

The regular meeting of the board of directors of Capital Electric Cooperative was held on Friday, June 27. The meeting was held in person at Capital Electric, 7401 Yukon Drive, Bismarck, pursuant to due notice to all directors.

Also present were: Manager Paul Fitterer, Business Manager Luke Steen (remote), Operations Manager Jeff Holzer, 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 Sara Vollmer and Dave Charles reviewed the May 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 May financial and statistical report to the board.

Revenue was ahead of budget for May, as \$3,855,927 was generated in comparison with the budgeted figure of \$3,685,067 (favorable variance of \$170,860 or 4.6%).

Capital Electric's May net load factor of 48.83% was behind budget by 30.98%.

The operating margin for May was \$-316,645, behind the budgeted amount of \$271,199. The total margin for May was \$-309,236, which was behind the budgeted \$283,264.

Capital Electric began billing 17 new services in May, bringing our active services to 22,567 versus 22,305 at this time last year, or a net increase of 262 accounts over the last 12 months.

The cash flow statement was reviewed.
Estate Retirements: Payment of capital credits was authorized to five estates totaling \$1,901.04.

Operations Report: Holzer reviewed the written report from the operations department. Holzer reported crews set and terminated 18 transformers for the new Elk Ridge subdivision, completion of monthly substation inspections and approximately 25 poles lost from the June 20 storm.

Safety Report: There were no lost-time accidents since the last board meeting. Eight lineworkers attended Hotline School hosted by the North Dakota Association of Rural Electric Cooperatives (NDAREC) in Mandan. Without objection, the safety report was approved.

City of Lincoln Street Light Maintenance Agreement: Fitterer reviewed the street light maintenance agreement between the city of Lincoln and Capital Electric, related to maintenance and repair of streetlights owned by the city. The agreement was approved.

Engineering Services Report: Owen reviewed the written report from engineering services. There were 14 work orders completed in May. Owen reported two-thirds of the Briardale subdivision overhead to underground line conversion is complete and the initial residential buildout at Summit Point is complete.

Wildfire Mitigation Plan: Owen reviewed Capital Electric's proposed wildfire mitigation plan and the plan was approved.

Energy Services: Schaffner reviewed the energy services report. Forty service orders were completed in May. Schaffner reported on ongoing work related to geothermal project equipment, status of the remaining LCT replacements and the electric vehicle tailgate event.

Energy Resource Conservation (ERC) Loan: Schaffner reviewed a member's ERC loan application, and the ERC loan was approved as presented.

Communications and IT: Engbrecht reviewed the communications and IT report. Engbrecht reported on the annual meeting and plans for the 2026 annual meeting, storm outage communication with membership and an update on the website.

Wing Fire Department: Fitterer reviewed the Wing Fire Department's loss of a truck and equipment from a wildfire, the decision by Central Power Electric Cooperative to donate the department a truck and the need to equip the replacement truck. It was approved to provide \$7,500 for a matching grant from Basin Electric Power Cooperative and CoBank to the department for replacement equipment to equip the donated truck.

Basin Electric: Fitterer reported on Basin Electric matters, including the upcoming annual meeting. Dave Charles was selected as Capital Electric's delegate to the annual meeting and Greg Dehne was selected as the alternate.

Central Power Electric: Charles reviewed Central Power Electric matters and the June board meeting.

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

NDAREC: Deon Vilhauer reviewed statewide matters.

National Rural Electric Cooperative Association: Fitterer reported on the regional meeting scheduled for September, power sector rules and a legislative recap. Vollmer was selected as Capital Electric's delegate to the regional meeting and Tschosik was selected as the alternate.

Federated Insurance: Fitterer reported on the CEO retiring and board report.

RESCO: Fitterer reported on the board election. The board cast Capital Electric's ballot in support of Vilhauer. ☺

CAPITAL ELECTRIC COOPERATIVE
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BOARD OF DIRECTORS:

Deon Vilhauer, Pres.	Bismarck
Sara Vollmer, V. Pres.	Wing
Kyle Tschosik, Sec.-Treas.	Bismarck
Greg Dehne, Asst. Sec.-Treas.	Bismarck
Dwight Wrangham.....	Lincoln
Bret Weiland.....	Bismarck
Dave Charles.	Bismarck
Whitford Dwyer	Bismarck
Luke Ellenbaum	Bismarck

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