



This Issue

- District Meetings Notice p2
- Youth Tour/Scholarships p3
- Board Report p4



Mark Your Calendar

- Jan 2.....Office Closed for New Year's Day
- Jan 15.....Electric Bills Due
- Jan 25..... District 3 Meeting
- Jan 26... Districts 4 & 5 Meeting
- Jan 30 .Districts 7, 8, & 9 Meeting
- Jan 31.. Districts 1,2, & 6 Meeting



Find Your Account Number & Win!

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

We have not found a winner yet for last month's newsletter.



TEC Returns \$600,000 in Capital Credits to Members

MANAGER'S COLUMN

DALE SCHWAGEL

Interim General Manager

The retirement of capital credit is the tangible demonstration of your ownership in Traverse Electric Cooperative. As a member-owned cooperative, TEC operates as a not for profit utility. This is accomplished through the retirement of capital credits. This year we are paying out

\$53,201.95 to settle estates, and at the November meeting the board of directors approved the retirement of another \$546,798.05 to people who were members in 2006 & 2007. You will see a credit on your December bill if you are still a current qualifying member, and if you have moved off the lines, we mailed your check in December.

What are Capital Credits?

Any profits made by the cooperative are referred to as margins. At the end of each year, the margins (profits) are allocated to each member in proportion to the amount of electricity they purchased. The more electricity purchased, the greater the share of the margin allocation that will be made to the member's capital credit account.

We have been allocating capital credits since 1942 and have returned more than \$10,709,000 in capital credits to our members. When the allocated funds are returned as capital credits to the cooperative's members, we say that those capital credits have been retired.

Assets of the cooperative are owned and held collectively in common by all the member-owners. From the time the margins are generated until they are returned, this money is put to work within the cooperative, minimizing debt financing and strengthening our financial position.

What is the difference between allocated and retired capital credits?

Allocated capital credits appear as an entry on the permanent financial records of the association and reflect your equity or ownership in Traverse Electric. When capital credits are retired, a check or bill credit is issued to you and your equity in the cooperative is reduced. Checks are generally issued 17-20 years after the year in which the margins were earned. ▶



THANK YOU

We would like to thank the members who assisted our line crews with snow removal during the blizzard, Dec 15. Your assistance is greatly appreciated, and helped us get to the areas in SD to restore power.

District Meetings Notice

Districts 1, 4, & 7 Now Open for Director Nominations

This year, Districts 1 (Tom Frisch), 4 (Doug Diekmann), and 7 (Mark Pearson) director terms are up for election for a 3 year term. All nomination committee meetings shown below will begin at noon with a light lunch provided.

If you are unable to make the District Meeting to be nominated and are interested in becoming a director, you can also be placed on the ballot for your district by petition (obtain ten (10) signatures from members who reside within your district). Directors from these three districts are elected at our annual

meeting held March 23, 2023. Please call our office if you are interested in more information on becoming a director, or if you are unsure of what district you reside in.

- ▶ District 3: Wednesday, Jan. 25, 2023, at the Campbell Community Center, Campbell, MN
- ▶ Districts 4 & 5: Thursday, Jan. 26, 2023, at Big G's Pub & Grub, Beardsley, MN
- ▶ Districts 7, 8, & 9: Monday, Jan. 30, 2023, at the Rosholt Community Center, Rosholt, SD
- ▶ Districts 1, 2, & 6: Tuesday, Jan. 31, 2023, at Traverse Electric's Office/ Warehouse, Wheaton, MN

District 7 Director Seat Notice

Mark Pearson who has served as our District 7 Director since 1996 has decided to NOT seek reelection in 2023. His term will expire on March 23, 2023 at our annual meeting. If you are interested in representing District 7 and reside within that district, please attend your District Meeting on January 30, 2023 at noon at the Rosholt Community Center, or call our office for more information on obtaining signatures by petition if you are unable to attend to be a director candidate. ▶

The cooperative's bylaws state the following: Section 3. Nominations and Election.

(a) Each year and at least 30 days before the annual meeting of the members, a meeting of the members shall be held in each district which a vacancy will exist on the Board of Directors at the next annual meeting. Such a meeting shall be called at the time and place within the district as may be designated by the Board of Directors. Notice of the district meetings shall be given by the Secretary of the Cooperative by mailing a notice thereof to each and every member residing within the district not less than seven (7) days previous to the day of such meeting. At least five (5) members, who reside within the district, present in person, shall constitute a quorum for the transaction of business. The Board of Directors shall appoint a director to act as temporary chairman of the meeting and until a chairman and secretary have been elected by the members present. The members from said district present at such meeting shall nominate one or more members from the district as candidates for the Board of Directors. Nominations may not be closed until all the members present have had an opportunity to nominate. A list of nominations for

directors shall be immediately prepared, signed by the Chairman and Secretary, and posted at the principal place of business of the Cooperative.

(b) Nominations by petition. Any ten (10) or more members from any district in which a vacancy will exist on the Board of Directors at the next annual meeting may make other nominations in writing over their signatures not later than 25 days before the annual meeting and the secretary shall post the same at the same place where the list of nominations made by the district meetings is posted.

(c) A ballot marked "Ballot for Directors, District Number" shall be prepared for each district in which a vacancy will exist on the Board of Directors at the next annual meeting, which ballot shall contain the number of the district, the names of all nominees from the district so posted, alphabetically arranged, and be distinctive from the ballots for the other districts by color, which ballot shall be delivered to the members of said district, either by mailing or otherwise before the annual meeting or given to said members at the annual meeting. In every election, the nominee from each district in which a vacancy exists receiving the largest number of votes shall be elected to the

Board of Directors. In case of a tie vote for director, the incumbent shall remain on the board until the next annual meeting, and the procedure for nomination and election shall be repeated and a director elected at the following annual meeting for the balance of the three-year term. If there is a tie vote and no incumbent, the vacancy can be filled by the directors for the period until the next annual meeting. To notwithstanding anything in this Section contained, failure to comply with any of the provisions of this Section shall not affect in any manner whatsoever the validity of any election of directors. Members may not nominate from the floor of an annual or special meeting of the members an individual to run for election as a director candidate.

(d) Uncontested Elections. Notwithstanding anything in these bylaws or applicable procedural rules to the contrary, if for any director election there is only one nominee for a board position so that the nominee is running unopposed, ballots need not be provided by mail to the members in that district, and the election shall be made by the chairperson of the member meeting entertaining a motion to elect the single candidate by a voice vote, show of hands, or other appropriate means.



This Summer...Go on a Power Trip!
**2023 RURAL ELECTRIC COOPERATIVE
 YOUTH TOUR**
 June 13-18



This trip is sponsored by your local member-owned rural electric cooperative.

Each entrant must submit an essay, not to exceed 500 words, on the following topic: “If chosen as a youth tour delegate, you will be traveling to Washington, D.C. to experience and learn about America’s rich history. What moment in American history do you wish you had been a part of, and what would you have contributed?”

All essays must be typed and include a cover sheet that states the title of the essay, the entrant’s name and address, name of parent or guardian, and the name of your school. Applicants should be a dependent of a Traverse Electric member and a high school junior or senior or at least age 16.

Essay deadline is February 15, 2023. Essays should be sent to Traverse Electric, PO Box 66, Wheaton, MN 56296. ▶

Scholarships offered to local students

Local students are encouraged to apply for a \$1,000 Basin Electric Power Cooperative scholarship and a \$500 Traverse Electric Scholarship. Applications are available on our website, www.traverseelectric.com, and from high school counselors.

Applications can also be picked up at our office or emailed upon request by calling our office at 800-927-5443. Please return your completed application to Traverse Electric Cooperative, Attn: Karen Lupkes, PO Box 66, Wheaton, MN 56296 by Feb. 15, 2023. ▶

1245

Energy Efficiency Tip of the Month

Blocked air vents force your heating system to work harder than necessary and increase pressure in the ductwork, which can cause cracks and leaks to form. Make sure all air vents are unobstructed from furniture, drapes or other items to ensure sufficient circulation throughout your home. If necessary, purchase a vent extender, which can be placed over a vent to redirect air flow from underneath furniture.

Source: energy.gov



Notice to Members & Electricians

A few years ago, Traverse Electric installed AMI meters that send notifications to Traverse Electric 24 hours a day when a main meter reports an outage. A crew is then dispatched to that meter to restore power. Pulling a main electric service meter reports to us as an outage.

Licensed electricians working on our members’ electric service ARE REQUIRED to contact Traverse Electric to obtain prior authorization for removal of our main meter or to schedule a crew if there is a need for the disconnection of service to work within a meter socket enclosure or for work on transformer secondary wiring. Members who are not licensed electricians CANNOT remove our meter from a live socket as this causes a safety hazard when a meter is unsealed and removed by anyone that is not a licensed electrician.

Failure of your electrician to obtain prior authorization from Traverse Electric before removing a main service meter that results in a crew being dispatched for an outage will result in billing for the line crew’s time to the member. Wiring on the secondary side of transformers is owned by, and the responsibility of the members.

Your electrician can call our tollfree number 24 hours a day at 800-927-5443, both during and after business hours, to ask for authorization to remove a main electric service meter. Our afterhours dispatch center will notify our line crew on call of the electrician’s need to remove the main meter and a line crew will not be dispatched to your site for an outage. ▶

November 2022 Traverse Electric Board Meeting Highlights

The November regular board meeting was held on Tuesday, November 29, 2022 at 9 AM. Absent: None.

Staff members present were Interim General Manager Dale Schwagel and Karen Lupkes.

President Diekmann called the meeting to order.

The agenda was approved.

The minutes of the October regular board meeting were approved.

The October check register was approved.

Monson and Marks gave a report on the Basin Annual Meeting.

Discussed the East River video report.

Diekmann gave an East River Board Report.

Schwagel presented the General 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:

- ▶ October 31, 2022 accounts receivable balances were reviewed.
- ▶ A list of new members was reviewed.
- ▶ Update on Electrical Dept. and Generator Program.
- ▶ Discussed RUS financing options.
- ▶ Discussed revenue deferral.
- ▶ Co-ops in the Classroom presentations were completed at 5 area schools.
- ▶ East River power bill and Basin's financial reports reviewed.

Reviewed and approved the October 2022 Financial Report.

Schwagel gave the Operations Report. Items discussed included:

- ▶ Provided a crew update.
- ▶ Reviewed upcoming and completed projects.
- ▶ Reported that material is ordered for 2023 projects and working on material for 2024 with long lead times for some material.
- ▶ Reviewed our Safety Program.
- ▶ Outages were reviewed.

Received an update on the new facility and construction progress.

Discussed long-term financing options and interest rates.

Approved the 2023 Budget.

Approved the retirement of \$600,000 of capital credits to members and estates.

Approved the write-off of bad debt.

Approved a revenue deferral plan to defer \$400,000 to 2023.

Discussed the January 2023 District Meetings schedule.

Selected voting delegates for the SDREA Annual Meeting and attendees.

Selected 2023 MREA voting delegates.

Approved to send one youth to the Washington DC Youth Tour in 2023.

Selected attendees for the Northeast SD Legislative Dinner.

Adopted Board Policies 316 & 317.

Updated the list of board officers with CoBank.

Reviewed upcoming meetings and attendees.

Meeting adjourned. ▶

BOARD OF DIRECTORS

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

OFFICE PERSONNEL

Dale Schwagel – Interim General Manager
 Karen Lupkes – Office Manager
 Dale Schwagel – Operations Manager
 Melissa Przymus – Accountant
 Susan Wilts – Billing Clerk

OPERATIONS PERSONNEL

Richard Davis – Foreman
 Lonnie Tekrony – Journeyman Lineworker
 Joe Gahlon – Journeyman Lineworker
 Austin Reinke – Journeyman Lineworker
 Golden Helberg – Journeyman Lineworker
 Justin Lundblad – Apprentice Lineworker
 Chris Falk – Facility/Staking Technician

INTERIM GENERAL MANAGER'S CONTACT INFORMATION

Dale Schwagel
 Cell: 320-808-6176 | Direct: 320-563-1060
 dschwagel@traverseelectric.com

MEMBER SERVICE REP/ MASTER ELECTRICIAN

Steve Powers 320-808-9104
 Connor Bartz
 – Journeyman 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.

TEC November Financials

	Nov. 2021	Nov. 2022	YTD 2022
Total Revenue	\$1,176,245.90 . . .	\$1,004,247.62 . . .	\$10,634,557.00
Cost of Power	\$660,860.03	\$318,412.14	\$6,623,416.31
Total Cost of Service	\$972,291.88	\$635,876.82	\$10,269,851.14
Operating Margins	\$203,954.02	\$368,370.80	\$1,144,156.27
Total Margins	\$214,215.71	\$389,607.88	\$1,266,911.94
Kilowatt-Hours (kWh) Purchased	12,462,023	11,344,319	123,608,169
Kilowatt-Hours (kWh) Sales	12,137,550	10,726,976	117,862,136
Line Loss	5%	5%	4%