

The regular meeting of the board of directors of Capital Electric Cooperative was held on Monday, Nov. 24, 2025. The meeting was held in person at Central Power Electric Cooperative Bismarck outpost, 8580 43rd Ave. NE, Bismarck. All directors were present at that time.

**Also present were:** Manager Paul Fitterer, Business Manager Luke Steen, Operations Manager Jeff Holzer, Engineering Services Manager Greg Owen, Energy Services Manager Josh Schaffner, Manager of Communications and PR Wes Engbrecht, Manager of IT Kent Kensmoe, and Attorney Zachary Pelham of Pearce Durick PLLC, who acted as recording secretary.

**Financial review:** Prior to the board meeting, Directors Dwight Wrangham and Whitford Dwyer reviewed the October 2025 check register and expenditures. They advised 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 2025 financial and statistical report to the board.

Revenue was behind budget for October, as \$3,560,682 was generated in comparison with the budgeted figure of \$3,591,685 (unfavorable variance of \$31,003 or 0.9%).

Capital Electric's October power costs were under budget for October by 2.4%.

The operating margin for October was \$274,633, ahead of the budgeted amount of \$154,380. The total margin for October was \$283,870, which was ahead of the budgeted \$159,380.

Capital Electric began billing 55 new services in October, bringing active services to 23,105 versus 22,886 at this time last year, or a net increase of 219 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, payment of \$12,575.58 was authorized to seven member estates.

**Retirement Plan Resolutions:** Steen reviewed amendments for both the RS and 401(k) plans. Following discussion, four amendment resolutions were approved as presented.

**Operations Report:** Holzer reviewed the written report from the operations department. Holzer reported on the completion of the East

Century road construction project, retirement of the temporary overhead line north of the new truck stop in Sterling and conversion of overhead line to underground for a new home near University of Mary.

**Safety Report:** There were no lost-time accidents since the last board meeting. Capital Electric's system supervisor attended the fall safety coordinators meeting at the North Dakota Association of Rural Electric Cooperatives (NDAREC) held on Nov. 10. The safety report was reviewed.

**Engineering Services Report:** Owen reviewed the written report from engineering services. Thirty-nine work orders were completed in October. Owen reported on ongoing and upcoming projects, including overhead to underground conversion work in Imperial Valley subdivision and an update on grant projects.

**Utility Relocation Agreement:** Owen reported on the city of Bismarck's right of way utility relocation agreement for Ottawa Street reconstruction. The utility relocation agreement was approved as presented.

**Township Franchise Agreements:** The Cromwell Township franchise agreement was approved as presented.

**Energy Services:** Schaffner reviewed the energy services report. Schaffner reported on working with members to address questions and assist with limiting impacts of rate increases, reviewing distributed generation project applications for member solar projects, and an increase in member quotes and orders for geothermal heating.

**Battery Energy Storage System (BESS):** Schaffner reviewed a quote for a 900-kilowatt BESS for a potential project utilizing Basin Electric Power Cooperative's current program. Approval was given to submit an application to Basin Electric to initiate discussion regarding a 900-kW battery energy storage system.

**Communications:** Engbrecht reviewed the communications and public relations report. Engbrecht reported on cooperative employees reaching five, 10 and 15 years of service, the annual Youth Tour, and community outreach opportunities.

**IT Report:** Kensmoe reviewed the IT report. Kensmoe reported on BEK Connect telephone service costs and capabilities, upgrading three cooperative servers and installation of a web camera in the training room to improve remote meeting capabilities.

**2026 Budget:** Fitterer and Steen presented on the 2026 budget and the board discussed. Following discussion, the 2026 budget was approved as presented.

**Rate Policies:** Steen reviewed amendments for the following rate policies, rate schedules and agreements: Policy No. IV-01-01 Classification of Service, No. IV-01-03, Coincident Peak, IV-01-12 Electric Heat - Commercial "63, 64," IV-01-13 Electric Heat - Residential "43, 45," Policy IV-01-14 Electric Heat - Over 60 kW "59, 71," Policy No. IV-01-18, Yard & Area Lighting Rate, Policy No. IV-01-20 Load Controlled EV Charging, Policy IV-01-23.1 Load Control as a Service, Policy IV-01-25 Pasture Wells "51," Policy IV-01-31 Rural Residential "54, 56," Policy IV-01-34 Urban Residential "52, 53" Steen also reviewed rescinding Policy IV-01-29 Demand TOU "29." Following discussion, the amendments were approved as discussed.

**Strategic Plan Update:** Fitterer reviewed and updated board on plan.

**Basin Electric:** Fitterer reported on Basin Electric matters.

**Central Power Electric Cooperative (CPEC):** Dave Charles reviewed CPEC's November board meeting. CPEC General Manager Tom Melland presented to the board and provided a tour of CPEC's new Bismarck outpost facility. Richard Koski, Wilton Fire Department chief, attended and thanked the cooperatives for donating to replace equipment lost as a result of the June wildfire.

**NDAREC:** Deon Vilhauer reviewed NDAREC matters, including the November board meeting, proposed bylaw amendments to be considered at the next annual meeting and approval of the NDAREC annual budget. Fitterer explained the process for the annual election for Capital Electric's representative on the NDAREC board. Vilhauer was elected for a one-year term as Capital Electric's NDAREC board member. Sara Vollmer was elected for a one-year term as Capital Electric's NDAREC alternate board member.

**National Rural Electric Cooperative**

**Association:** Vilhauer reported on PowerXchange meeting scheduled for March.

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

**RESCO:** Vilhauer reported on the RESCO board meeting. ☺

## CAPITAL ELECTRIC COOPERATIVE

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### BOARD OF DIRECTORS:

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Dwight Wrangham.....	Lincoln
Bret Weiland.....	Bismarck
Dave Charles.....	Bismarck
Whitford Dwyer.....	Bismarck
Luke Ellenbaum.....	Bismarck

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