



CAPITAL ELECTRIC COMMENTS

Capital Electric Cooperative • Bismarck, N.D.
(701) 223-1513 or (888) 223-1513
www.capitalelec.com

Capital members OWN their co-op



One of the seven cooperative principles is “members’ economic participation,” meaning members contribute equally to, and democratically control, the capital of their cooperative. At this year’s annual meeting, Capital members Joe and Beverly Schatz of Bismarck took a moment to pose and show their appreciation for receiving a capital credit check. In these local center pages, read other highlights from the co-op’s annual meeting.

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Resilient membership honored at co-op's 64th annual meeting

Story and photos by Carmen Devney

Capital Electric members proved their hardiness when faced with disaster. That's one of the messages more than 550 registered members heard during the co-op's 64th annual meeting, held June 3 at the Ramkota Hotel in Bismarck.

Lars Nygren, general manager of Capital, recounted how a particularly wet snow storm snapped 536 poles and caused hundreds of wire breaks on April 2. The weather conditions caused major power outages across the co-op's service area, and some members went without electric service for several days. Nygren thanked the Basin Electric dispatch center for handling outage calls, and credited the Capital membership for making the best of an unfortunate situation.

"Thank you for the words of encouragement, as well as for the patience and understanding you all showed during this disaster," Nygren expressed. "You were resilient members, able to lend a helping hand when it was needed most. That is what motivated the employees to dig a little deeper and keep on going."

Dwight Wrangham, president of the Capital board, concluded that the storm caused more than \$1 million in damages, and that the co-op qualified for federal aid under the Federal Disaster Declaration. The co-op will still have to pay 15 percent of the recovery costs, so the board and staff will make concessions to this year's work plan to help cover the unplanned expense.

BUSINESS MEETING

Along with recapping the Good Friday snow storm, Nygren and Wrangham updated the membership on power supply issues and the progress of infrastructure improvements. A summary of the meeting updates includes:

- Basin Electric Power Cooperative is building generation to accommodate its member-cooperatives over the next decade. Some of the projects include more wind towers in Baldwin; a cooperative-owned wind farm south of Minot; a base load generating station in Gillette, Wyo.; a combined-cycle gas turbine generating station near White, S.D.; and gas turbine generation near Groton, S.D., and Culbertson, Mont.

- The Western Area Power Administration (Western) once again raised rates in January 2010, due to the lasting effects of the drought. It is Capital's hope that Western's rates will stabilize over the next couple years.

- The Environmental Protection Agency (EPA) still plans to impose fees for CO₂ emissions. Wrangham indicated he is uncertain about how the proposed fees will affect Capital's members, and whether Congress will act to restrict the EPA in regulating CO₂ has yet to be determined.

- Capital has seen a reduction in the number of new accounts, but over the past 10 years, consumer levels have seen steady growth and the cooperative remains financially strong.

- Capital continues to expand its infrastructure to provide electric service to an expanding consumer base. One of the additions last year was the Apple Creek Substation north of Lincoln. A second project planned for this year includes the exten-



Capital member Eldon Beatrom (left), Bismarck, considers how he can save energy in the future and lower his electric bills by purchasing an electric heat-pump hot water heater. Prior to the annual meeting, Josh Schaffner, member services assistant, advised Beatrom how the time is right to take advantage of multiple rebates and tax credits.



Voters reelected incumbents Arlene Olson (right) and David Liuska to represent District 1. Members also elected Sheri Haugen-Hoffart to represent District 2; she replaces Jim Hawkins, Bismarck, who chose not to seek reelection.

sion of transmission line south and west of Lincoln, which will tie into an existing transmission line. This enhancement will increase system reliability.

BOARD ELECTION

Also during the business meeting, three members were elected to serve three-year terms on the board of directors. Sheri Haugen-Hoffart, Bismarck, was elected to represent District 1, and incumbents David Liuska and Arlene Olson, Wing, were reelected to represent District 2. Sheri Haugen-Hoffart is



Members of the Election Committee counted the voting results of 379 ballots.

new to the Capital Electric board. She replaces Jim Hawkins, Bismarck, whose term expired. He chose not to seek reelection.

Choosing to run as a board candidate and dedicate three years of service to the co-op is not a commitment to be taken lightly. The three members who earned seats on the board vied for the positions against very qualified and willing candidates. Capital thanks all the members who showed a desire to carry on the traditions of the cooperative.

The following list includes all of this year's candidates in alphabetical order. Members, if you know any of them, please thank them for offering their service.

Capital also thanks the Nominating Committee for recruiting these qualified and willing candidates.

DISTRICT 1:

- Sheri Haugen-Hoffart
- Myron Rogstad

DISTRICT 2:

- LeAna Hug
- Vernon Laning
- David Liuska
- Theresa Marquart
- Arlene Olson
- Doug Prchal
- Brett Schafer



This year, the Capital Charitable Trust, also known as Operation Round Up, voted to give a \$500 scholarship to a dependent of a cooperative member. This year's winner, Elizabeth Kraft, attended the annual meeting and accepted her scholarship award from Dwight Wrangham, Capital's president of the board. A graduate of Century High School, Kraft plans to attend the University of North Dakota and major in chemical engineering.



Capital member Erna Leno, Bismarck, celebrated her birthday on the day of the annual meeting. Resting on a bench after the meal, she visited with Capital member Orville Deckert, Bismarck.



Daniel and Megan dig into a hot meal before they savor a slice of cheesecake.



Once again, Joe Friday's Dixieland Band entertained guests with sounds of original New Orleans-style jazz as well as more contemporary arrangements.

Rebates + tax credits = **SIGNIFICANT SAVINGS II**

Going electric puts money back into Capital members' pockets

Story and photos by Carmen Devney

An aging hot water heater and future trips out of town were starting to make LeRoy and Dorothy Bollinger a bit nervous. While these Capital Electric members had never had a problem with their propane-powered water heater, they wanted to replace the unit before it developed a problem—and made a mess.

During the Bismarck-Mandan Home Builders Association Home Show in March, Leroy stopped by the Touchstone Energy Cooperative booth and met Josh Schaffner, the member services assistant for Capital. LeRoy explained his water heater was 15 years old, and shared his concern about a potential leak. Josh agreed a replacement unit would be a logical investment, and he detailed a couple options:

- The Bollingers could replace their unit with another propane water heater, and continue paying fluctuating propane prices, or
- They could replace the unit with an electric water heater and take advantage of their electric cooperative's matching rebate program and the N.D. Utility Rebate Program, as well as federal tax credits.

LeRoy took the information home to his wife.

"We make our decisions together, and I'm all for saving money," Dorothy shares.

The couple talked about the lack of stability in propane prices, and how the fuel is hard to budget.

"We are on a fixed income and have to be careful," LeRoy confides. "I liked the idea of getting a monthly bill and paying it and being done, rather than trying to outguess the cost of propane."

LeRoy and Dorothy then discussed the possibility of buying an electric heat-pump water heater. LeRoy stopped by co-op headquarters, and once again visited with Josh about this fairly new technology and its energy-saving features. Some of them include a hybrid mode (this high-efficiency mode uses less energy while still experiencing fast recovery times), high demand mode (this setting increases the amount of hot water for times when the homeowner has guests), and a vacation setting (the system can be set to drop the temperature to 50 degrees F to save energy, while preventing the water from freezing).

LeRoy again took the information home to his wife. While the couple really liked the heat-pump water heater's efficiency bells and whistles, as well as the idea of consistent monthly electric bills rather than one or two rather large propane bills a year, switching from propane to electric seemed like a big decision. In the end, after LeRoy crunched the numbers, the couple chose the electric heat-pump water heater, based on available rebates and tax incentives which put money back into their pockets—both almost immediately, and in future energy savings.

"Without the rebates, we wouldn't have done it. That's the bottom line," assures LeRoy.

The Bollingers worked with Josh at Capital to purchase a 50-gallon GE GeoSpring™ Heat Pump Water Heater. The unit cost \$1,620 uninstalled. Because they purchased qualifying equipment through the cooperative, the Bollingers received a check



Capital Electric members LeRoy and Dorothy Bollinger recently upgraded their propane water heater to an electric heat-pump hot water heater. While they were enticed by stable electric prices and the fancy features on this rather new technology, they based their decision to go electric on available rebates and tax credits.

back from Capital Electric for \$700 the same week the equipment was installed, thanks to the co-op's matching rebate program with Basin Electric. They later received another check for \$250, thanks to the N.D. Utility Rebate Program. Finally, this energy-efficiency investment also qualifies the Bollingers for a 30 percent federal tax credit. They already received a portion of this 30 percent for making other efficiency home improvements last year, so they will receive the remainder of the 30 percent in next year's tax return. The state does not offer an additional tax credit on water heaters.



The Bollingers purchased a 50-gallon GE GeoSpring™ Heat Pump Water Heater.

MEET YOUR CAPITAL ELECTRIC NEIGHBORS

Retired from the U.S. Army and the department of human services, LeRoy Bollinger currently works part-time for the Bismarck Civic Center. Before he retired from the state, LeRoy used to do budget projections and serve as director of research, so he's good at crunching numbers on energy savings.

A retired school teacher who still works as a substitute teacher, Dorothy indicates that while equipment longevity is important, she jokes the couple no longer worries about lifetime guarantees.

Married for 51 years, LeRoy and Dorothy Bollinger are Capital Electric members in south Bismarck.

Capital thanks these members for sharing their story.

CAPITAL'S MATCHING REBATE PROGRAM

Available through December 2010, Capital Electric is offering a matching rebate program with one of its power suppliers, Basin Electric Power Cooperative. This program is designed to partially offset the initial investment costs of energy-efficient equipment.

The following products and maximum rebates include:

- \$800 for geothermal heat pumps
- \$700 for a heat-pump water heater
- \$500 for air-source heat pumps
- \$100 Marathon water heaters

This rebate program applies only to products sold by Capital Electric, based on the staff's familiarity with particular systems and their efficiency ratings. It is not available for products sold by other companies. For more information, call Josh or Doug in the member services department today at (701) 223-1513.

UTILITY REBATE PROGRAM

There is a rebate program now available through the American Recovery and Reinvestment Act. More than \$2 million has been set aside for electric cooperative members in North Dakota. The N.D. Department of Commerce launched the utility rebate program on June 1.

Residential rebates

Residential members will be able to apply for more than one category of rebate, but the total residential rebate maximum is \$5,000. Capital members may consider upgrading or retrofitting with Energy Star-rated products or renewable energy systems including an air-source heat pump, a central air conditioner, a water heater, a geothermal heat pump, and solar applications and wind turbines (subject to utility interconnect policy). Rebates are also available to help with the costs of an energy audit, and to add attic and wall insulation.

Commercial rebates

Commercial members can apply for up to \$15,000 in stimulus rebates on energy-efficient products and services including lighting, motors, central air conditioners, building recommissioning, custom design, energy audits, geothermal heat pumps, solar applications and wind turbines (subject to utility interconnect policy). To receive certain commercial rebates, an applicant must include documentation that federally approved Davis-Bacon wages were paid on the project.

Both residential and commercial rebates also offer two demand response program rebates for thermal storage central



TO TAKE ADVANTAGE OF THE UTILITY REBATE PROGRAM:

1. Members and contractors should stop by Capital Electric headquarters or call the co-op at (701) 223-1513;
2. Get the applicable rebate form;
3. Study the specific product requirements;
4. Talk to the member services staff to make sure the product of interest meets those specific requirements;
5. Ask the member services staff to verify that there is still money available through the utility rebate program;
6. Purchase the energy-efficiency product and have it installed; and
7. Fill out the rebate application as soon as possible and return the completed paperwork to Capital Electric.

MEMBERS: Don't forget to ask our member services department about how you can take advantage of state and federal tax credits and the renewable energy property tax exemption, with your purchase of a qualifying energy-efficient electric heat product! Call Josh or Doug at Capital Electric today at (701) 223-1513 for more details.

furnace with an air-source heat pump and thermal storage water heater program. The rebate amounts vary.

Members must include a receipt that shows the date of purchase is June 1, 2010 or later. Once the paperwork is filled out and returned, it will then be submitted to the N.D. Association of Rural Electric Cooperatives (NDAREC), which will review the information for eligibility. NDAREC will then issue a rebate check and forward it on to Capital Electric for delivery to the member-owner. All rebates will be handled on a first-come, first-served basis. The program is open to all electric co-op members in North Dakota. The program ends when the money runs out, or on December 31, 2011, whichever comes first.

There are a few limitations to the rebate program. In order to be eligible for a rebate, a consumer must purchase the equipment or product on or after June 1. Rebates are not available for federal, state or local government agencies, including public schools. And if members make energy-efficiency improvements prior to the launch of the program, they will not qualify for a retroactive rebate.

Some facilities are also ineligible for rebates, including swimming pools, golf courses, gambling establishments, aquariums and zoos.

As always, the member services department at Capital Electric is ready to serve you, our member-owners. To learn how you can take advantage of the new utility rebate program, call Josh or Doug in Capital's member services department today at (701) 223-1513.

Capital credit claims

Notice of redemption by Capital Electric Cooperative, Inc.

Listed below are names of former Capital Electric Cooperative, Inc. members who had capital credit checks mailed to them in June of the year 2004. These checks have been returned to Capital Electric Cooperative by the postal service because they could not locate the members at the address on file. A further search by Capital Electric personnel has not turned up their whereabouts.

If you received electrical service from Capital Electric Cooperative, Inc. any time during the year 1988 and your name is on this list, please contact our office. If you know of the whereabouts of members on this list who received electrical service from Capital Electric Cooperative, Inc. any time during the year 1988, please have them contact our office at (701)223-1513.

Please keep in mind that not all of the capital credit amounts are large. However, we desire to get the money due to those who earned it, and clear up our records.

We will redeem capital credits for those members on the following list who notify us prior to December 1, 2010. Notice is hereby given that any of the aforementioned unclaimed capital credits outstanding after December 1, 2010 will be forfeited pursuant to Section 10-15-34.1 and 10-15-23 of the North Dakota Century Code.

1ST NOTICE – JULY 2010

ABELL, ALVIN	FAHLSING, CONNIE J.	KENDALL, TERESA	RAJEWSKI, JAMES
ANDERSON-DENNETT, PINKY	FEARS, TROY	KOCH, HOLLY J.	RED INCORPORATED
AZURE, GENEVIEVE	FEIST, ANDREW	KRAMER, JAYNE	RENZ, BRIAN
BADER, MYRON	FIRST FEDERAL S & L	KUNTZ, ED	RIVEROAKS COMMUNITES
BAKER, SHAWN R.	FIRST TRUST CO. OF ND	LAFONTAINE, MARIE D.	ROWLEY, BRIAN R.
BAKER, THERESA	FISHER, MARK	LAGESON, HELENE	SANDMEIER, GEORGIA
BANDVIK, ELIZABETH	FISKE, RICKY G.	LANG, BILL	SCHAFFER, LYNETTE
BARNHARDT, BRENDA	FORTNER, MELVIN	LEIN TOWNSHIP HALL	SCHATZ, DENISE
BARRY, STEVEN K.	FOX, ROXANN	LINCOLN KINDERGARTEN	SCHIEVE, EDITH
BARTH, CHARLES M.	FRANK, RONALD J.	LINCOLN MEADOWS	SCHMIDT, HILDA
BECKER, CHARLES	FREIDT, SARAH	LITTLE WHITE SCHOOL	SCHMIDT, MIKE
BECKLER, RONDA	FRITH, DEBRA R.	LOGE, ARNE S.	SCHULTZ, CREAMERY
BERCIER, RENDON S.	FUSELIER, DAVID	LUOMA, KURT E.	SCHULZ, DAVE A.
BERKRAM, DENNIS	GALLAGHER, STEPHANIE	M G I C	SCHWARTZ, FRED
BERRETH, LEE L.	GARRITSON, LARRY	MASSINE, YVONNE H.	SENZEK, ERIC G.
BIANCO, WILLIAM F.	GEFFRE, RANDY	MCCLOUD, TOM	SKEI, WILLARD H.
BISMARCK INDOOR ARENA	GEIGER, LEO	MCDOWELL, HARLEY	SODERBERG, KIMBERLY A.
BISMARCK SASH & DOOR	GOROSKI, DENISE	MEANS, LARRY	SOREM, MIKE
BOSCH, TONY	GRACE, JOHNSON	METROPOLITAN LIFE	SOULE, HARVEY
BRAATEN, EVA	GREAM, TAMMY L.	MIDWEST FED SVG BANK	SOUTH MONTY L
BROOKS, JULIE	HAGADONE, BRAD A.	MILLER, WILLARD E.	SPENCE, CECIL
BROWN, FRANK N.	HANCOCK, JERRY	MOFFIT FRAME CO	STEIN, BRIAN D.
BRY, MARILYN	HANDEGARD, PAMM	MOFFIT GRAIN CO	STOLTZ, JOHN
BURKHARDT, TONY	HANSEN, LOREEN M.	MONTGOMERY, LYNN D.	STOVER, ALAN D.
BUTLER, AILSEE J.	HANSON, CHERYL A.	MORROW, LYNN K.	SURDEL, DONALD W.
BUTLER, WALTER	HEER, GERARD G.	MURPHY, KEN	SZYMIALIS, A R.
CARLSON, PATRICIA L.	HEINTZ, VERNON G.	NASH, KENNETH H.	T & G CONST
CHIEF INDUSTRIES	HENNES, MARY L.	NED NASTROM MOTORS	THIBERT, RICHARD
CLAYMORE, KAREN	HETLAND, GARY	NEUMANN, RUTH	US INDUSTRIAL SERVICE
CLOOTEN, LEO	HOLDEN, DAWN	NORTHLAND PATCH&PAVE	UTKE, GREG
CONCEPT DEVELOPMENT	HOLWEGNER, LESLIE	OLSON, JOHN L.	UZNANSKI, KENNETH M.
CONNOR, WILLIAM P.	HULM, DENISIA	OSORIO, MAURICIO J.	VALENTINO, JOHN
D & L DISTRIBUTING/SALES	INTERSTATE PETROLEUM	PARKER, JOHN	VANDERPOOL, MARY B.
DAVES TRUCKING	J R MFG. INC.	PARSONS, DALE	VETTER, LINDA F.
DAVIS, CARL L.	JACKSON, MIKE	PAYTON, J A.	VETTER, ROGER
DAVIS, JOYCE M.	JACOBI, RETTA	PC GROUP INC	WALSH, FRANK
DAVIS, RAMONA	JANS, NELLIE	PHELAN, ALONZO	WEBER, KAREN
DESJARLAIS, SHEILA	JIREK, BONNIE	PHILLIPS, KATHLEEN S.	WEIGEL, ROSEMARY
DEWALD, MONICA	JOCHIM, ALLEN	PICKARDVILLE GRAIN	WESTLUND, CARL
DEWING, WAYNE R.	JOHNSON, DONAVON	COMPANY	WILLIAMS, MELVIN J.
DIETZ, DEAN R.	JOHNSON, KERI	PIPPENGER, JACKIE G.	WILLIAMSON, RICHARD P.
DIZAYEE, AHMED	JOHNSTON, JOHN	PLATOW, JERRY	WILZ, WILLIAM J.
DOCKTER, LYDIA	JULSON, EMILIE M.	PROSS, KIM	WUNDER, JOHN
DUKART, CHARLES R.	KELLEY, DANIEL	QUADRA GRAPHIC	WURZER, RON
ENGELKEN, LAURIE	KELLEY, E M.	QUALLS, BEN	ZENTER, ELLA
EVANS, MARK A.	KEMP, FRANK W.	R & R TRUCKING	

Harvest **SAFELY** this season



The size, power and moving parts of a combine, when coupled with the stress and rush of harvest time, can be a recipe for disaster. That's why good safety procedures are so important during harvest season, according to an agricultural safety specialist at North Dakota State University (NDSU).

The combine is among the most dangerous machines on farms in the region, according to George Maher of the NDSU Extension Service. He notes that Agricultural Injury Surveillance Statistics collected in 1995 show that the combine, grain auger and tractor were the machines most involved in North Dakota agricultural injuries.

"Thinking ahead to establish safety procedures that prevent injuries is essential," Maher says. "Getting into good habits and thinking through potential hazards can prevent disasters during the harvest rush."

Maher lists several safety procedures.

- Set aside time to properly prepare the combine for harvest. Rushed

repairs may lead to injuries.

- Conduct a safety check before taking to the field. Replace all guards and shields that may have been removed. Replace or repair all lights that don't work — especially transport lights, such as headlights and taillights.

- Examine fields for hazards such as erosion washouts and other surprises that can develop during the growing season. Alert other workers to those hazards, too.

- Adjust and service the combine as directed in the operator's manual.

- Always refuel the combine or tractor after it has cooled. Fuel vapors can easily ignite on hot engine and combine parts. Refueling accidents are a major cause of combine fires.

- Grease and check the combine in the morning when your mind is fresh. Put the ignition key in your pocket while you are working on the combine so no one can start it or the tractor while you are working on the machine.

- Check hydraulic leaks carefully. Use a piece of cardboard, wood or sheet metal to detect leaks. Hydraulic

oil under high pressure can easily be injected through the skin and result in serious medical problems.

- Drive the combine only while you are alert and aware of your surroundings. Hours of steady operation can lull you into a hypnotic state.

To avoid this dangerous situation, schedule a break for all workers every two to three hours. Change jobs with someone else who can operate the combine for a while.

- Use the safety stops on the header lift cylinders when working under the header. Don't trust hydraulics with your life.

- Keep your distance from other vehicles and machines. Combines need a lot of room to maneuver and have large blind spots. Always be aware of the location of other equipment.

- Move combines from field to field only during daylight. Driving combines on public roads after dark can be very risky. The size of a combine, coupled with its unfamiliar shape and lighting pattern, make it a dangerous hazard on the road after dark.

May 27

The regular meeting of the board of directors of Capital Electric Cooperative, Inc., was held May 27 at co-op headquarters in Bismarck.

Financial review (April 2010): Prior to the board meeting, Directors Vilhauer and Olson reviewed the April 2010 check register and expenditures. Olson reported that all checks were in order, and approval was recommended. It was moved, seconded and carried to approve March expenditures in the amount of \$2,363,445.04.

Business department report: The manager reviewed the April financial and statistical report with the board. Total kilowatt-hour (KWH) sales reported for April 2010 were below budget by 12 percent. Year-to-date, KWH sales are 7.4 percent under budget. The actual monthly electric revenue is down 13 percent from budget. Likewise, the year-to-date electric revenue is down 6.5 percent.

The margin for April is \$190,702, a decrease of \$27,834 from the budgeted margin. Year-to-date, the margin is \$927,096, a decrease of \$310,508 from budget. However, it should be noted that \$98,006 was budgeted in March for Central Power's portion of the Basin bill credit, but that has not yet been received. Knowing the actual amounts Central Power has received and Capital's 2009 load percentage, we now estimate receiving \$105,412, but no action has been taken by Central Power's board.

In April, 51 new services were billed, bringing active services to 15,289 versus 14,760 at this time last year. This is a net increase of 529 accounts over the last 12 months. Many of the accounts being added are part of the conversion of United Tribes Technical College from primary metering to separate services, thus not reflecting increases in KWH sales.

The 2010 capital credit retirement has been processed and checks will be printed shortly in preparation for distribution at the annual meeting. The checks equal 100 percent of the 1994 unretired capital credits, amounting to \$1,102,985.99.

The refinancing of USDA Rural Utility Service (RUS) loans via CoBank is set to go. The refinancing transaction will be completed on May 28.

Preparations are being made to begin switching the cooperative's banking accounts over to First Community Credit Union. The credit union has agreed to an extra \$1,000,000 repurchase agreement on top of the \$500,000 insurance the bank already carries. It was moved, seconded and carried to give authority to sign the appropriate documents, including corporate resolutions and repurchase agreement.

As of work completed by April 30, Capital is reporting about \$1,000,000 in storm damages. This amount includes labor and overheads, materials and contractor costs, etc.

The manager reviewed the comparison of actual-to-budget expenses for the month of April and for the year to date through the month of April 2010. Accounts receivable balances as of May 26 were also reviewed.

Capital credits: Following review of the financial condition of the cooperative and recommendation by management, it was moved, seconded and carried to authorize payment of capital credits to the following deceased mem-

bers' estates:

Lucille Schonert.....	\$534.61
Arthur Plienness.....	1,134.54
Edwin Kessel.....	828.15
Luella Burns.....	711.85
Dorothy Degner.....	1,253.82
Zella Thomsen.....	544.25
Harold J. Wentz.....	326.51
TOTAL.....	\$5,323.73

Engineering and operations report: The manager reviewed the written report from the engineering and operations department. This month, 18 work orders were completed, adding 16 new consumers to the system.

On April 11, Gordon Wiese and Ron Lipp took representatives from the Federal Emergency Management Agency (FEMA) to numerous locations where damage from the Good Friday ice storm occurred. Agency personnel are required to look at 20 percent of the damage the cooperative received and that part of the process has been accomplished.

JB Construction has been cleaning up from the Good Friday storm. Fisher Contracting and DLT have been trenching in new services, and crews have been connecting new services as well as doing some cleanup from the Good Friday storm.

Rich Dunn and Doug Jahner attended a TWACS seminar in St. Louis, Mo., May 10 to 13. Both advised it was a good conference.

Matt Hagen has completed all the requirements for his journeyman lineman certificate on April 30.

Member services department: The manager reviewed the written report from the member services department.

The Coleman Group has returned the signed construction easement for the addition of fill dirt to Capital's property immediately west of Highway 83. Weather has delayed the start of this dirt work, but it is expected that activity will begin soon as all construction staking has been completed. We have met with the contractor onsite and have gone over the easement requirements. It is expected that the project will take approximately one week to complete after startup.

Ulteig Engineers has completed the initial staking for the transmission line that will loop the new Apple Creek Substation into the existing transmission line near the Lincoln Substation. This 2010 construction budget project is routed south immediately east of the city of Lincoln along 66th Street and then west along 48th Avenue, where it will tie into existing transmission approximately one-half mile east of Highway 1804. A slight reroute in the centerline has been included as a result of negotiations with one of the landowners. Ulteig will complete the plan and profile drawings after which the design process can begin. Construction is planned for late September through October.

Communications and public relations department: The manager reviewed the written report from the communications and public relations department.

The annual meeting is set for June 3. There are nine candidates for three board positions. Since the N.D. Utility Rebate Program is beginning June 1, a table will be set up in the registration area fully devoted to the rebates and tax credits available for energy efficient purposes. Various candidates for public office

have been invited to the annual meeting. Gov. John Hoeven, State Sen. Tracy Potter, State Rep. Rick Berg and Rep. Earl Pomeroy will speak at the beginning of the meeting.

Safety report: There were no lost time accidents this month.

The National Rural Electric Cooperative Association (NRECA) notified Capital that it had passed the safety accreditation process. The cooperative also participated in the annual "Call Before You Dig" event held April 27.

Central Power Electric Cooperative report: Director Mund reported on Central Power matters, including new load growth due to oil activities. The board also discussed Basin's new load forecast, which is to be completed by December 2010 or January 2011.

The manager advised that Capital still does not have a rate from Central Power in regard to possible additional Basin purchases via Central.

The North Dakota Association of Rural Electric Cooperatives (NDAREC) report: Liuska reported there had not been an NDAREC meeting.

Liuska discussed the Farm Rescue program and whether or not Capital shared support for the program. Discussion by the board followed.

Legislative rally report: Director Mund reported on the NRECA Legislative Rally he and the manager attended. The manager discussed that they are requesting RUS funding be increased as it has been cut significantly currently.

Audit report: Mark Martens and Adam Dever of Eide Bailly presented the audit report. The independent auditor's report noted that the financial statements of Capital, in all material respects, present fairly the financial position of the cooperative. No material weaknesses or deficiencies were found in Capital's internal controls, and the books and records of the cooperative were found to be in good shape.

Adjournment: There being no further business to come before the meeting, without objection, the meeting was adjourned.

CAPITAL ELECTRIC COOPERATIVE

4111 State St. N.

Bismarck, N.D. 58502-0730

Web site: www.capitalelec.com

BOARD OF DIRECTORS:

Dwight Wrangham, Pres.	Bismarck
Arlene Olson, V. Pres.	Wing
David Liuska, Sec.-Treas.	Wing
Ervin Mund, Asst. Sec.-Treas. ...	Bismarck
Sheri Haugen-Hoffart	Bismarck
Rodney Eckroth	Bismarck
Kyle Hilken	Wilton
Rex Hollenbeck.....	McClusky
Deon Vilhauer	Bismarck
Ordean "Lars" Nygren, Mgr.	Bismarck

OFFICE HOURS:

Monday-Friday : 8 a.m.-5 p.m.

Office phone: (701) 223-1513

Toll-free: (888) 223-1513

DAY-NIGHT-WEEKEND

TROUBLE CALL: 223-1513

24 HOURS A DAY

A Touchstone Energy Cooperative 