

Board minute excerpts JUNE 23

The regular meeting of the board of directors of Capital Electric Cooperative was held on Friday, June 23, 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 Rick Dressler, 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 Dwight Wrangham and Lyndon Anderson reviewed the May check register and expenditures. They advised all checks and expenditures were in order. The financial review was approved as presented.

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

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

Revenue was ahead of budget for May, as \$3,531,780 was generated, in comparison with the budgeted figure of \$3,225,258 (favorable variance of \$306,522 or 9.5%).

Capital Electric's May load factor was behind budget by 40%.

The operating margin for May was -\$168,387, behind the budgeted amount of \$174,528. The total margin for May was \$-123,547, which was behind the budgeted \$189,812.

Capital Electric began billing 33 new services in May, bringing our active services to 22,067 versus 21,720 at this time last year, or a net increase of 347 accounts over the last 12 months.

Cash flows, monthly power cost, and accounts receivable balances as of June 22 were reviewed.

Estate Retirements: Following review of the financial condition of the cooperative and recommendation by management, payment of capital credits to 11 member estates totaling \$9,999.67 was authorized.

Rural Utilities Service (RUS) Update: A resolution required by RUS authorizing the manager, president and secretary/treasurer to execute RUS Form 595 was approved.

Member Comments: Steen reported five member concerns regarding the rate increase and one concern regarding the inability to retire capital credits early.

Operations Report: Dressler reviewed the written report from the operations department. Dressler reported an electric vehicle (EV) charging site at a local auto dealership was energized, crews responded to an outage at the Circle K substation and the new bucket truck was delivered.

Safety Report: There were no lost-time accidents in June. The North Dakota Association of Electric Cooperatives (NDAREC) safety instructor, Mike Koenig, held a safety meeting on voltage regulator troubleshooting, fall arrest and annual harness inspections. The safety report was approved.

Engineering Services Report: Dressler reviewed the written report from engineering services. Sixteen work orders were completed in May. Dressler reported on ongoing and upcoming projects.

Property Update: Fitterer reported on ongoing efforts to satisfy zoning contingencies for the sale of the former administrative headquarters building.

Energy Services: Schaffner reviewed the energy services report. Fifteen service orders were completed in May. Schaffner reported on continued efforts to assist members with the rate change, repair of the headquarter generator gas line and the EV Tailgate Event.

Communications and IT: Engbrecht reviewed the communications and IT report and the 2023 annual meeting.

Board Conduct Committee: After discussion, a directors' code of conduct policy was approved.

Strategic Planning: Fitterer reported on the upcoming strategic planning meeting on Aug. 25.

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

Western Area Power Administration (WAPA): Fitterer reported that no additional increase in the drought adder is anticipated in 2023 and major updates to facilities and infrastructure are likely.

Central Power Electric Cooperative (CPEC): Fitterer reported on the June board meeting. Director Dave Charles was elected as the cooperative's director to the CPEC board and Director Kayla Pulvermacher was elected as the cooperative's alternative director to the CPEC board.

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

NDAREC: Vilhauer reported on the June board meeting.

National Rural Electric Cooperative Association (NRECA) Regional 5 and 6: Fitterer updated on the upcoming NRECA Regional Meeting set for Sept. 12-14. Pulvermacher was selected as a delegate and Sara Vollmer was selected as an alternate.

National Information Solutions Cooperative: Anderson was selected as a delegate and Kyle Tschosik was selected as an alternate.

Cooperative Finance Corporation (CFC): Dave Charles was selected as a delegate and Vollmer was selected as an alternate.

Federated: Charles was selected as a delegate and Anderson was selected as an alternate.

RESCO: Tschosik was selected as a delegate and Charles was selected as an alternate.

RESCO Election: Fitterer reported on the director election.

CFC Election: Fitterer reported on the District 6 director election.

CoBank Election: Fitterer reported on the 2023 director elections and noted our district did not have an election this year.

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

CAPITAL ELECTRIC COOPERATIVE

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BOARD OF DIRECTORS:

Deon Vilhauer, Pres.	Bismarck
Dave Charles, V. Pres.	Bismarck
Kyle Tschosik, Sec.-Treas.	Bismarck
Lyndon Anderson, Asst. Sec.-Treas.	Baldwin
Rex Hollenbeck.....	McClusky
Dwight Wrangham.....	Bismarck
Kayla Pulvermacher.....	Bismarck
Sara Vollmer.....	Wing
Bret Weiland.....	Bismarck

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