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Energy Saving Tip

Is your hot water tank warm to the touch? Consider insulating it to save 7 to 16 percent annually on water heating costs. Follow the manufacturer's recommendations.

Source: U.S. Dept. of Energy



Mark Your Calendar

Mar. 24Annual Meeting

Mar. 29Board Meeting



Find Your Account Number & Win!

TEC has hidden an account number in this newsletter. If you find your account number, notify us by April 1st and you will get a \$10 bill credit.

We have not received a winner for February.



Joel Janorschke
General Manager



Doug Diekmann
President

2021 in Review Traverse Electric Cooperative Annual Report from the President and General Manager

It is our pleasure to welcome everyone to Traverse Electric's 82nd annual meeting on behalf of the board of directors and your co-op employees. Because of the ongoing risks of COVID-19, this year's meeting will be held in a drive-thru format. Challenges are nothing new to your rural electric cooperative, and neither is overcoming them. Eighty-two years ago, against the odds, local folks who were burdened with no access to electricity banded together to form a self-help member-owned cooperative to focus on electrifying our rural areas. Decades later, here we are, still governed by your neighbors, and hosting our 82nd annual meeting, drive-thru style. Rural voices cannot afford to become any weaker, and we can be heard if we all work together. We continued to deal with the challenges and unknowns from COVID-19. Jobs were impacted, supply chains were disrupted, and people were forced to hunker down in their homes due to a virus. But Traverse Electric still had a job to do – keep the lights on, and that is precisely what your employees did.

2021 receives high marks in several categories. Your Cooperative ended the year with \$12,097,019.60 in operating revenue and 124,349,020 in kWh sales. In addition, we ended the year with an operating margin of \$852,824.79 and total margins of \$1,386,451.49. We returned \$600,000 to estates and general retirement capital credits to those who received electricity in 2005 and 2006 due to the Cooperative's sound and stable financial condition. That adds up to more than \$10.1 million returned over the years - quantifiable proof that you are an owner of a successful, effective organization.

The Cooperative's growth continued in 2021, with line crews installing and upgrading services for new grain dryers, drain tile pumps, houses, and new shops. We also replaced overhead single-phase lines with underground cable in areas where the terrain and weather make it difficult for these members to be served reliably on these lines. In addition, three-phase underground lines were installed to serve larger

loads on the system, and failing underground conductor was replaced.

We continued to work on our maintenance programs, including pole testing, OCR maintenance, overhead line inspection, underground inspection, and right-of-way inspection.

With the completion of our new Advanced Meter Infrastructure (AMI), which supports two-way communication and can track a broader range of data and analytics. Kilowatt-hour readings, voltage, kilowatt demand, load profiling, verifying load control, alarms signaling power outages, and remote disconnect and reconnect are all part of this metering platform. We also put an Outage Management System (OMS) in place, which allows us to determine the location of an outage, the number of affected members, and dispatch field crews for quick restorations.

While we are proud that planning and hard work has paid off, we still remind ourselves that dependable service and customer satisfaction are as – or maybe more critical – than bottom-line numbers. As we work our way into 2022, we will keep those thoughts in mind and continue to deliver more than just electricity to our members.

In closing, our sincere thanks to our members for your continued patronage this past year. We appreciate your business and the opportunity to serve as your board president and general manager. We also want to express our thanks and appreciation to our employees. Their constant service, commitment to the membership, and support for our mission have enabled the Cooperative to complete another successful year in 2022. Their collective expertise and steadfast effort at what they do help us move forward confidently down this new road we are traveling as we search and discover new and better ways to serve our members

At your service we remain,
President Diekmann &
General Manager Janorschke

Traverse Electric Cooperative, Inc.

82nd Annual Meeting

Thursday, March 24, 2022 3:00 PM – 6:00 PM

Traverse Electric's Office, 1618 Broadway, Wheaton, MN

The board of directors of Traverse Electric Cooperative approved modifying this year's annual meeting format due to COVID-19 restrictions. Notice is hereby given that the annual membership meeting of Traverse Electric Cooperative, Inc. will be held as a "Drive-thru" on Thursday, March 24, 2022 at Traverse Electric's Office from 3:00 PM-6:00 PM. Members will register, receive a gift, and will also receive a \$30 food voucher that can be used at area participating restaurants or it can be redeemed for a \$15 electric bill credit. We encourage you to use them to support our area restaurants that are printed on the back of the voucher.

This year Districts 3, 6, & 9 have director seats up for election. Registered members of those districts will receive a ballot to vote for their director if there is more than

one candidate seeking election. You are a member of Traverse Electric if you are currently receiving electric service from Traverse Electric, and the electric account is in your name.

The General Manager's Report, reviewing the operations of your cooperative in 2021 and other pertinent information, will be available on our website for viewing after the annual meeting at www.traverseelectric.com.

After the meeting, we will draw names from the registered members for bill credits. Winners of the bill credit drawings will be announced on our Facebook page and in our newsletter.

Please join us for the annual meeting without ever having to leave your vehicle! #2416

Director Candidates

Here are the candidates running for election in each of the districts:

District 3

Michael Gaulrapp

District 6

Russell Armstrong
Stacy Ehlers

District 9

Terry Monson

2021 CAPITAL CREDIT CHECKS Invalid Address List

Name	Address	Years in Service
Brent & Connie Carter	Petersburg ND	2005-2006
Peter Dahl	Chanhassen MN	2004-2016
William Elmstrom	Jordan MN	2003-2020
Dennis Faber	Glyndon MN	2005-2009
Terry Kraemer	Elk River MN	2005-2012
Tom Lang	Eden Prairie MN	2003-2009
LJ LeClair	Anniston AL	2003-2009
David Martin	Wahpeton ND	2004-2005
Michael Neuman	Chokio MN	2006-2008
Kevin Olson	Fargo ND	2005-2010
Roderick & Joyce Stave Trust	Hillsboro OR	1973-2007
Roy & Dorothy Weller	Alexandria MN	2006-2015
Jeannie Whiddon	Webster SD	2003-2020

Annual Meeting Door Prize Registration Form

Name: _____

Address: _____

- ▶ Please print your name as it appears on your electric bill.
- ▶ Clip and bring this ticket with you to the meeting when you register.
- ▶ One registration ticket per member.

Traverse Electric Cooperative, Inc.

81st Annual Meeting

Minutes, March 25, 2021

The eighty-first annual meeting of Traverse Electric Cooperative was held at the office of Traverse Electric, 1618 Broadway, Wheaton, Minnesota on Thursday, March 25, 2021 as a drive-thru meeting. Registration was held from 3:00 PM – 6:00 PM. There were 285 members registered.

General Manager, Joel Janorschke, welcomed members to their annual meeting via Facebook and provided the President's and General Manager's Report to the membership.

Janorschke explained that due to COVID-19 restrictions, the meeting is being conducted as a drive-thru. Members register in their vehicles outside the office building where they are given a ballot for director elections if they are a member of District 8 with three candidates on the ballot. Incumbents for Districts 2 and 5 were unopposed so are automatically elected for another term. Members registering for the meeting receive a gift and two \$20 vouchers for area participating restaurants or to be used electric bill credits at \$10 each. Janorschke thanked Alan Veflin and presented him with a plaque in appreciation for his 18 years of service as a director.

District 8 members were given ballots to vote for a director. The following candidates were seeking election:

- District 2: Michael Marks
- District 5: Pat Homan
- District 8: Eugene Bartz, Matthew Glynn, Randal Peterson

After registration and voting ended at 6:00 p.m., the tellers counted the votes from District 8.

The results of the director elections are as follows:

- District 2: Michael Marks, re-elected running unopposed
- District 5: Pat Homan, re-elected running unopposed
- District 8: Matthew Glynn was elected with 23 votes.

Meeting adjourned.

A drawing for bill credits was held the next day. Winners were announced on Facebook and in the next issue of Cooperative Connections.

Balance Sheet

December 31, 2021

What We Have

Assets and Other Debits		
Utility Plant		
Utility Plant in Service	\$27,450,936	
Construction Work in Progress	\$220,745	
Total Utility in Plant		\$27,671,681
Less: Reserve for Depreciation	\$11,012,763	
Utility Plant Less Reserve for Depreciation		\$16,658,918
Investment and Fund Account		
Capital Credits-East River, Basin & CFC	\$6,530,192	
Investments in associated Enterprises	\$810,293	
Temporary Investments	\$6,560,161	
Total Investment and Fund Account		\$13,900,646
Current Assets and Deferred Charges:		
Special Deposits	\$0	
Accounts Receivable	\$1,109,095	
Prepayments/Materials and Supplies	\$544,866	
Interest Receivable	\$6,531	
Deferred Debits	\$59,448	
Total Current Assets and Deferred Debits		\$1,719,940
Total Assets and Other Debits		<u>\$32,279,504</u>

What We Owe

Liabilities and Deferred Credits		
Long-Term Obligations to REA	\$15,390,947	
Long-Term Obligations Other	\$534,615	
Current and Accrued Liabilities	\$985,284	
Deferred Credits	\$31,928	
Total Liabilities and Deferred Debits		\$16,942,774
Net Assets - Member Equities		\$15,336,730
Total Liabilities and Other Credits		<u>\$32,279,504</u>

What We Own

Member Equities		
Patronage Capital	\$13,415,353	
Operating Margin - Current Year	\$852,825	
Non-Operating Margin	\$533,629	
Other Equities	\$534,923	
Total Member Equities		\$15,336,730

Comparative Operating Statistics

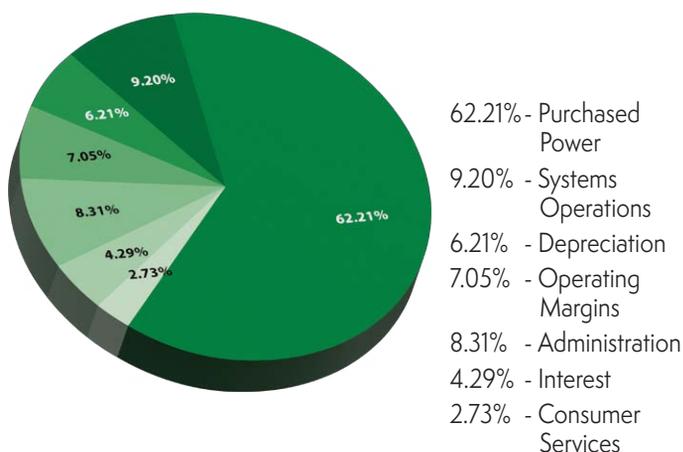
	2020	2021
Number of Miles Energized - Distribution	1,734	1,747
Number of Services in Place	3,260	3,321
Kilowatt Hours Purchases	122,993,074	130,520,064
Kilowatt Hours Sold	117,076,547	124,349,020
Percent Line Loss	5%	5%

Revenue and Expenses

January 1 to December 31, 2021

Operating Revenue		\$12,097,019
Cost of Purchased Power	\$7,524,279	
Total System Operations	\$1,113,489	
Total Consumer Services	\$330,451	
Total Depreciation	\$751,322	
Total Interest	\$519,052	
Total Administration	\$1,005,601	
Total Cost of Electric Service		\$11,244,194
Operating Margins		\$852,825
Non-Operating Margins		\$47,032
Transmission Capital Credits		\$486,595
Total Margins		\$1,386,452

What Do Your Dollars Pay For?



Summary of Loan Fund

Total Debt Obligation, December 31, 2021	15,925,562
Balance	15,925,562
Less: Advance Payments	0
Net Obligations to RUS, FFB, CFC & USDA 12/31/2021	15,925,562

Capital Credits Paid*

1956 to 2004 ...	\$4,502,351.39	2013	\$199,990.49
2005	\$38,449.06	2014	\$299,995.08
2006	\$245,719.10	2015	\$288,893.81
2007	\$245,782.06	2016	\$300,004.40
2008	\$280,627.11	2017	\$400,010.49
2009	\$321,723.71	2018	\$400,000.00
2010	\$331,007.12	2019	\$450,000.00
2011	\$384,588.29	2020	\$600,000.00
2012	\$220,197.99	2021	\$600,000.00

Total Paid Back \$10,109,340.10

*Capital credits shown above have been paid to estates of deceased members plus payments to members for years 1942 through part of 2006.

TEC January Financials

	January 2021	January 2022	YTD 2022
Total Revenue	\$995,176.33	\$1,224,204.15	\$1,224,204.15
Cost of Power	\$599,818.19	\$483,737.10	\$483,737.10
Total Cost of Service	\$895,222.44	\$812,859.05	\$812,859.05
Operating Margins	\$99,953.89	\$411,345.10	\$411,345.10
Total Margins	\$98,377.91	\$407,060.78	\$407,060.78
Kilowatt-Hours (kWh) Purchased	11,328,472	13,869,094	13,869,094
Kilowatt-Hours (kWh) Sales	10,786,579	13,252,623	13,252,623
Line Loss	4%	4%	4%

BOARD REPORT

January 2022 Traverse Electric Board Meeting Highlights

The January regular board meeting was held on Tuesday, January 25, 2022 at 9 AM. Absent: None.

Staff members present were General Manager, Joel Janorschke, Dale Schwagel, and Karen Lupkes.

Vice President Armstrong called the meeting to order.

The agenda was approved.

The minutes of the December board meeting and January 12, 2022 special meeting were approved.

The December check register was approved.

Marks reported on the Midwest Annual Meeting.

Glynn, Monson, and Pearson reported on the SDREA Annual Meeting.

Discussed the East River & Basin video reports.

Diekmann gave an East River Board Report.

Janorschke presented the Manager's Report, which included:

- ▶ Provided a Basin Electric update.
- ▶ Provided an East River update.
- ▶ REED Fund review.
- ▶ NRECA update.
- ▶ MREA and MN legislative update.
- ▶ SDREA and SD legislative update.

Lupkes gave the Office Manager's Report, which included:

- ▶ December 31, 2021 accounts receivable balances were reviewed.
- ▶ A list of new members was reviewed.
- ▶ Update on Electrical Dept. and Generator Program.
- ▶ East River power bill and Basin's financial reports reviewed.

Reviewed and approved the December Financial Report.

Schwagel gave the Operations Report. Items discussed included:

- ▶ Reviewed new services and completed projects.
- ▶ COVID has affected a few of our operations employees.
- ▶ 2022 contracts reviewed and signed.
- ▶ Material costs are rising and some long lead times to get material.
- ▶ Reviewed our Safety Program.
- ▶ Outages were reviewed.

Discussed new facility planning process and bids.

Approved rental of land for 2022.

Set time of annual meeting on March 24 from 3PM-6PM.

Reviewed and approved the list of labor and service charges.

A list of upcoming meetings and attendees was reviewed.

Meeting adjourned. ▶

BOARD OF DIRECTORS

President: Doug Diekmann, Beardsley, MN
 Vice President: Russ Armstrong, Wheaton, MN
 Secretary: Mark Pearson, Rosholt, SD
 Treasurer: Michael Marks, Norcross, MN
 Michael Gaulrapp, Breckenridge, MN
 Terry Monson, Veblen, SD
 Tom Frisch, Dumont, MN
 Matthew Glynn, Sisseton, SD
 Bradley Rudolph, Dumont, MN

OFFICE PERSONNEL

Joel Janorschke – General Manager
 Karen Lupkes – Office Manager
 Dale Schwagel – Operations Manager
 Stephen Powers – MSR/Master Electrician
 Melissa Przymus – Accountant
 Susan Wilts – Billing Clerk

OPERATIONS PERSONNEL

Richard Davis – Foreman
 Lonnie Tekrony – Journeyman Lineworker
 Joe Gahlon – Journeyman Lineworker
 Chris Falk – Journeyman Lineworker
 Austin Reinke – Journeyman Lineworker
 Colden Helberg – Journeyman Lineworker
 Dennis Koch – Facility Technician

GENERAL MANAGER'S CONTACT INFORMATION

Joel Janorschke
 Cell: 320.304.1392 | Direct: 320.563.1055
 jjanorschke@traverseelectric.com

MEMBER SERVICE REP/ MASTER ELECTRICIAN

Steve Powers 320-808-9104
 Conner Bartz
 -Apprentice Electrician 320-287-0009

ELECTRICAL INSPECTORS MINNESOTA

Brandon Lennox 320-808-5309
 Big Stone County Grant County
 Stevens County Traverse County
 Rodney Schaffer 701-235-2840
 Wilkin County

NORTH DAKOTA

Mark Moderow 701-226-3779

RICHLAND COUNTY

SOUTH DAKOTA

Dan Urban 605-222-0143
 Marshall County Roberts County

In case of a power outage, call (800) 927-5443

1618 Broadway
 P.O. Box 66
 Wheaton, MN 56296 USA
 Toll-free phone: 800.927.5443
 Local phone: 320.563.8616

Hours of Operation

Monday through Friday, 8 a.m. - 4:30 p.m.

Web site: www.traverseelectric.com

This institution is an equal opportunity provider and employer. Our Mission: To provide dependable service at the lowest possible rates, consistent with sound business principles.