



**Capital
Electric**
COOPERATIVE

APRIL 2023

Capital Electric Cooperative joins electric cooperatives across the country to thank lineworkers on Lineworker Appreciation Day April 10.



#ThankALineworker

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Community service award winner, **Jared Nygaard** (center), with NDAREC Executive Vice President and General Manager **Josh Kramer** and **Maxine Rognlien**, chair of NDAREC's Professional Development Committee.

Capital Electric Cooperative employee recognized for community service

The North Dakota Association of Rural Electric Cooperatives (NDAREC) recognized Capital Electric Cooperative Energy Services Technician Jared Nygaard with the Community Service Award at its 80th annual meeting Feb. 7. The award recognizes Nygaard's efforts to bring alternative-fuel vehicle (AFV) training to North Dakota's rural firefighters.

In recent years, AFVs have become more prevalent in the state, making it important for emergency responders to learn how to safely respond to accidents involving AFVs. A former rural firefighter himself, Nygaard was committed to bringing this important training to North Dakota and sought the support of electric cooperatives. Ultimately, 17 electric cooperatives from North Dakota and Montana agreed to sponsor the course, which came with a \$13,500 price tag.

"Demonstrating the cooperative principles of concern for community and cooperation among cooperatives, Jared has brought cooperatives together for a common goal – to deliver a vital program focused on the safety of emergency personnel and co-op members. This single initiative

will have a lasting impact for rural firefighters and the communities they serve for many years to come," says NDAREC Executive Vice President and General Manager Josh Kramer.

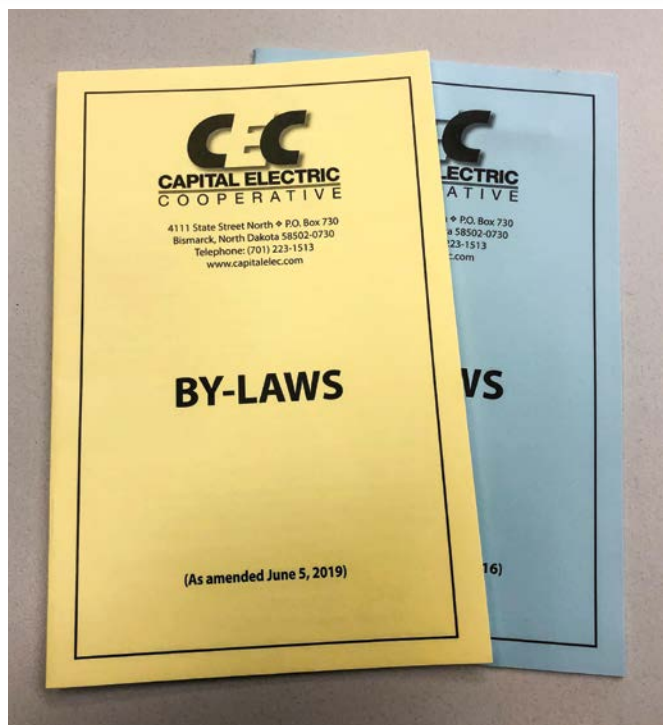
Nearly 120 rural firefighters attended the first training, which was offered at the North Dakota Fire School in February 2022. Without Nygaard's leadership, it is unlikely the training would have been offered. Positive feedback from first responders who attended the training led to the course being offered for a second time this year at the fire school.

"At Capital Electric, we are fortunate to have employees like Jared, who care deeply about our members and the communities we serve," says Capital Electric Cooperative General Manager Paul Fitterer. "Through his service to North Dakota's electric cooperatives and our local communities, Jared has proven to be a true community servant. The first one to volunteer regardless of the ask, he is most deserving of this award."

Capital Electric Cooperative congratulates Nygaard on receiving this recognition and thanks him for his service to his cooperative and community. ☺

Cooperative proposes bylaw changes

BY WES ENGBRECHT



The operational rules of the cooperative are codified in the bylaws, which are approved by the board of directors and subsequently by a majority of co-op members. During a cooperative's existence, there are many reasons to change the way it does business. Capital Electric Cooperative's membership has approved many bylaw changes during its existence.

Capital Electric's membership will vote on bylaw changes at the upcoming annual meeting June 20. Members will also be able to vote on these changes during the mail-in and online voting period leading up to the in-person meeting. If approved, these changes would go into effect Jan. 1, 2024.

The bylaw changes will be voted on in three separate categories:

1. Cessation of joint memberships

If passed, the cooperative will no longer allow new joint memberships. Each new membership will be set up as an individual membership. However, like today's joint membership, the individual member's spouse could be added to the membership, with all rights of the member, except ownership of capital credits. This includes serving on the board of directors and committees, as well as voting on behalf of the


member. The reason for this proposed change is the increasing impact of settling the legalities of capital credits and estates that occur in conjunction with a divorce or death of a joint member. Joint memberships in effect prior to Jan. 1, 2024, will not be affected by this change.

2. Revision of minimum requirements for members to serve on the Capital Electric board of directors

This proposed change will define who is qualified to serve on the board of directors based on the definition of a primary residence. For this purpose, a member can have only one "primary" residence, which will determine his or her qualification. The member must be receiving power from the cooperative at the member's primary residence, which must be located in our service area. Other requirements will include being a member for at least 270 days, having never been convicted of a felony, or having been employed or having served as an officer or director of a competing enterprise or cooperative vendor within the past three years. This last rule also applies to close family members.

3. Remaining changes with minor impact

The remaining changes to the bylaws are those that have a lesser impact and are being proposed to update language and clarify provisions that aren't entirely clear. All these changes can be reviewed on the co-op's website.

Capital Electric's board of directors and staff welcome member comments or questions regarding these proposed bylaw changes. The text of the proposed bylaw changes can be found at www.capitalelec.com/bylawchanges. 

Brittany Jasper joins Capital Electric

Brittany Jasper has joined the staff at Capital Electric Cooperative as an accounting technician in the billing department.

“With the retirement of our longtime accounting assistant, Laurie Rogstad, we needed to fill the vacant spot with someone who could meet those work demands. Brittany has the skills and dedication to do a great job for us,” says Business Manager Luke Steen.

Jasper’s work responsibilities at the cooperative will include accounts payable, point of sale, payroll, board meeting preparation, bank reconciliation and much more. She will be a vital part of the office as it relates to accounting and finance.

Jasper’s family includes her husband, Tylone, her children, Kylie and Maverick, and the family dog, who likes to be called Bailey. In her spare time, she loves to bake and the family spends time kayaking and being outdoors together.

We look forward to many years of working with Brittany! ☺



CEC changes lobby hours

Capital Electric Cooperative’s focus is complete service to its members. In addition to this overriding goal, the cooperative is always looking to improve work efficiency without significantly affecting customer service.

One change the cooperative is making that will result in efficiency improvement is changing lobby hours to 8 a.m. to 4 p.m. effective May 1. The current hours are 8 a.m. to 5 p.m.

“We are seeing a significant decline in lobby traffic in recent months. This decline is most noticeable between 4 and 5 p.m. We are also experiencing a continued rise in online payments and the use of our autopay option,” according to Capital Electric Business Manager Luke Steen.

“The changes in how our members pay their bills and apply for electric service mean there is more work to do behind the scenes. Having the lobby closed for the last hour of the day will ensure the billing department employees have time to complete this work,” explains General Manager Paul Fitterer. ☺



Facts on the upcoming rate increase



\$10 per month, 18% will experience an increase of \$10 to \$15 per month and the remaining 7% will see an increase of more than \$15 per month (see pie graph on this page).

As we have mentioned in prior articles, we will be sending individual letters, before May 1, to members with accounts that are projected to, on average, recognize an increase of more than 10% and \$8.25. The letters will project the specific impact to those bills. It will also direct affected members to options that could help mitigate the impact of the rate change.

Any members looking for ways to reduce the effect of the rate change on their monthly electric bill can visit our website at www.capitalelec.com/ratechange. This webpage will provide information about rate programs that may help you. You will also find tips about what uses the most electricity in your home and how to reduce your highest level of demand during the day.

As always, feel free to contact our office at 701-223-1513 or email us at cec-rates@capitalelec.com with your questions.. ☎

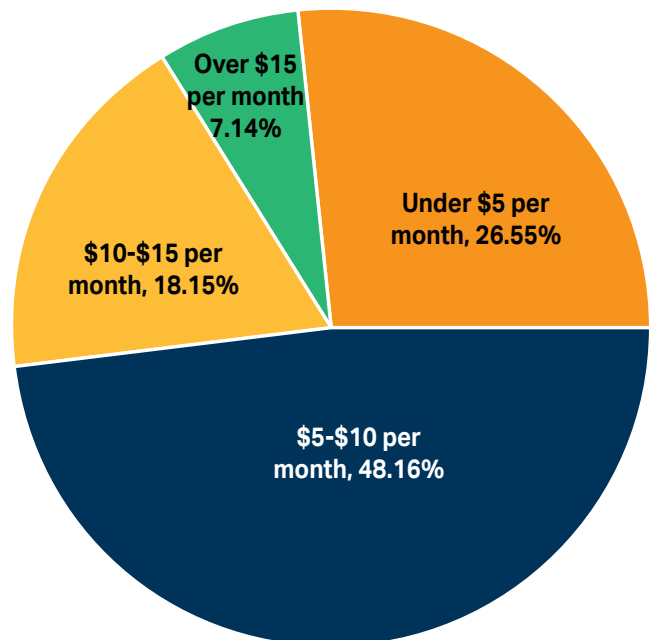
During the last two months, we have shared information with you in the local pages regarding our upcoming May 1 rate increase. In an effort to answer your questions about how the amount of increase was determined and how you may be able to limit your individual increase, we are providing you with some additional data.

When the board of directors pursues changes to the rates, whether it is to the amount that is charged or the structure of the rates themselves, there is great concern about how the change might impact individual member accounts.

The slate of changes scheduled for implementation on May 1 are expected to result in an increase in charges for most of the membership. However, the impact can vary based on how you, as a member, consume power.

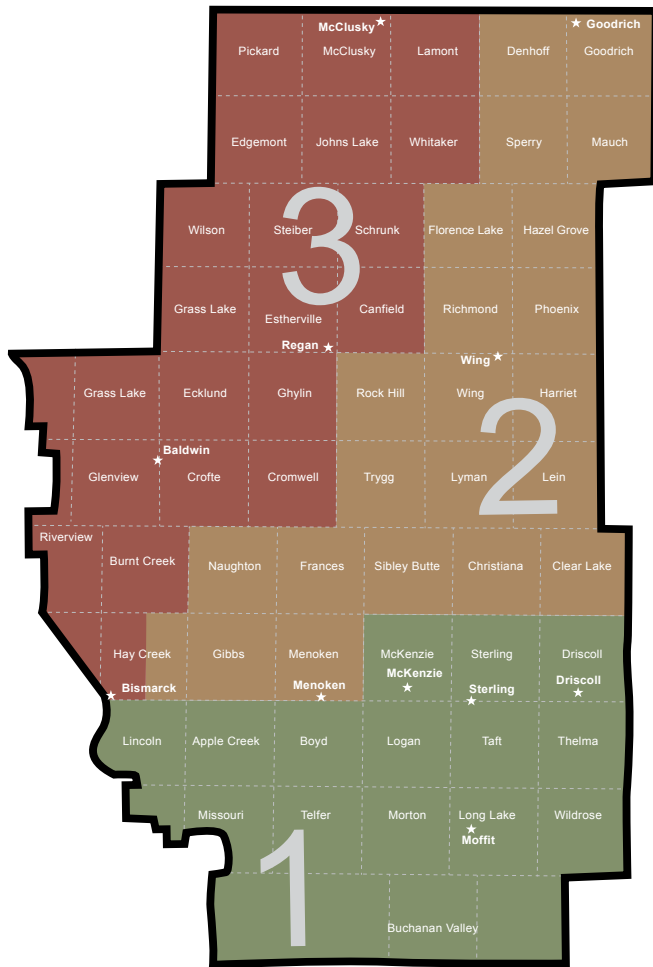
No one likes to pay more for any product or service. In this case you may wonder how much this rate increase will affect you. In our meter account population of more than 22,000, approximately 27% will see an increase of less than \$5 per month. In addition, 48% will see an increase of between \$5 and

Rate Increase Impact (% of accounts)



Are you interested in serving as a director for Capital Electric?

Place **YOUR** name on the ballot today!



Capital Electric Cooperative will hold its 77th annual meeting at the Bismarck Event Center on June 20.

This year, three seats on the co-op's board of directors will need to be filled. Directors whose terms are expiring in June are Dave Charles, David Straley and Kyle Tschosik.

The nine members who make up the Capital Electric board of directors set policies and make decisions that guide the cooperative into the future. With the annual meeting just a few short months away, now is the time for members to start thinking about whether they have the time and desire to serve their electric cooperative.

In accordance with Article 4, Section 3, of the co-op bylaws, current Capital Electric members can have their names placed on the ballot to be voted upon for the open board positions in either of these two ways: 1) accepting a nomination by the Nominating Committee or 2) submitting a petition signed by at least 15 current members of the cooperative, not less than 40 days prior to the annual meeting.

If you are interested in becoming a candidate for Capital Electric's board of directors or wish to have a member considered for nomination, please contact a member of the Nominating Committee (listed below) on or before April 7. Committee members will have information on the requirements a member must meet in order to serve on the co-op's board of directors. Pursuant to the bylaws, the Nominating Committee must post a list of nominations at least 35 days prior to the annual meeting.

Official notice of Capital Electric's annual meeting will be mailed to members in May. ☺

The following members have been appointed by the board of directors to serve on the Nominating Committee:

Brian Bitner
751 80th St. SE
Bismarck, ND 58501
701-226-3456

Kristen Hamman
5414 Flatrock Dr.
Bismarck, ND 58503
701-934-5307

Jill Trygg
19201 197th St. NE
Baldwin, ND 58521
701-391-0345

Mark Steele
5303 Onyx Dr.
Bismarck, ND 58503
701-527-0468

Becky Hanson
2981 Warwick Lp.
Bismarck, ND 58504
701-391-3378

Gary Hansen
1423 Eagle Crest Lp.
Bismarck, ND 58503
701-471-3558

Ann Reich
4401 Lookout Trail
Bismarck, ND 58504
701-214-7259

Scott Meske
4609 Patriot Dr
Bismarck, ND 58503
608-516-9307

Teresa Bauer
7908 Nicklaus Dr.
Bismarck ND 58503
701-223-4434

Directors represent your interests

Capital Electric Cooperative is overseen by a board of directors elected by the member-owners of our co-op. Each director represents the members on the board and each director is a co-op member.

Directors represent the members' interests. They learn and internalize concerns, expectations and ideas, and take the information into the board room. During board meetings, directors exchange information and strategize for the co-op's progressive growth.

Directors have a fiduciary responsibility to the cooperative. They exercise care, time and responsibility in reviewing co-op matters. Because they are also owners of the cooperative, they treat the business like their own.

Directors devote a certain amount of time to the cooperative. At a minimum, directors attend a

monthly board meeting. To learn about the industry and understand critical issues, directors research issues important to cooperatives and attend state and national meetings.

To help directors with their responsibilities, training is offered through the North Dakota Association of Rural Electric Cooperatives (NDAREC). If directors choose to pursue certification, they must take and complete five courses that cover director duties and liabilities, understanding the electric business, board roles and relationships, strategic planning and financial decision-making.

Serving Capital Electric and your community can be a rewarding experience! For more information, contact a member of the Nominating Committee (see C6) or call the co-op at 701-712-7923 and ask for Wes Engbrecht, manager of communications and IT. ☎

**SAVE
THE
DATE!**

June 20

WHAT:
Capital Electric
Cooperative
annual meeting

WHERE:
Bismarck Event Center

WHY:
To learn about co-op
issues; to cast your vote
and elect three board
members to serve on the
board of directors; and to
enjoy entertainment and
eat a free meal.

What does it take to be a good board member?

We often get questions in the office from members who are interested in running for a board position. The most common questions are: 1) *What does it take to be a good board member?* and 2) *What is the time commitment required to do the job well?*

A good board member is someone who takes the time to learn about the cooperative business model and understands what it means to the co-op's member-owners. A director will put time into training classes and individual study of issues the cooperative is dealing with on a regular basis. They will attend board meetings and other related meetings regularly to collaborate with fellow board members on those issues.

The following list of meetings and time requirements will give you an indication of what is generally expected of a director:

- Twelve regular monthly board meetings, almost all in Bismarck
- One day at Capital Electric's annual meeting, held in June in Bismarck
- Six days at NDAREC and G&T annual meetings, Bismarck and Minot
- Regional and national meetings
- Some directors serve on other related boards at Central Power and NDAREC, which meet on a monthly or quarterly basis
- Other unscheduled meetings and training classes can add additional days

On average, a Capital Electric director can spend between 25 and 30 days on co-op business each year.

A commitment to the cooperative and the cooperative business model is vital to a director's success on the board. Focusing on the needs of our member-owners is the common thread that keeps our board operating effectively. ☎

Board minute excerpts FEB. 20

The regular meeting of the board of directors of Capital Electric Cooperative Inc. was held on Monday, Feb. 20. The meeting was held in person at the University of Mary. All the directors were present at that time.

Also present in person 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 Anderson and Hollenbeck reviewed the January check register and expenditures. The financial review was approved.

Management Reports (Business, Operations, Engineering Services, Energy Services and Communications/IT):

Business Department Report: Steen presented the January financial and statistical report to the board.

The total kilowatt-hour (kWh) sales for January were below budget by 6%. The monthly electric revenue was below budget by 4.7%.

Capital Electric's January load factor was under budget by 2.38%.

The operating margin for January was \$443,483, ahead of the budgeted amount of -\$13,727. The total margin for January was \$467,884, which was ahead of the budgeted \$68,505. An unbudgeted bill credit from Central Power Electric Cooperative in the amount of \$493,834 resulted in a favorable variance.

Capital Electric began billing 16 new services in January, bringing its active services to 21,971 versus 21,669 at this time last year, or a net increase of 302 accounts over the last 12 months.

The monthly power cost and cash flow statements were reviewed. Accounts receivable balances as of Feb. 17 were reviewed.

Estate Retirements: Following review of the financial condition of the cooperative and recommendation by management, two member estate retirements totaling \$587.94 were approved.

Revenue Deferral: The board approved utilizing \$1,283,000 of Capital Electric's revenue deferral fund for 2022.

ERTC Tax Credit: Fitterer reported that the consultant determined Capital Electric qualified to receive a payroll tax refund through the Employee Retention Tax Credit.

Operations Report: Dressler reviewed the written report from the operations department. Dressler reported crews

completed their annual line inspection, several temporary and permanent connects were completed, and outages were lighter this month.

Safety Report: There were no lost-time accidents in February. Jeff Tweten, North Dakota Association of Rural Electric Cooperatives (NDAREC) safety instructor, conducted first-aid, CPR and AED training on Feb. 2 at Capital Electric headquarters.

Engineering Services Report: Owen reviewed the written report from engineering services.

Two work orders were completed in January. Owen reported on updates and timelines for 2023 projects, continued interest by data mining companies for locations within Capital Electric service territory, and grant opportunities for funding future Capital Electric projects.

Owen reported a request from the city of Bismarck for Capital Electric to enter into a utility easement relocation for a project for school/pedestrian crossing facilities at nine different locations around Bismarck. The easement relocation paperwork was approved.

Owen requested board consideration of amending the previously approved 2023-26 construction work plan due to timing of the sale of Capital Electric real property. No additional funding is being requested, as this is just a paperwork issue to reflect one loan expiring and another loan beginning, only separate line items are requested. The approval to amend the 2023-26 construction work plan was approved.

Property Update: Owen reported on marketing efforts for the sale of the administration building continue and that several groups are interested.

Energy Services: Schaffner reviewed the energy services report.

Thirty-six service orders were completed in January. Schaffner reported on Energy Services' participation at the 2023 Agri-International Trade Show for the Touchstone Energy® booth, coordination with N.D. Department of Transportation (DOT) and other North Dakota cooperatives concerning DOT's plans for North Dakota's electric vehicle (EV) charging network, and participation at the upcoming N.D. Annual State Fire School's EV safety training.

Communications and IT: Engbrecht reviewed the communications and IT report. Engbrecht reported on the upcoming March 14 Member Advisory Committee and Operation Round Up meeting, a grant from CRA Group that will be available for emergency services volunteers in Capital Electric's service area, and the continued success of moving IT facilities to the new headquarters.

Rates: Steen reported on efforts to update

members on the manner in which rates will be calculated and inclusion of messaging in the *North Dakota Living* February edition, Capital Electric's website and information that will be included with future bills to members.

Basin Electric Power Cooperative: Fitterer reported on Basin Electric matters.

Central Power Electric Cooperative: Fitterer reported on the Feb. 8 Managers Advisory Committee meeting.

Director Straley was elected as Capital Electric's director to the Central Power Electric board. Tschosik was elected as Capital Electric's alternate director to the Central Power Electric board.

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

NDAREC: Vilhauer reported on the Feb. 6 board meeting and Fitterer reported on the managers association meeting that included information on a consultant for coordinating infrastructure grants in North Dakota and a study being conducted for *North Dakota Living*. Fitterer reported on the Cooperative Family Fund, which supports children of cooperative employees who pass away while actively employed at a cooperative. €

CAPITAL ELECTRIC COOPERATIVE

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Website: www.capitalelec.com

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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Toll-free: 888-223-1513
Pay-By-Phone: 1-877-853-5928
DAY—NIGHT—WEEKEND
TROUBLE CALL: 223-1513

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A Touchstone Energy® Cooperative 