

## Board minute excerpts NOV. 18, 2022

The Board of Directors of Capital Electric Cooperative held its regular meeting on Friday, Nov. 18, 2022. All directors were present except Kayla Pulvermacher. Also present were: Manager Paul Fitterer, Business Manager Luke Steen, Operations Manager Rick Dressler, 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:** Prior to the board meeting, Directors Rex Hollenbeck and Sara Vollmer reviewed the October 2022 check register and expenditures. They advised that all checks and expenditures were in order. 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 October 2022 financial and statistical report to the board.

Total kilowatt-hour (kWh) sales for October were behind budget by 4.7%. The monthly electric revenue was behind budget by 5.2%.

Capital Electric's October load factor was better than budgeted by 1.65%.

The operating margin for October was \$66,793, ahead of the budgeted amount of -\$18,613. The total margin for October was \$55,486, which was behind the budgeted \$2,492,046 (the large variance was due, in large part, to the sale of cooperative real estate being moved to November).

Capital Electric began billing 23 new services in October, bringing active services to 21,906 versus 21,587 at this time last year, or a net increase of 319 accounts over the last 12 months.

The cash flow statement and monthly power cost for October were reviewed. Accounts receivable balances were also reviewed.

**Estate Retirements:** Following review of the financial condition of the cooperative and recommendation by management, payments of capital credits were approved for a total amount of \$2,895.16 to four members' estates.

**Auditor Request for Proposal:** Following discussion, the board selected Brady Martz to conduct the annual audit of the cooperative.

**Operations Report:** Dressler reviewed the written report from the operations

department. No outages were reported from the winter storm. Assistance was provided to Dakota Valley Electric Cooperative following an ice storm that impacted the co-op's service area. Crews also completed service upgrades.

**Safety Report:** There were no lost time accidents in November.

The cooperative's annual self-assessment was completed. The assessment identifies risks in the office/shop areas and identifies areas for continued improvements.

Without objection, the safety report was approved.

**Engineering Services Report:** Owen reviewed the written report from Engineering Services.

There were 28 work orders completed in October.

Owen reported on ongoing and upcoming projects, including the nearly completed MacLean Bottoms tie line and continued work to install service lines.

**Property Update:** Owen reported on the status of modifications to the new facility. The service center sale closed on Oct. 31, 2022. Efforts continue to market the administrative building.

**Energy Services:** Schaffner reviewed the Energy Services Report.

Twenty service orders were completed in October.

The extra cubicles at the new facility have all been sold, and lines for the geothermal loop have been installed for the new shop.

Schaffner attended a presentation to the Public Service Commission on electric vehicle (EV) charging regulations.

**Communications and IT:** Engbrecht reviewed topics of interest.

Meetings have been held with newly elected legislators to introduce them to Capital Electric staff. The installation and connection of IT equipment at the new facility has gone well. The co-op plans to hold a strategic planning meeting on Aug. 25, 2023.

**2023 Budget:** Fitterer and Steen presented on the 2023 budget. Following discussion, the board approved the budget as presented.

**Policies:** Steen presented on rate policies. Following discussion, the board approved the rate policy amendments presented.

**Basin Electric Power Cooperative:** Fitterer reported on Basin Electric matters, including the positive financial outlook

going into 2023.

**Central Power Electric Cooperative:**

The October board meeting is scheduled for the following week.

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

**North Dakota Association of Rural Electric Cooperatives (NDAREC):** Board President Deon Vilhauer reported on NDAREC's annual meeting, which will be held in February. The board approved that Capital Electric's nine directors will be the voting delegates, with the general manager and department managers selected as alternates.

The board discussed electing a Capital Electric representative to the NDAREC board of directors. Following a call for nominations, Vilhauer was elected to serve as Capital Electric's representative, and Director Charles was elected to serve as the co-op's alternate representative.

**Mid-West Electric Consumers**

**Association Election:** Fitterer reported on the open director positions.

**Adjournment:** There being no further business, the meeting was adjourned. ☺

### CAPITAL ELECTRIC COOPERATIVE

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#### BOARD OF DIRECTORS:

Deon Vilhauer, Pres. ....	Bismarck
Dave Charles, V. Pres. ....	Bismarck
David Straley, Sec.-Treas. ....	Bismarck
Kyle Tschosik, Asst. Sec.-Treas. ....	Bismarck
Rex Hollenbeck.....	McClusky
Dwight Wrangham.....	Bismarck
Kayla Pulvermacher.....	Bismarck
Lyndon Anderson .....	Bismarck
Sara Vollmer.....	Wing

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