

The regular meeting of the board of directors of Capital Electric Cooperative was held on Friday, Sept. 27, at Vollmer Angus Ranch, Wing. 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 Kyle Tschosik and Kayla Pulvermacher reviewed the August check register and expenditures. They advised 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 August financial and statistical report to the board.

Revenue was behind the budgeted amount for August, as \$4,072,605 was generated in comparison with the budgeted figure of \$4,194,342 (unfavorable variance of \$121,737 or 2.9%).

Capital Electric's August load factor was behind the budgeted value by 1.04%.

The operating margin for August was \$-97,072, which was ahead of the budgeted amount of \$-290,595. The total margin for August was \$-83,192, which was ahead of the budgeted amount of \$-157,052.

Capital Electric began billing 44 new services in August. This brings active services to 22,445 versus 22,131 at this time last year, or a net increase of 314 accounts over the most recent 12 months.

The cash flow statement was reviewed.

Estate Retirements: Following review of the financial condition of the cooperative and recommendation by management, seven estate retirements totaling \$6,828.51 were approved.

Operations Report: Holzer reviewed the written report from the operations department. Holzer reported crews worked to retire 1 mile

of idle overhead line, completed annual regulator inspections and worked to quickly restore power due to late August thunderstorms that resulted in six broken Capital Electric poles and nine broken Central Power transmission poles.

Safety Report: The safety report was reviewed. There were no lost-time accidents since the last board meeting. A North Dakota Association of Rural Electric Cooperatives (NDAREC) safety instructor, Mike Koenig, performed field observations on Sept. 19. Without objection, the safety report was approved.

Engineering Services Report: Owen reviewed the written report from engineering services. Sixteen work orders were completed in August. Owen reported on ongoing and upcoming projects, including continued three-phase extension work for Summit Point development, repair of damaged circuit breakers at the Gibbs substation and updates on grant funding for the conversion of three-phase overhead line to underground along Highway 36 near Wilton.

Energy Services: Schaffner reviewed the energy services report. Thirty-nine service orders were completed in August. Schaffner reported he presented to the Capital Electric Member Advisory Committee meeting. Energy services works with homeowners on HVAC equipment projects and work is completed for EV training at the N.D. State Fire School.

Communications and IT: Engbrecht reviewed the communications and IT report. Engbrecht reported on the recipients of Operation Round Up funds, attendance at the Chamber of Commerce Local Issues Committee and review of cybersecurity topics.

2023 Tax Filings: Steen reviewed IRS Form 990 and IRS Form 990T. Following discussion, authorization of the filings were approved.

Policies: Steen reviewed Policy IV-01-03 Coincident Peak Rate. Following discussion, the policy was approved. Steen reviewed proposed Policy E-25 Employee Education and Assistance. Following discussion, the policy was approved.

2025 Budget: Steen reviewed the 2025 budget, and no action was taken. Steen reviewed the need for a rate adjustment for commercial, heat, CP and demand. Following discussion, the

policies were approved as presented.

Basin Electric Power Cooperative: Troy Presser reported on Basin Electric matters and discussion and questions were presented to Presser by the board on Basin Electric's rate increases, cost-cutting efforts and the status of the Dakota Gasification Company. Fitterer reported on Basin Electric matters.

Central Power Electric Cooperative: Dave Charles reported on the September board meeting.

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

NDAREC: Fitterer reviewed an update on a combined meeting with North Dakota electric and broadband cooperative managers, and an update on the REPAC meeting.

Mid-West Electric Consumers Association: Fitterer reported on the upcoming annual meeting.

National Information Solutions Cooperative (NISC): Fitterer reported on the recent NISC member information conference. ☺

CAPITAL ELECTRIC COOPERATIVE

7401 Yukon Drive
Bismarck, ND 58503
Website: www.capitalelec.com

BOARD OF DIRECTORS:

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OFFICE HOURS:

Monday-Friday : 8 a.m.-4 p.m.
Office phone: 701-223-1513
Toll-free: 888-223-1513
Pay-By-Phone: 1-877-853-5928
DAY—NIGHT—WEEKEND
TROUBLE CALL: 701-223-1513

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