

The regular meeting of the board of directors of Capital Electric Cooperative was held on Friday, Sept. 19. The meeting was held in person at Capital Electric, 7401 Yukon Drive, Bismarck.

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, IT Supervisor Kent Kensmoe and Attorney Zachary Pelham of Pearce Durick PLLC, who acted as recording secretary.

Minutes and Agenda: President Deon Vilhauer called the meeting to order. The agenda and minutes from the Aug. 22 board meeting were approved as presented.

Financial Review: Prior to the board meeting, Directors Kyle Tschosik and Sara Vollmer reviewed the August 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 August financial and statistical report to the board.

Revenue was behind budget for August, as \$4,472,080 was generated in comparison with the budgeted figure of \$4,506,524 (unfavorable variance of \$34,444 or 0.8%).

Capital Electric's August power costs were over budget for August by 1.5%.

The operating margin for August was -\$168,749, ahead of the budgeted amount of -\$217,182. The total margin for August was \$15,465, which was behind the budgeted \$663,204.

Capital Electric began billing 29 new services in August, bringing our active services to 22,633 versus 22,445 at this time last year, or a net increase of 165 accounts over the last 12 months.

The cash flow statement was reviewed.

Estate Retirements: Following review of the financial condition of the cooperative and recommendation by management, payment of seven capital credit estate retirements totaling \$3,821.21 was approved.

IRS Form 990 and Form 990T: Steen reviewed tax Form 990 and 990T, which were approved as presented.

Operations Report: Holzer reviewed the written report from the operations department. Holzer reported crews are completing installation of power for 25 new lots at the Elk Ridge third subdivision and nearly completed work on the conversion of overhead to underground line on the University of Mary hill.

Safety Report: There were no lost-time accidents since the last board meeting. A North Dakota Association of Rural Electric Cooperatives (NDAREC) safety instructor met with line crews for a field visit in September. The safety report was reviewed.

Engineering Services Report: Owen reviewed the written report from engineering services. Twenty-five work orders were completed in September. Owen reported on ongoing and upcoming projects, including work on rerouting the primary line for University of Mary's new athletic complex, conversion of overhead to underground line in the Imperial Valley subdivision and continued work of the overhead to underground Highway 36 crossings.

Township Franchise Agreements: Owen reported on agreements with Painted Woods and Thelma townships, which were approved as presented.

Property Closing Documents: Owen reviewed closing documents for the 43rd Ave. property and the closing documents were approved as presented.

Energy Services: Schaffner reviewed the energy services report. Schaffner reported multiple onsite billing investigations were conducted, development of a cold-climate energy efficiency training curriculum and work on multiple large scale geothermal projects were done in September.

Communications and IT: Engbrecht reviewed the communications report. Engbrecht reported on the Member Advisory Committee meeting, upcoming local pages articles in *North Dakota Living* and various community interactions held in September. Kensmoe reviewed the IT report and reported on updates related to Capital Electric's server upgrade.

University of Mary: Fitterer reviewed a request for University of Mary's Vision 2030 Capital Campaign.

2026 Load Forecast: Steen reviewed the 2026 load forecast report. Following discussion, the load forecast resolution was approved as presented.

2026 Budget: Steen reviewed the 2026 preliminary budget and no action was taken. Steen reviewed the need for a rate increase for 2026. Following discussion, the 2026 rate increase was approved as presented with the understanding minor adjustments may be necessary at the October meeting to reflect any changes that are passed down from the wholesale power provider.

Policies: Fitterer reviewed Policy IV-08 Energy Conservation. Following discussion, it was approved to amend the policy as presented. Fitterer reviewed the Rural Energy Savings Program and the consensus of the board was to submit an application to participate in the program. Steen reviewed Policy IV-06 Billing, Collections, Delinquencies and Disconnections and the policy was approved as presented.

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

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

NDAREC: Vilhauer reported on NDAREC.

National Rural Electric Cooperative Association: Fitterer reported on an upcoming regional meeting.

RESCO: Fitterer reported Director Vilhauer was elected to the RESCO board of directors. By consensus, Charles was selected as delegate for the upcoming RESCO annual meeting.

National Information Solutions Cooperative (NISC): Fitterer reported on NISC matters.

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

CAPITAL ELECTRIC COOPERATIVE

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Website: www.capitalelec.com

BOARD OF DIRECTORS:

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Dwight Wrangham.....	Lincoln
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Dave Charles.....	Bismarck
Whitford Dwyer.....	Bismarck
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