

The regular meeting of the board of directors of Capital Electric Cooperative was held on Monday, July 21, in person at the cooperative. All directors were present.

Also present were: Manager Paul Fitterer, Business Manager Luke Steen, Engineering Services 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 Dwight Wrangham and Bret Weiland reviewed the June 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 June financial and statistical report to the board.

Revenue was behind budget for June, as \$3,947,855 was generated in comparison with the budgeted figure of \$4,128,830 (unfavorable variance of \$180,975 or 4.4%).

Capital Electric's June power costs were under budget for June by 3.6%.

The operating margin for June was \$-181,647, ahead of the budgeted amount of \$-248,318. The total margin for June was \$37,239, which was behind the budgeted \$319,683.

Capital Electric began billing 37 new services in June, bringing our active services to 22,586 versus 22,357 at this time last year, or a net increase of 229 accounts over the last 12 months.

The cash flow statement

was reviewed.

Quarterly Write-Offs: After discussion, the quarterly write-offs totaling \$8,973.85 were approved.

Estate Retirements: Following review of the financial condition of the cooperative and recommendation by management, three estate retirements totaling \$2,068.64 were approved.

Rural Utilities Service (RUS) Form 87: Steen reported on the need to update the board officers for RUS Form 87. Authorization was made to update the current board officers.

CoBank Incumbency Certificate: Steen reported on the need to update the board officers for the CoBank Incumbency Certificate. Authorization was made for completion of the form to update the current board officers.

Operations Report: Holzer reviewed the written report from the operations department. Holzer reported an underground line was energized and an eight-pole line was retired in the Briardale subdivision, 2025 pole testing has been completed after testing 2,163 poles and identifying 20 poles as rejects, and the completion of the conversion of overhead line to underground line at the Brownsville subdivision.

Safety Report: There have been no lost-time accidents since the last board meeting. The North Dakota Association of Rural Electric Cooperatives (NDAREC) safety team held a Rural Electric Safety Achievement Program audit on June 30, meeting crews in the field and inspecting the Bismarck and Wing facilities. The safety report was approved.

Engineering Services Report: Owen reviewed the written report from engineering services. Thirty-two work orders were completed in July. Owen reported on ongoing and upcoming projects, including

conversion of overhead to underground line in the Imperial Valley subdivision, commencement of converting overhead line to underground line along Highway 36, and an update on the status of the sale of Capital Electric property on 43rd Avenue.

Township Agreements: Owen reported on township agreements.

Energy Services: Schaffner reviewed the energy services report. Thirty service orders were completed in June. Schaffner reported on efforts to answer rate and billing questions, the completion of the LCT changeout project and the Safety Committee meeting.

Communications and IT: Engbrecht reviewed the communications and IT report. Engbrecht reported on work to update the website, various community outreach events and efforts to continually improve network security.

Basin Electric Power Cooperative: Fitterer reported on Basin Electric matters, including the upcoming annual meeting.

Central Power Electric Cooperative: Dave Charles reported on Central Power matters.

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

NDAREC: Vilhauer reported on the July board meeting.

National Rural Electric Cooperative Association (NRECA): Fitterer reported on resolutions for five amendments that will be voted on at the upcoming regional meeting. Fitterer reported on the need to select a board member to represent Capital Electric at the NRECA director election in October and by consensus Director Greg Dehne was selected as the delegate and Kyle Tschosik selected as an alternate. ☺

CAPITAL ELECTRIC COOPERATIVE

7401 Yukon Drive, Bismarck, ND 58503

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

OFFICE HOURS:

Monday-Friday : 8 a.m.-4 p.m.
Office phone: 701-223-1513
Toll-free: 888-223-1513
Pay-By-Phone: 1-877-853-5928
DAY—NIGHT—WEEKEND
TROUBLE CALL: 701-223-1513

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