williams, Janie S.
Blue Bird, Leah	Gianarelli, Shari	Kendall, Roger	Mosbrucker, Joe P.	Schan, Ric	Williams, John
Boeshans, David	Gianarelli, Todd	Kennedy, Craig Dennis.	Mosset, Charon	Schantz, Bryan	Williams, John Ed.
Bosch, Tracy	Gifford, Patricia J.	Ketterling, Nathan A.	Motis, Kim R.	Schneider, Christina H.	Wilson, Evelyn M.
Braley, Cynthia	Girard, Karen L.	King, Christy	Mueller, Glenn	Schneider, Delton	Wilson, Ray P.
Burke, Thomas A.	Girard, Michael W.	Kirschmann	Mueller, Sherry	Schneider, Joseph S.	Wise, Glenn D.
Canada, Joie	Glass, Becky	Manufacturing Corp	Murray, Allan J.	Seiler, Timothy J.	Wolf, Cayle
Canada, William	Graber, Kim A.	Klein, Jennifer	Nelson, Kristi Jo	Serra, Raymond L.	Wolf, Kenneth
Cayce, Dorothy	Graves, John T.	Knecht, Paul J.	Nerby, Matt	Sigl, Jerry	Wolff, Leon L.
Chapa, Philip	Grunst, Aimee	Knudson, Karyl	Niles, Mary	Sigl, Michele	Wolff, Terri L.
Chase, Cole W.	Gsb Inc.	Koch, Mike	Nordby, Timothy S.	Simpson, Linda	Wood, Jeffrey A.
Clark, Christina	Gustafson, John E.	Koch, Trina	Nordstog, James A.	Skaar, Donald	Wood, Tim
Condon, Lori K.	H & H Warehousing	Kolden, Darcy	O'Neill, Bernard J.	Skaar, Sandra	Young, David J.
Condon, William R.	Hager, Tom	Kolden, Mike	O'Neill, Brenda N.	Skavdahl, Sandra	Young, Pamela M.
Conrad, Craig M.	Hall, Jodie	Kosbab, Greg	Odermann, Nancy	Slater, Jeremy D.	Zahn, Karen K.
Cornell, James F.	Hames, Lex	Kraft, Kim	Oliver, Richard T.	Smith, Kristine H.	Zahn, Robert D.
Couch, Constance	Hamre, Craig H.	Kramer, Sara K.	Ottmar, Betty L.	Smith, Marjorie E.	
Dauenhauer, Corinna	Hamre, Lisa M.	Kuehl, Lori A.	Ottmar, Dennis R.	Smith, Nicole	
DBA Sams Body Shop	Hanson, Donald T.	Kuehl, Paul	Parmer, Vicki K.	Smith, Peggy	
Devillers, Jeffrey M.	Hanson, Scott D.	Kuehl, Paul D.	Parson, G. T.	Smith, Robert	
Diehl, Lois	Hanson, Stan	Kulich Construction	Pederson, Stephanie	Solberg, Larry D.	
Dinius, George L.	Hanson, Sylvia J.	Lacher, Donna M.	Pederson, Tollef	Sorensen, Angela	
Dinius, Marilyn M.	Haugen, Marnie	Laib, Sandy	Perry, Joelle A.	Stein, Tammy	
Doerr, Candace K.	Heaton, Harriet	Landgrebe, Jim	Peterson, Carissa	Stemem, Sharon	
Doll, Cecelia	Hehn, Camie	Lane, Gary	Peterson, Chad A.	Stinson, Elaine	
Dorscher, Marie	Heilman, Bob	Larson, Alison	Peterson, Elaine	Stoltz, Donald E.	
Drader, Bruce	Heinen, Dennis	Lauer, Paula Jo.	Peterson, Linda M.	Stute, Evelyn J.	
Drader, Raye	Helbling, Todd	Lousch, Lachelle	Peterson, Marlene M.	Thomas, Dale L.	
Duffy, Julie	Hilliard, Deanna	Lousch, Mitch	Peterson, Thomas R.	Tibbitts, Matt	
Dyak, Nataliya	Hilliard, Howard	Lynch, Michael L.	Pfaff, Deb	Timmons, Vicky	
Dyak, Petr	Hinkel, Mark L.	Markets Cellular L P	Pochant, Toni Rae	United States Marshal	
EG&G Dynatrend	Hlavacek, Marie Evelyn	Marquart, Tracy L.	Rader, Diana	Service	
Ell, Tim	Hoffman, Tonya	Martinson, William	Renneau, Lani	Urlacher, Brenda	
Engelhard, Richard G.	Holter, Daniel R.	McClellan, William A.	Rice, Carrie A.	Urlacher, Glenn J.	
Ereth, Lisa	Hove, Heidi J.	Mcgarvey, Linda A.	Rice, Donald A.	Usda Rural	
Erickson, Jacki	Hove, Sydney M.	Mcmains, Marvell	Richter, Steve	Development	
	Howells, Virginia A.	Mcnary, Brad		Vetter, Delmar	

Board minute excerpts June 24, 2016

The regular meeting of the Board of Directors of Capital Electric Cooperative, Inc., was held Friday, June 24, 2016, at co-op headquarters in Bismarck, North Dakota, pursuant to due notice to all directors.

All of the directors were present at that time, except Sheri Haugen-Hoffart, who arrived at 9:25 a.m.

Minutes and agenda: The reorganizational minutes of June 1, 2016 were approved, seconded and carried.

Financial review: Prior to the board meeting, Directors Hilken and Olson reviewed the May 2016 check register and expenditures. They reported all checks were in order. It was moved, seconded and carried to approve May expenditures in the amount of \$3,313,073.00.

The Board welcomed Richard Koski to the Board of Directors.

Business Department report: The Business Manager presented the financial and statistical report to the Board. The total kilowatt-hour (KWH) sales for May 2016 was below budget by 2.2 percent. The actual monthly electric revenue is below budget by 2.9 percent. Year-to-date, KWH sales are under budget by 7.6 percent and electric revenue is under budget by 6.4 percent.

The total margin for May is -\$33,821 compared to the budgeted margin of \$58,408, below budget by \$93,229. The year-to-date margin is \$214,835 versus the budgeted amount of \$257,948, under budget by \$43,113.

Capital Electric began billing 100 new services in May, bringing our active services to 19,430 versus 18,694 at this time last year, or a net increase of 736 accounts over the last 12 months.

The Manager reviewed the comparison of actual-to-budgeted expenses through May. The monthly power cost for May and the accounts receivable balances as of June 23, 2016, were also reviewed.

Rural Utilities Service/Federal Financing Bank loan advance: A \$2 million loan advance has been received. The loan matures on Dec. 31, 2047.

National Rural Utilities Cooperative Finance Corporation (CFC) One Card: Following discussion, it was moved, seconded and carried to change the cooperative credit card to CFC One Card, as set forth on the agreement attached hereto as Minute Exhibit 1.

Financial institution authorization: At the reorganizational meeting on June 1, 2016, a new Secretary/Treasurer and Assistant Secretary/Treasurer were selected. As a result, some updates to the authorization documents at the financial institutions with which the Cooperative conducts business is required. It was moved, seconded and carried to authorize officers to execute all corporation documents required to complete the change.

Estate retirements: Following review of the financial condition of the cooperative and recommendation by management, it was moved, seconded and carried to authorize payment of capital credits to the following deceased members' estates:

Ruth Swenson	\$1,175.64
Duane McArthur	\$1,365.35

Harold Bohlken	\$1,599.92
Donald Dockter	\$782.63
Gerald Kruckenberg	\$88.05
William R. White	\$939.85
Joanne Schwappach	\$485.57
Theresa Reis	\$835.40
Milen Radoi	\$268.73
Evelyn Briese	\$706.39
Richard T Baker	\$649.26
Nancy Doll	\$210.56
Bruce C. Hanson	\$403.01
TOTAL	\$9,510.36

Engineering and Operations report: The Manager reviewed the written report from the Engineering and Operations department. We completed 32 work orders this month, adding 20 new consumers to the system.

Fisher Contracting and Gieser Utility Contracting continue to trench in new services. VIP continues to work on overhead and rural rebuild. Fisher Contracting is completing the installation of our 500 mcm URD cable along north Washington Street from 57th Avenue N.W. to Aspen Avenue as the city is widening Washington Street to a four-lane. Third Generation is replacing old URD cable in Skyline Estates.

The Manager reviewed the outage report. RAM Utilities inspected 2,010 overhead distribution poles for Capital Electric this month. They rejected 43 poles due to heat rot, which is a uniform internal fungal decay working from the center of the pole outwards.

Following discussion, it was moved, seconded and carried to authorize the sale of the old generator and pickup boxes.

Member Services department: The Manager reviewed the member services written report.

Enertech to provide rebates: Enertech, our geothermal pump manufacturer, announced a program that will provide a \$500 rebate on new geothermal units through the end of the year. Those eligible will be Capital Electric members and employees who wish to install Enertech equipment.

Investigating existing solar installations: We have set up a meeting with the installer and electrician who provided the solar array system for a Capital Electric member in order to get information on cost, maintenance, energy production and the overall capacity.

Loan for Board approval: Following review and recommendation by management, it was moved, seconded and carried to approve a loan to Chad Reisenauer in an amount not to exceed \$10,000 to update his geothermal system.

Communications and Public Relations department: Topics of interest were discussed with the Board.

Annual meeting: We served 1,068 meals at the annual meeting, compared to 1,127 meals served last year. There were 608 registered members.

Wing service center sign: Quotes were reviewed for the replacement of the Capital Electric sign at the Wing service center. It was moved, seconded and carried to approve the purchase of the sign.

Safety report: There were no lost-time accidents this month.

Jeff Tweten, safety instructor with the North Dakota Association of Rural Electric Cooperatives (NDAREC), was at our shop June 4, 2016 for a field visit. He observed the crews bypassing Central Power Electric

Cooperative's Apple Creek Substation, as Central Power needed to adjust a couple switches and needed the substation de-energized.

It was moved, seconded and carried to approve the safety report.

Rate study: Fitterer reviewed the results of the Power Systems Engineering, Inc. (PSE) Capital Electric rate study. The effect of the .007/KWH August rate increase from Basin Electric Power Cooperative was also discussed. Management will work with PSE to determine revenue requirements and rates.

Central Power report: The June meeting will be held next week.

Basin Electric report: Director Presser's monthly report was reviewed.

NDAREC: Vilhauer reported on NDAREC matters. Vilhauer congratulated Josh Kramer on his selection as the next General Manager at NDAREC.

Rural Development Finance Corporation (RDFC): Capital Electric has \$2,000 in funds to be distributed from RDFC. It was moved, seconded and carried to grant the full \$2,000 to the Wing Theatre.

National Rural Electric Cooperative Association (NRECA): The NRECA regional meeting will be held on Sept. 21 and 22 in Minneapolis, Minn.

Open directorship: Josh Kramer submitted his resignation to accept the position as General Manager at NDAREC, effective immediately. It was moved, seconded and carried to regrettably accept his resignation.

Rex Hollenbeck was elected to fill the unexpired term.

Adjournment: There being no further business to come before the meeting, without objection, the regular meeting was adjourned. **CEC**

CAPITAL ELECTRIC COOPERATIVE 4111 State St. N.

Bismarck, ND 58503

Website: www.capitalelec.com

BOARD OF DIRECTORS:

Dwight Wrangham, Pres.	Bismarck
Arlene Olson, V. Pres.	Wing
Sheri Haugen-Hoffart, Sec.-Treas.	Bismarck
Rodney Eckroth, Asst. Sec.-Treas.	Bismarck
Kyle Hilken	Wilton
Rex Hollenbeck	McClusky
Richard Koski	Wing
William Patrie	Bismarck
Deon Vilhauer	Bismarck
Paul Fitterer, Mgr.	Bismarck

OFFICE HOURS:

Monday-Friday : 8 a.m.-5 p.m.

Office phone: 701-223-1513

Toll-free: 888-223-1513

Pay-By-Phone: 1-877-853-5928

DAY-NIGHT-WEEKEND

TROUBLE CALL: 223-1513

Capital Electric Cooperative is an equal opportunity provider and employer.

A Touchstone Energy Cooperative 