

Board minute excerpts JULY 22

The regular meeting of the board of directors of Capital Electric Cooperative was held on Monday, July 22, at Capital Electric headquarters, 7401 Yukon Drive, Bismarck.

All directors were present at that time except Director Greg Dehne.

Also present were: Manager Paul Fitterer, Business Manager Luke Steen, 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. 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 2024 financial and statistical report to the board.

Revenue was behind the budgeted amount for June, as \$3,704,425 was generated in comparison with the budgeted figure of \$4,016,033 (unfavorable variance of \$311,608 or 7.8%).

Capital Electric Cooperative's June net load factor was behind the budgeted value by 2.04%.

The operating margin for June was \$-206,937, which was ahead of the budgeted amount of \$-323,029. The total margin for June was \$352,782, which was ahead of the budgeted amount of \$-304,618.

Capital Electric began billing 36 new services in June. This brings active services to 22,327 versus 22,087 at this time last year, or a net increase of 270 accounts over the most recent 12 months.

Estate Retirements: Following review of the financial condition of the cooperative and recommendation by management, a total payment of \$762.04 of capital credits to two member estates was approved.

Quarterly Write-offs: After discussion, total write-offs of \$6,258.76 from the second quarter were approved. The total 12-month write-offs are \$25,909.84.

Operations Report: Holzer reviewed the written report from the operations department. Holzer reported crews completed an overhead to underground line conversion south of the Bismarck airport, monthly substation inspections were completed and four three-phase transformers were set.

Safety Report: The safety report was reviewed. There were no lost-time accidents since the last board meeting.

Engineering Services Report: Owen reviewed the written report from engineering services. Fourteen works orders were completed in June. Owen reported on ongoing and upcoming projects, including three-phase extension to Summit Point development near Hawk Tree, preliminary design and easement collection for an overhead to underground line conversion project south of the Bismarck landfill, and replacement of old cable at Imperial Valley west of the airport.

Energy Services: Schaffner reviewed the energy services report. Forty-eight service orders were completed in June. Schaffner reported on ongoing efforts to help and respond to members questions related to rates, update on load control transponders changeout process, and work for a member on potential installation of a geothermal heat pump.

Communications and IT: Engbrecht reviewed the communications and IT report. Engbrecht reported on Capital Electric's participation in local parades, volunteer work at the Dream Center and a meeting with Chamber leaders on the local issues committee.

Budget: Steen reviewed equity management strategies and an overview of the 2025 budgeting process.

Basin Electric Power Cooperative: Fitterer reported on Basin Electric matters, including likely increases to 2025 rates and the upcoming August

annual meeting. Dehne was selected as Capital Electric's delegate, and Sara Vollmer was selected as an alternate to Basin Electric's annual meeting.

Central Power Electric Cooperative: Dave Charles reported on the upcoming July board meeting. Charles was selected as Capital Electric's delegate for District 3 caucus at the Basin Electric annual meeting; Kyle Tschosik was selected as an alternate.

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

North Dakota Association of Rural Electric Cooperatives: Vilhauer reported on the summer meeting.

National Rural Electric Cooperative Association (NRECA): Fitterer reported on the NRECA regional meeting set for Sept. 16-18 in Minneapolis, Minn.

National Information Solutions Cooperative: Fitterer reported on the recent board meeting.

CoBank: Fitterer reported on the CoBank director election. ☺

CAPITAL ELECTRIC COOPERATIVE

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BOARD OF DIRECTORS:

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