

The regular meeting of the board of directors of Capital Electric Cooperative was held at 8 a.m. Friday, Aug. 22, at United Tribes Technical College.

Also present were: Manager Paul Fitterer, Business Manager Luke Steen, Engineering Manager Greg Owen, Operations Manager Jeff Holzer, 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 Deon Vilhauer and Greg Dehne reviewed the July 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 July financial and statistical report to the board.

Revenue was ahead of budget for July, as \$4,601,420 was generated in comparison with the budgeted figure of \$4,534,443 (favorable variance of \$66,977 or 1.5%).

Capital Electric's power costs were over budget for July by 3.1%.

The operating margin for July was -\$110,245, ahead of the budgeted amount of -\$174,027. The total margin for July was -\$102,309, which was ahead of the budgeted amount of -\$169,116.

Capital Electric began billing 28 new services in July, bringing our active services to 22,607 versus 22,421 at this time last year, or a net increase of 186 accounts over the last 12 months.

The cash flow statement was reviewed.

Estate Retirements: Following review of the financial condition of the cooperative, payment of capital credits to 21 member estates was approved.

Operations Report: Holzer reviewed the written report from the operations department. Holzer reported a three-phase line extension was completed for a bulk fuel plant in Menoken, completion of overhead to underground line conversion projects and

completion of monthly substation inspections.

Safety Report: There were no lost-time accidents. A field representative of Federated Insurance reviewed industry trends and Capital Electric's wildfire mitigation plan with the operations department. Without objection, the safety report was approved.

Engineering Services Report: Owen reviewed the written report from engineering services. Twenty-five work orders were completed in August. Owen reported on ongoing and upcoming projects, including continued coordination for the East Century Avenue and Sterling interchange road projects, completion of the Highway 36 overhead to underground crossing project.

Rural Utilities Service (RUS) Form 219: Owen reported on the completion of RUS 219 inventories 515 and 516, both of which were authorized.

Township Franchise Agreements: Service territory franchise agreements were approved.

Utility Relocation Agreement: Owen reported on the city of Bismarck's right-of-way utility relocation agreement for Century Avenue and 19th Street left-turn lanes and traffic signal project. It was approved to enter into the utility relocation agreement as presented.

Property Update: Owen reported on the status of closing on the 43rd Avenue property and an amendment to the closing date was requested. The board approved execution of the first amendment to the purchase agreement as presented.

Energy Services: Schaffner reviewed the energy services report. Schaffner reported on working with members to address billing and load control inquiries, work to visit all substations to perform yearly checks, maintenance updates and applications for distributed generation.

Communications and IT: Engbrecht reviewed the communications and IT report. Engbrecht reported on progress made on updating the website, plans for social media postings and the matching grant from CoBank and Basin Electric Power Cooperative has been approved for United Tribes Technical College and the Wing Fire Department.

2026 Budget: Steen reviewed preliminary 2026 budgets and no action was taken.

Policies: Schaffner presented a proposed draft modification to a policy for Energy Conservation and Demand Reduction Financing and no action was taken. Steen presented proposed modifications to the Distributed Energy Resource Rate Policy, which was approved as presented.

Strategic Planning Update: Fitterer reported an update on the status of achieving the stated goals from the strategic planning session.

Basin Electric: Fitterer reported on Basin Electric matters, including the recently held annual meeting, Basin Electric's large load program and 2026 rate increases.

Central Power Electric Cooperative: Dave Charles reported on Central Power matters and noted the Bismarck outpost is operational.

North Dakota Association of Rural Electric Cooperatives (NDAREC): Vilhauer reported on NDAREC matters.

National Rural Electric Cooperative Association (NRECA): Fitterer reported on the upcoming regional meeting. Director Kyle Tschosik was selected to fulfill the role as Capital Electric delegate for the Federated Insurance election that will take place at the regional meeting.

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

Federated Election: Fitterer reported a director position is open on the Federated board, and the vote was cast for David Sigloh of Burke-Divide Electric Cooperative.

CoBank Candidates: Fitterer reported on the CoBank board election, and the vote was cast for Robert (Mac) McLennan of Minnkota Power Cooperative.

Cooperative Finance Corporation (CF)

Election: Fitterer reported on the CFC board election, and the vote was cast for Gary Fish.

Mid-West Electric Consumers

Association Annual Meeting: Fitterer reported on the upcoming annual meeting and by consensus, Bret Weiland was selected as Capital Electric's delegate and Luke Ellenbaum as an alternate delegate. €

CAPITAL ELECTRIC COOPERATIVE

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Website: www.capitalelec.com

BOARD OF DIRECTORS:

Deon Vilhauer, Pres.	Bismarck
Sara Vollmer, V. Pres.	Wing
Kyle Tschosik, Sec.-Treas.	Bismarck
Greg Dehne, Asst. Sec.-Treas.	Bismarck
Dwight Wrangham.....	Lincoln
Bret Weiland.....	Bismarck
Dave Charles.....	Bismarck
Whitford Dwyer.....	Bismarck
Luke Ellenbaum.....	Bismarck

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