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Capitol Electric employees brave the shave to support kids battling cancer.

Capital Electric Cooperative’s Engineering and Operations Manager Ron Lipp braved the shave on April 14 to support kids with cancer.

PHOTO BY KRISTA RAUSCH
Millions of hairs fluttered to the ground on Saturday, April 14, during the 10th annual Brave the Shave flagship event, held at the Missouri Valley YMCA in Bismarck. More than 200 people signed up to shave their heads at the event, raising more than $273,500. The money will be used to support critical research and provide assistance to families of children battling cancer.

Three Capital Electric Cooperative (CEC) employees were among those who braved the shave – Paul Fitterer, general manager; Ron Lipp, engineering and operations manager; and Braden Martin, lineworker. Zac Smith, communications and government relations director at the North Dakota Association of Rural Electric Cooperatives (NDAREC), joined Team Capital Electric and raised more than $3,000.

“Children’s cancer is disheartening to see, and it’s pretty worthwhile to support the research for it,” says Fitterer. “Some people would probably rather lose their left arm than shave their head, but [shaving your head] does provide solidarity with those who are battling cancer and going through chemotherapy, and I like that part about it. It says, ‘We’re with you. We’re raising money for you.’ More importantly, whether you’re fighting cancer for children or adults, you’re still making progress. So, I think it helps everybody. They continue to make big leaps in cancer, and I think this helps.”

It was Lipp’s third and final time under the razor, and he decided to go out in style.

“The grandkids were dying Easter eggs, and they all colored a stripe in their hair,” says Lipp. “And then I said, ‘Let’s dye it! It’s coming off anyways.’ So, I sat around with tinfoil on my hair for about 30 minutes. My wife said, ‘You can’t go to work with your hair like that!’ I asked, ‘Why not?’”

Before braving the shave, Lipp’s hair was more than colorful. He didn’t cut it for eight months leading up to the event. As would be expected, his colorful and curly locks elicited quite the reactions.

“We were in Big Sky and on our way back, we stopped at Perkins in Billings. My grandkids said, ‘They’re all laughing at you, grandpa!’ I said, ‘Let them laugh,’” says Lipp. “It’s for a good cause.”

If there is one thing the members of Team Capital Electric agree on, it’s that they feel a little cooler after going under the razor.

“You’re colder,” says Fitterer with a smile. “Most people don’t realize unless they shave their head how much heat you’re actually keeping in with your hair. But, I save a lot of money on hair gel! So, there are some benefits, too! And it’s a good conversation piece. It’s a way to remind people why it’s important to support the community.
Capital Electric employees brave the shave to support kids battling cancer

BY KRISTA RAUSCH

More than 200 people signed up to shave their heads at the flagship event at the Missouri Family YMCA on April 14.

Ron Lipp (left), CEC, and Zac Smith (right), NDAREC, braved the shave to support kids with cancer on April 14.

Lipp offers this advice to those who are considering braving the shave.

“Go for it. It’s easy. Get a team together. Tell people that you’re going to shave your head, and they’ll give you money. Even if your buddies each give you $10 – if you’ve got 10 buddies, that’s $100! It’s just for a good cause. It’s for kid’s cancer.”

This year, Team Capital Electric raised more than $6,000 for Brave the Shave.

Ron Lipp’s grandchildren gave him a colorful new look before the event.

More than 200 people signed up to shave their heads at the flagship event at the Missouri Family YMCA on April 14.
Capital Electric Cooperative’s bylaws are the rules by which the cooperative is operated. The bylaws and all amendments are adopted and approved by the members. At various times, the membership has voted to amend the bylaws to keep up with changes the co-op is experiencing. A recent example from the 2016 annual meeting is the change to the voting districts in CEC’s service area. Members voted to create three districts, each having a similar number of members. This resulted in a more equitable representation of directors in each district.

Today, CEC finds itself in a situation where amending the bylaws would increase administrative efficiencies and improve member engagement in the voting process. The CEC Board of Directors, representing your interests at the cooperative, is unanimously recommending a series of amendments.

The following summaries reflect proposed bylaw amendments that will be voted on by members at the annual meeting on June 12. If approved, these
changes will become effective on Jan. 1, 2019.

CAPITAL CREDITS

The current bylaws relating to capital credits and the rules for retiring them take into consideration the need to maintain a healthy equity level at the cooperative. No change to the bylaws would alter this primary motivation. However, there are circumstances relating to capital credits that create administrative burdens.

A proposed amendment would allow for the board of directors to establish policies to provide for an early discounted payout if it’s deemed administratively expeditious. For example, when a membership becomes inactive, it can be difficult to locate the members to receive the capital credits, especially after 17 years, which is the current capital credit cycle. To compound this issue, the face of CEC’s membership is quickly changing. As the co-op serves more apartment buildings and other rental properties, it has encountered more members leaving and joining the system. In 2017, CEC processed more than 3,000 new member applications, but added only 487 new services.

By helping CEC avoid the significant expense of future administrative efforts, the amendment would give the cooperative the flexibility to address a growing number of small-balance capital credit memberships left by departing members.

VOTING

Voting for your directors is one of the best ways to ensure your voice is heard. Currently, members can only vote if they attend the annual meeting. A proposed amendment would make additional voting options available at the discretion of the board of directors.

Currently, CEC directors are elected by less than two percent of the cooperative’s members. There are members who can’t attend the annual meeting for a variety of reasons. These members would benefit from additional voting options.

Expanding voting options would allow more members to participate in the democratic process. It would not take away the option to vote at the annual meeting. However, because voting online or by mail would allow voting prior to the annual meeting, members could no longer nominate someone from the floor at the annual meeting. A member could still be nominated by petition prior to the meeting.

In conjunction with early voting, CEC would provide video presentations and candidate information. Regardless of how members choose to vote, CEC feels it’s important for them to know the candidates and hear their ideas prior to voting.

ARBITRATION/MEDIATION

The final proposed amendment would give both CEC and a member who has a legal dispute with the cooperative the right to request mediation or arbitration as a method of settling the dispute. This amendment would help avoid large legal costs in conjunction with a dispute that may otherwise end up in court. The amendment would require the results of the mediation or arbitration to be binding upon resolution.

SUMMARY

We realize there is a lot of information presented here, as we are trying to remedy several concerns within the bylaws. We are confident these changes would result in more efficient operations at the cooperative and better engage our members in the election process.

If you have questions or comments regarding these proposed changes, please call CEC at (701) 223-1513. Staff will be happy to discuss the proposed changes further.

To view the full copy of the proposed amended bylaws, visit our website at www.capitalelec.com, and click on About Us > Bylaws > Proposed Amendments.
Who can vote at the annual meeting?

As the annual meeting approaches, Capital Electric Cooperative (CEC) often receives questions regarding who can and cannot vote for director positions and ballot issues during the meeting. To clarify, only members of the cooperative are eligible to vote, and they can cast only one vote for their membership, regardless of the number of accounts the member has with the cooperative. For example, if the membership is in the husband’s name only, only the husband is eligible to vote; he cannot transfer the ability to vote to his spouse or another person.

If the membership is a joint membership, in the name of both the husband and wife, the presence of either or both at the annual meeting is regarded as the presence of one member. A vote of either joint member separately, or both jointly, constitutes one vote. Both joint members are not eligible to vote individually.

If the membership is in the name of a sole proprietorship or a partnership, only the owner(s) of that business may vote. A sole proprietor or partner cannot authorize a nonowner of the business to vote.

In the absence of written notice that a person has been designated to represent a member who is other than a natural person — for instance, a township, school or an incorporated business — the member may be represented by any of its principal officers. If a member who is other than a natural person is not represented by any of its principal officers, the member may designate a natural person to represent it by giving the cooperative written notice at or before the meeting, which shows the named representative has been authorized by the managing board to represent it at the meeting of the cooperative. An authorization form is printed below for this purpose. The form can also be accessed online by going to www.capitalelec.com and clicking on “Forms” and then “Annual Meeting Appointment of Voting Representative.”

An individual may represent only one non-natural member, and may also vote as an individual if he or she is a member.

Voting by proxy will not be allowed because the presence of as many members as possible is desired at all meetings of the membership. Proxy voting has the tendency to discourage actual attendance at membership meetings.

A complete version of the membership voting rules can be found in Article III, Section 5 of the CEC bylaws. If you have any questions, call 701-223-1513. We look forward to seeing you at the annual meeting on June 12! CE

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APPOINTMENT OF VOTING REPRESENTATIVE FORM

A membership in Capital Electric Cooperative, Inc. (CEC) may be held in the name of a corporation, church, school district or other political subdivision, cooperative, association or other organization. If your organization is to be represented at our annual meeting, complete this form and deliver it to CEC anytime prior to noon June 12, or authorized representative present this completed form at the registration desk at the meeting.

This certifies that ____________________________________ is appointed the voting representative for the following organization ___________________________________ (full legal name) which has service at ___________________________________ and is authorized to cast the vote of, and otherwise represent this organization in all matters at the _________ (year) annual meeting of the members of Capital Electric Cooperative Inc. or any adjournment thereof.

Organization Name (Print) _____________________________________________
Is Organization a Corporation? __________________________________________
Name of Officer/Official (Print) __________________________________________
Title __________________________ Date __________________________
Officer’s Phone # ____________________________________________________
Officer’s Signature ___________________________________________________

*Must be signed by officer or authorizing official

This is not a proxy statement. Residential and privately owned business customers (i.e. sole proprietorships, partnerships, etc.) cannot use this form. They must vote in person at the annual meeting.

Mail forms EARLY to:
Capital Electric Cooperative Inc.
RE: Annual Meeting
P.O. Box 730, Bismarck, ND 58502-0730
A community is only as strong as the support it provides in a time of need. As you look around the Capital Electric Cooperative (CEC) service area, you see people helping others all the time. One way your cooperative gets involved is by providing grants to people and organizations to make the community stronger.

Operation Round-Up is a program in which CEC members voluntarily choose to round up their monthly utility bills and donate their pennies to a charitable trust. The money pools and accumulates, and an elected board of five co-op members reviews grant applications submitted by local people and organizations to determine grant worthiness.

Charitable Trust Board Members Roger Christianson, Barb Handy-Marchello, LeAna Hug, Roberta Thorsen and Neil Ness met in March to review grant applications submitted in the past six months. They awarded a total of $27,700 in grant dollars to 16 worthy recipients. This is a significant total and reflects the commitment you, our member-owners, demonstrate to this program. These grants touch lives and make good things happen in our community.

CEC distributed its most recent round of grant checks during a presentation ceremony on March 26 at co-op headquarters in Bismarck.

The following individuals and organizations received assistance from Operation Round-Up:

- Six area residents (medical and other living expenses)
- Tracy’s Sanctuary House (security system)
- Volunteer Caregiver’s Exchange (elderly services)
- The Salvation Army (transportation for clients)
- Freedom Riders/Disabled American Vets (transportation)
- Dakota Boys and Girls Ranch (greenhouse program for kids)
- Guardian and Protective Services (elderly services)
- Abused Adult Resource Center (homeless shelters)
- AID, Inc. (low-income assistance)
- Heartview (HEART program)
- Pleasantview Cemetery (cemetery repairs)

The next application deadline will be July 31. Any person in the counties of Burleigh and Sheridan may apply to receive an Operation Round-Up grant. To request an application, call CEC at (701) 223-1513 or download the form at www.capitalelec.com. To visit, click on Our Services > Operation Round-Up.
The regular meeting of the Board of Directors of Capital Electric Cooperative, Inc., (CEC) was held on Thursday, March 29, 2018, at the Grand International Hotel in Minot, N.D., pursuant to due notice to all directors.

All the directors were present at that time, except Sheri Haugen-Hoffart who was at the Central Power Electric Cooperative (CPEC) Re-organizational Meeting.

Also present were General Manager Paul Fitterer; Business Manager Luke Steen; Director of Communications Wes Engbrecht; Energy Services Supervisor Josh Schaffner; and Attorney Carol K. Larson of Pringle & Herigstad, P.C., who acted as recording secretary.

**Financial Review:**
Prior to the board meeting, Directors Dave Charles and Haugen-Hoffart reviewed the February 2018 check register and expenditures. Charles reported that all checks were in order. It was moved, seconded and carried to approve February expenditures in the amount of $3,830,966.58.

**Management Reports (Business Department, Operations and Engineering, Member Services and Public Relations/Communications):**
**Business Department Report:** The business manager presented the financial and statistical report to the board. The total kWh sales for February exceeded budget by 14.7 percent. The actual monthly electric revenue is above budget by 8.9 percent.

CEC’s load factor was above budget, resulting in a power cost savings of $65,314. The total operating revenue is above budget by $14,719.

CEC began billing 17 new services in February, bringing active services to 20,252 versus 19,839 at this time last year, or a net increase of 413 over the last 12 months.

The business manager reviewed the comparison of actual to budgeted expenses, statement of cash flows and monthly power cost for the month of February 2018. Accounts receivable balances as of March 26, 2018, were also reviewed.

**2017 Capital Credit Allocation:** It was moved, seconded and carried to approve the 2017 capital credit allocation in the amount of $2,324,552.90.

**2018 General Retirement:** Following discussion, it was moved, seconded and carried to approve the 2018 general retirement in the amount of $1,951,620.60.

**Audit:** Following discussion, it was moved, seconded and carried to engage Eide Bailly to conduct the 2017 audit.

**Annual Rate Revision:** WAPA Wheeling for Garrison Diversion Conservancy District was discussed.

**Loan Advance:** CEC drew $3,000,000 from its existing RUS/FFB note.

**CoBank Loan Payoff:** Of the $3,000,000 draw from RUS/FFB roughly $1,000,000 was applied to a loan available for payoff in March. This should yield an interest savings of $45,000 over the next 24 years.

**Online Utility Exchange:** CEC’s plan is to go live with this on April 11.

**Denhoff Substation Land Sale:** The sale is in progress, and terms of a purchase agreement are in negotiation.

**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:
- Richard Woodworth $ 978.96
- Randy Buckmiller $ 1,246.90
- Duane Schmeichel $ 626.93
- Pansy Hargiss $ 178.31
- Arnie Seltz $ 213.05
- Walter Dutchuk $ 9.21
- $ 3,253.36

**Engineering and Operations Report:** Fitterer reviewed the written report from the engineering and operations department. CEC completed three work orders this month, adding two new consumers to the system.

CEC crews are working on annual line inspection and tree trimming.

The outage history for March was reviewed. It was moved, seconded and carried to approve 2018 bids for pad mounted transformer.

Employees attended an Engineering and Operations seminar in Fargo on March 20, 21 and 22. Engineering and Operations Manager Ron Lipp attended a Tech Advantage seminar in Nashville.

CEC met with Fisher Contracting and provided them with a list of projects to complete this year. Discussions continue on the Tower Property on 43rd Avenue. Management shall continue discussions.

**Policies:** The following policy was reviewed:

Policy No. III-6A – Multiple Use Line Extensions. It was moved, seconded and carried to approve Policy No. III-6A as revised.

**Energy Services Department:** Schaffner reviewed the Energy Services Report.

Twenty-three service orders were completed in February.

CEC employees will be attending Electro Industries product training April 9, 10 and 11. CEC is trying to obtain a date to attend SunPumps solar well training.

Engbrecht and Schaffner met with Burleigh County Commissioners at the Burleigh County Detention Center and proposed some operational improvements and recommended they consider CEC’s interruptible rate.

**ERC Loans:** There were no loans for board approval this month.

**Communications, Public Relations and IT Department:**

Engbrecht reviewed topics of interest.

**Tree Giveaway:** Trees are being given away to members who sign up for paperless billing by April 30.

**Scholarship Winner:** The 2018 Scholarship winner is Lauren Fleming of Bismarck. Her parents are Jim and Terri Fleming.

**RDFC Grant Renewal:** CEC will be eligible for RDFC grant this calendar year.

New Website Launched: CEC’s new website is now active.

**Safety Report:** There were no lost time accidents in February.

A new AED was purchased for the Wing warehouse. All first aid kits are up to the new standards.

Jeff Tweeten, safety instructor from NDAREC, visited the CEC shop on March 27, 2018 to conduct a CPR training class.

Bob Grant, NDAREC president, addressed the board and sat in on the bylaw amendment discussion. He welcomes any feedback on the direction of NDAREC. Management and the attorney will revise the proposed amendments per board discussion and circulate for further review.

Following discussion, it was moved, seconded and carried to approve Revision 29 to Exhibit A which is the rate calculation with McLean Sheridan Joint Water Resource rate.

Following discussion, it was moved, seconded and carried to adopt Exhibit C Rate Credit Calculation (Garrison Diversion Project).

**Basin:** Fitterer reviewed Basin matters.

Central Power: The board attended the CPEC annual meeting. Haugen-Hoffart was elected President of CPEC for the upcoming year.

**Statewide Report:** Director Deon Vilhauer reported on NDAREC matters.

The CEC annual meeting will be held on June 12, 2018.

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