

The regular meeting of the board of directors of Capital Electric Cooperative was held on Friday, March 28. The meeting was held at Capital Electric, 7401 Yukon Drive, Bismarck.

Also present were: Manager Paul Fitterer, Business Manager Luke Steen, Operations Manager Jeff Holzer, Engineering Services Manager Greg Owen, 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: Directors Dave Charles and Lyndon Anderson reviewed the February check register and expenditures. They advised that all checks and expenditures were in order.

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

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

Revenue was ahead of budget for February, as \$4,184,901 was generated in comparison with the budgeted figure of \$3,955,571 (favorable variance of \$229,330 or 5.8%).

Capital Electric's February net load factor was ahead of budget by 8.63%.

The operating margin for February was \$74,438, ahead of the budgeted amount of \$47,047. The total margin for February was \$63,750, which was ahead of the budgeted \$51,958.

Capital Electric began billing three new services in February, bringing our active services to 22,526 versus 22,269 at this time last year, or a net increase of 257 accounts over the last 12 months.

Cash flow statements were reviewed.

Estate Retirements: Following review of the financial condition of the cooperative, payment was authorized to five member estates totaling \$4,330.90.

McLean Sheridan Rural Water:

Following discussion, the annual rate adjustment was approved as presented for McLean Sheridan Rural Water District.

Western Area Power Administration

Wheeling Rate: Following discussion, the annual rate adjustment was approved as presented for the Garrison Diversion and Conservancy District.

2024 Capital Credit Allocation:

Following discussion, the allocation of 2024 capital credits was approved, pending final review by auditors, as follows:

G&T – \$1,789,303.29

Co-op – \$1,477,677.75

Total – \$3,266,981.04

Capital Credit Retirement: Following discussion, the general retirement of \$1,621,967.15 in capital credits from years 2004 through 2008, was approved, which includes:

G&T – \$537,069.12;

Co-op – \$1,084,898.03.

Operations Report: Holzer reviewed the written report from the operations department. Holzer reported rejected poles from the 2024 inspection are being replaced in the McClusky area, switching out of the Sterling substation for repair, and work to switch out and repair G&W switchgear and the manufacturer's response for repair.

Policies: Owen reviewed Policy III-02 – Meter Socket, Disconnects and Standby Service and Policy III-06 – Line Extensions. Approval was made to adopt the amendments to Policy III-02 and Policy III-06 as presented, effective April 1.

Safety Report: There were no lost-time accidents since the last board meeting. A North Dakota Association of Rural Electric Cooperatives (NDAREC) safety instructor held a safety meeting on SDS sheets, tagout procedures, job briefings and rubber glove/sleeve testing. The safety report was approved.

Engineering Services Report:

Owen reviewed the written report from engineering services. Owen provided

an update on the grant for the overhead to underground line along Highway 36 near Wilton.

Subcontractor Price Quotes: Owen reviewed 2025 subcontractor price quotes, which were approved as presented.

Work Order Inventories: Rural Utilities Service work order inventories 513 and 514 were approved as presented, effectively encumbering loan funds for reimbursement.

Energy Services: Schaffner reviewed the energy services report. Twenty-four service orders were completed in February. Schaffner reported on energy services personnel completing energy auditor training at Bismarck State College, update on LCT changeout project and continued collaboration with the State Fire School on electrical safety curriculum.

Communications and IT: Engbrecht reviewed the communications and IT report. Engbrecht reported on the Member Advisory Committee meeting, township officers association meeting and responding to suggestions related to rate issues.

Strategic Planning: Fitterer reviewed and summarized efforts and progress to achieve the goals identified during strategic planning and reviewed a draft organizational chart for potential future efficiencies and needs.

Basin Electric Power Cooperative:

Fitterer reported on Basin Electric matters.

Central Power Electric Cooperative (CPEC): Charles reviewed CPEC's March board meeting.

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

NDAREC: Vilhauer reviewed statewide matters and Fitterer reviewed a legislative material update from NDAREC.

National Rural Electric Cooperative Association: Fitterer reported on the PowerXchange convention and legislative detail update. ☎

CAPITAL ELECTRIC COOPERATIVE

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Website: www.capitalelec.com

BOARD OF DIRECTORS:

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