

The regular meeting of the board of directors of Capital Electric Cooperative was held on Jan. 25. The meeting was held in person at Capital Electric, 7401 Yukon Drive, Bismarck. All directors except Greg Dehne were present.

Also Present Were: Manager Paul Fitterer, Business Manager Luke Steen, Operations Manager Jeff Holzer, Energy Services Manager Josh Schaffner, Engineering Services Manager Greg Owen, 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 Kayla Pulvermacher reviewed the December 2024 check register and expenditures. 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 December 2024 financial and statistical report to the board.

Revenue was behind budget for December, as \$4,062,687 was generated in comparison with the budgeted figure of \$4,274,603 (unfavorable variance of \$211,916 or 5%).

Capital Electric's December net load factor was ahead of budget by 7.65%.

The operating margin for December was \$308,660, ahead of the budgeted amount of \$199,514. The total margin for December was \$2,632,026, which was behind the budgeted \$3,104,180.

Capital Electric began billing 25 new services in December, bringing our active services to 22,526 versus 22,237 at this time last year, or a net increase of 289 accounts over the last 12 months.

Cash flow statements as of Dec. 31, 2024, were reviewed.

Estate Retirements: Following review of the financial condition of the cooperative and recommendation by management,

eight member estates totaling \$8,350.14 were approved for payment of capital credits.

Write-offs: After discussion, write-offs totaling \$12,332.50 for the fourth quarter were approved. The total 12-month write-offs are \$33,615.26.

Brady Martz 990 Contract: Approval was given to enter a contract for Form 990T preparation with Brady Martz.

Federated Insurance Agreement: Following discussion, it was approved to execute Federated Rural Electric Insurance Exchange's subscriber's agreement and power of attorney.

Operations Report: Holzer reviewed the written report from the operations department. Holzer reported annual line inspections have begun, tree trimming and right-of-way clearing is ongoing and a four-pole line was built to serve temporary power to a new church along 57th Avenue in Bismarck.

Physical Inventory: Following discussion, the 2024 material inventory adjustments were approved as presented.

Safety report: There have been no lost-time accidents since the last board meeting. Six lineworkers attended the annual Apprenticeship, Training and Safety Conference, and a safety instructor with the North Dakota Association of Rural Electric Cooperatives (NDAREC) held a safety meeting on fire prevention, vehicle load securement and hydraulic safety. Without objection, the safety report was approved.

Engineering Services Report: Owen reviewed the written report from engineering services. Thirty-seven work orders were completed in December. Owen reported on the status of grant opportunities, continued work on the Brownsville subdivision conversion of overhead to underground line, and continued and completed work at the Fleet Farm location.

Energy Services: Schaffner reviewed the energy services report. Twenty-two service orders were completed in December. Schaffner reported on efforts to

fulfill heating service calls, presentation at the NDMSA winter meeting at Basin Electric Power Cooperative on Capital Electric's rate structure, and efforts to contact commercial members whose rates will change in 2025.

Communications and IT: Engbrecht reviewed the communications and IT report. Engbrecht reported on the member services association meeting, the second annual employee engagement day and the Nominating Committee approval for the annual meeting.

Capital Electric 2025 Annual Meeting: Following discussion, the Nominating Committee slate was approved as presented. Following discussion, it was approved to issue a resolution allowing for submission of absentee ballots at the annual meeting by mail or electronically.

Policies: Fitterer reviewed Policy I-24-Expectations of Directors of Board of Directors, and the directors were asked to reaffirm the policy.

Fitterer reported on findings and a memo prepared related to procedures for employee and board travel and limiting the number of key employees and board members from traveling in the same mode of transport and cooperative continuity. Following discussion, a written procedure will be developed by staff.

Basin Electric: Fitterer reported on Basin Electric matters.

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

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

NDAREC: Vilhauer reported statewide matters and the upcoming annual meeting.

National Rural Electric Cooperative Association: Fitterer reported on the CEO conference, which focused on AI, and the upcoming annual meeting.

National Information Solutions Cooperative (NISC): Fitterer reported on NISC matters and the upcoming annual virtual meeting. ☺

CAPITAL ELECTRIC COOPERATIVE

7401 Yukon Drive, Bismarck, ND 58503

Website: www.capitalelec.com

BOARD OF DIRECTORS:

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

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