



Board minute excerpts NOV. 18, 2024

The regular meeting of the board of directors of Capital Electric Cooperative was held on Monday, Nov. 18, 2024. The meeting was held in person at Capital Electric, 7401 Yukon Drive, Bismarck. All directors were present at that time.

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, Engineering Services Manager Greg Owen and Attorney Zachary Pelham of Pearce Durick PLLC, who acted as recording secretary.

Financial Review: Prior to the board meeting, Directors Dwight Wrangham and Greg Dehne reviewed the October 2024 check register and expenditures. They advised all checks and expenditures were in order. The financials were approved.

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

Business Department Report: Steen presented the October 2024 financial and statistical report to the board.

Revenue was ahead of the budget for October as \$3,487,853 was generated in comparison with the budgeted figure of \$3,432,526 (favorable variance of \$55,327 or 1.6%).

Capital Electric's October net load factor was ahead of budget by 3.98%.

The operating margin for October was \$451,644, ahead of the budgeted amount of \$199,946. The total margin for October was \$458,717, which was ahead of the budgeted \$207,568.

Capital Electric began billing 17 new services in October, bringing our active services to 22,472 versus 22,195 at this time last year, or a net increase of 277 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, it was authorized to retire one estate in the amount of \$1,682.07.

Lincoln Lighting: Discussion was held on the meeting with the city of Lincoln related to street lighting and no action was taken.

Operations Report: Holzer reviewed the written report from the operations department. Holzer reported crews worked to complete a new circuit at the Gibbs substation providing a new feed bringing power to the new Central Power Electric Cooperative outpost, poles identified for priority replacement have been changed out, monthly substation inspections were completed, and a bad regulator was identified in the East Bismarck substation.

Safety Report: The safety report was reviewed. There were no lost-time accidents since the last board meeting. North Dakota Association of Rural Electric Cooperatives (NDAREC), Safety Instructor Brian Lakoduk performed field observations on Nov. 7, 2024. A Safety Committee meeting was held on Nov. 4, 2024. The safety report was approved.

Engineering Services Report: Owen reviewed the written report from engineering services. Twenty-two work orders were completed in October. Owen reported on ongoing and upcoming projects, including completion of the three-phase buildout in the Fleet Farm area, completion of numerous service lines and short primary line extension for new services, and work on Summit Point for single-phase distribution for initial residential buildout.

Tower Site Property: Following discussion, approval was given to authorize moving forward with negotiating and finalizing a purchase agreement for the sale of the Keever Butte parcel.

Energy Services: Schaffner reviewed the energy services report. Fifty-five service

orders were completed in October, which included load control transponder (LCT) changeouts. Schaffner reported continued work on LCT changeouts, work with the Burleigh-Morton County Detention Center and responding to inquiries related to new rate structures.

Communications and IT: Engbrecht reviewed the communications and IT report. Engbrecht reported on upcoming *North Dakota Living* local pages article, presentation of the Tree Care Award to Kerby Hausauer at the Burleigh County Soil Conservation District's annual meeting, and continued work to using multi-factor authentication methods for cybersecurity defense.

2025 Budget: Fitterer and Steen presented the 2025 budget and the board discussed. Following discussion, the 2025 budget was approved as presented.

Strategic Plan: Fitterer outlined the plan for implementing and completing items identified at the strategic planning session, including the progress for continued work to complete the items identified.

Policies: Steen presented the combined rate policies. The amendments and rescissions to the combined rate policies were approved as presented.

Steen presented the combined load control policies. The amendments and rescissions to the combined load control policies were approved as presented.

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

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

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

NDAREC: Vilhauer reported an update on NDAREC.

National Information Solutions

Cooperative: Fitterer reviewed the October board meeting. ☺

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