

## Board minute excerpts **APRIL 22, 2022**

The board of directors of Capital Electric Cooperative held its regular meeting on Friday, April 22, 2022, at Capital Electric headquarters, Bismarck, North Dakota. All 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.

**Minutes and Agenda:** President Deon Vilhauer called the meeting to order. Following review of the March 24 board meeting minutes, March 28 special board meeting minutes and April 1 special board meeting minutes, each of the minutes were approved.

**Financial Review:** Prior to the board meeting, Directors Dave Charles and David Straley reviewed the March 2022 check register and expenditures. They advised that all checks were in order. The financial review was approved.

**Property Discussion:**

It was approved for staff to communicate a proposal to a potential buyer of Capital Electric's real estate as discussed by the board.

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

**Business Department Report:** Steen presented the March 2022 financial and statistical report to the board.

Total kilowatt-hour (kWh) sales for March were ahead of budget by 6.3%. The monthly electric revenue was ahead of budget by 2.4%.

The cooperative's March load factor was below the budgeted figure by 6.56%.

The operating margin for March was \$46,339, behind the budgeted \$119,417. The total margin for March was \$1,301,187.95, which was ahead of the budgeted \$201,040 (due in large part to the timing of the closing on the vacant east lot property).

Capital Electric began billing 10 new services in March, bringing active services to 21,685 versus 21,361 at this time last year, or a net increase of 324 accounts over the last 12 months.

The cash flow statement and monthly power cost for March were reviewed.

Accounts receivable balances as of April 21 were reviewed.

**Estate Retirements:** Following review of the financial condition of the cooperative and recommendation by management, the board authorized nine estate retirements totaling \$11,914.03.

**Write-Offs:** A write-off of \$2,933.63 for the first quarter of 2022 was approved. Total 12-month write-offs are \$10,683.

**Operations Report:** Dressler reviewed the written report from the operations department. Dressler reported the system overall fared well during the blizzard, crews have been working on switching and removing line for the 43rd Avenue road construction project, and a new three-phase service was energized on Divide Avenue.

**Transformer Quotes:** Dressler reviewed quotes for 2023 that were received for transformers. Once ordered, the transformers will take more than a year to receive due to supply chain issues. It was approved to order the transformers as quoted.

**Conductor Cable Order:** Dressler reviewed the proposed order for underground conductor cable for delivery in spring 2023 due to supply chain issues. It was approved to order the conductor cable as quoted.

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

BENCO Equipment held an annual vehicle hoist inspection and certification training on April 18.

A safety instructor from the North Dakota Association of Rural Electric Cooperatives (NDAREC) held a safety training on April 21 covering basic electric safety, forklifts and equipment operator certification.

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

Owen discussed ongoing and upcoming projects.

**Work Order Inspection.** Work Order Inventory #505 was approved for submission to the Rural Utilities Service (RUS).

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

Twenty-five service orders were completed in March.

Plans for removal of the underground fuel tank have been made, and it is anticipated removal will take place in early July.

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

**Annual Meeting:** The nominating committee will meet on April 26 and will forward candidate biographies and finalize ballots for the election of directors.

The new logo will be unveiled at the annual meeting.

**Financial Audit:** Lance Rambousek, Brady Martz, provided the board with a presentation on the 2021 financial audit for the cooperative and agreed-upon

procedures for Operation Round Up. The opinion of the auditors was unqualified (clean). Rambousek reported no concerns related to accessibility of information from staff. He further reported that adequate controls are in place for reviewing information securely through remote methods. The 2021 audit report and the procedures for Operation Round Up were approved.

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

**Central Power Electric Cooperative:** Straley reported on Central Power's April board meeting.

**North Dakota Association of Rural Electric Cooperatives (NDAREC):** Vilhauer reported no meeting took place in April.

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

**National Information Solutions Cooperative (NISC):** Fitterer reported on NISC's March board meeting.

**Midwest Electric Cooperative Corporation:** Fitterer reported on the membership report.

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

### CAPITAL ELECTRIC COOPERATIVE

4111 State St. N.  
Bismarck, ND 58503  
Website: [www.capitalelec.com](http://www.capitalelec.com)

#### BOARD OF DIRECTORS:

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Dave Charles, V. Pres. .... Bismarck  
David Straley, Sec.-Treas. .... Bismarck  
Kyle Tschosik, Asst. Sec.-Treas. .... Bismarck  
Kyle Hilken ..... Wilton  
Rex Hollenbeck ..... McClusky  
Dwight Wrangham ..... Bismarck  
Arlene Olson ..... Wing  
Kayla Pulvermacher ..... Bismarck

#### OFFICE HOURS:

Monday-Friday : 8 a.m.-5 p.m.  
Office phone: 701-223-1513  
Toll-free: 888-223-1513  
Pay-By-Phone: 1-877-853-5928  
DAY-NIGHT-WEEKEND  
TROUBLE CALL: 223-1513

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