

The Board of Directors of Capital Electric Cooperative, Inc. (CEC), held its regular meeting on Friday, May 22, 2020, via remote teleconference due to COVID-19, 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 Rick Dressler, Engineering Services Manager Greg Owen, Energy Services Manager Josh Schaffner, Director of Communications and Public Relations Wes Engbrecht and Attorney Carol K. Larson of Pringle & Herigstad, P.C., who acted as recording secretary, were also present.

Minutes and Agenda: President Richard Koski called the meeting to order. The Board approved the agenda and the minutes from the April 24 board meeting without objection.

Financial Review: Prior to the board meeting, Directors Dave Charles and Kyle Hilken reviewed the April 2020 check register and expenditures. They advised that all checks were in order. Without objection, the Board approved the financial review.

Management Reports (Business Department, Operations and Engineering, Member Services, and Public Relations/Communications):

Business Department Report: The business manager presented the April 2020 financial and statistical report to the Board. Total kWh sales for April were above budget by 1.5%. Actual monthly electric revenue was ahead of budget by 0.7%.

CEC's load factor was behind budget. The total operating margin for April was -\$60,416 compared to the budget of -\$34,835, a difference of -\$25,581. The total margin for April was \$48,622 compared to the budgeted amount of -\$13,981, ahead of budget by \$62,603. This is congruent with the year-to-date total margins, which are ahead by \$81,145.

CEC began billing 56 new services in April, bringing active services to 20,992 versus 20,624 at this time last year, or a net increase of 368 over the last 12 months.

The business manager reviewed the comparison of actual to budgeted expenses, cash flow statement and monthly power cost for the month of April 2020. The Board reviewed accounts receivable balances as of May 21, 2020.

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:

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|------------------|-------------------|
| Wendy Scherr | \$ 2,052.74 |
| Robert Hoffman | \$ 1,496.93 |
| Norma Metzger | \$ 213.32 |
| Jason Nelson | \$ 41.76 |
| Frances Forderer | \$ 257.96 |
| Connie Yi | \$ 143.56 |
| Jeanette Butler | \$ 161.45 |
| | \$4,367.72 |

Loan Funds: The co-op received the U.S. Small Business Administration (SBA) loan.

U.S. Department of Department of Agriculture's Rural Utilities Service (RUS) Loan AMB: RUS is being provided the necessary documentation to make the loan funds available.

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

Crews have resumed changing out old two-way automatic communications system (TWACS) meters and installing new Verizon meters. Approximately 2,400 have yet to be completed on the Ward and Apple Creek substations.

Work continues on the underground installation project in the Lincoln area.

The cable replacement project on Revere Drive has been completed.

Line crews installed for-sale signs at the three locations CEC has for sale.

CEC crews responded to minimal outages in April. Outages were due to a faulty transformer, three underground faults and three bird outages.

Engineering Report: Owen reviewed the written report from the engineering department.

The Board discussed an offer received on the vacant land south and east of the pole yard for four parcels. No action was taken.

Energy Services Department: Schaffner reviewed the energy services report.

Nineteen service orders were completed in April.

Communications, Public Relations and IT Department: Engbrecht reviewed topics of interest.

CEC sent out 650 marketing brochures on the building and land to local businesses.

CEC will upgrade its website platform to support the latest version.

CEC has been holding online interviews with three candidates for the IT specialist position.

Employees continue to work from home.

Barr Engineering will evaluate CEC's mapping data.

Safety Report: There were no lost time accidents in March.

Without objection, the safety report was approved.

2019 External Audit: Lance Rambousek from Brady Martz joined the meeting and reviewed the 2019 audit with the Board. CEC received a clean audit.

Property: Following discussion, the Board agreed to continue to self-market the property CEC has for sale for the time being.

Rates: The Board discussed future rate strategy. Two broad categories were the focus. The first was matching fixed revenues with fixed costs. The second was the need to diversify rate offerings to provide members with choice and to further match costs with revenues.

Policies: The following policies were reviewed:

Policy IV-1 – Three-phase Interruptible Rate. Following discussion, it was moved, seconded and carried to approve the policy as amended.

Policy No. E-20 – Temporary Telecommuting. This is a new policy to address future telecommuting options. Discussion will be continued at next month's board meeting.

Basin Electric Power Cooperative: Fitterer reported on Basin matters.

Central Power Electric Cooperative: The meeting has not been held at this time.

Statewide Report: There was no meeting this month.

Adjournment: There being no further business, the meeting was adjourned. **CEC**

**CAPITAL ELECTRIC
COOPERATIVE**
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BOARD OF DIRECTORS:

| | |
|--|----------|
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| Dave Charles, Asst. Sec.-Treas. | Bismarck |
| Kyle Hilken..... | Wilton |
| Rex Hollenbeck..... | McClusky |
| Dwight Wrangham..... | Bismarck |
| William Patrie..... | Bismarck |
| Deon Vilhauer..... | Bismarck |
| Paul Fitterer, Mgr. | Bismarck |

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