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## Mark Your Calendar

- Mar 15 . . . . . Electric Bills Due
- Mar 21 . . . . . Annual Meeting
- Mar 26 . . . . . Board Meeting
- March 29 . . . . . Closed for Good Friday



## 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**.



Doug Diekmann  
President



Jeremy Huhnstock  
General Manager

## 2023 in Review

### Traverse Electric Cooperative Annual Report from the President and General Manager

It is our pleasure to welcome everyone to Traverse Electric's 84th annual meeting on behalf of the board of directors and your co-op employees. This year's annual meeting will be held in-person at Wheaton High School on March 21st at 6:30pm. This year will be a business meeting only, where registered members, who stay for the business meeting, will receive a \$40 food voucher that can be used at many area participating businesses that are printed on the back of the voucher anytime until the end of 2024. Although we encourage everyone to use their \$40 vouchers at our area restaurants, vouchers may also be turned into Traverse Electric's office for a \$20 electric bill credit.

In 2023, TEC received high marks in several categories. Your Cooperative ended the year with \$13,196,324.43 in operating revenue and 130,279,409 in kWh sales. In addition, we ended the year with an operating margin of \$965,593.01 and total margins of \$2,057,392.91. We returned \$600,000 to estates and general retirement capital credits to those who received electricity in 2007 and 2008 due to the Cooperative's sound and stable financial condition. That adds up to more than \$11.3 million returned over the years - quantifiable proof that you are an owner of a successful, effective organization.

The Cooperative's growth continued in 2023, with line crews installing and upgrading services for new homes, grain dryers, and tile pumps. In 2023, a total of 65 new services were installed. We continued to work on our maintenance programs, including pole testing, OCR maintenance, overhead line inspection, underground inspection, and right-of-way inspection. As part of our financial agreement with Rural Utility Services

(RUS), 2023 saw TEC work on our short- and long-term work plan. In partnership with STAR Energy, we were able to submit our 4-year and 15-year work plan that should be implemented starting in the fall of 2024. 2023, also saw TEC's safety incident rate return to zero. Safety is everyone's responsibility. Everyone needs to know that they have the ability to speak up if there is an issue. Safety is the number one priority at Traverse Electric. It doesn't matter what your job is, we all need to go home every night to our families.

Construction of our new building was mostly completed in late June, with staff moving over to the new building on July 7th. TEC hosted an open house in early October with great attendance! The new building has offered TEC more room to store our equipment inside and in our pole yard, all the employees are under one roof, and overall, a more efficient way to provide the services to you, our members. Looking forward to spring, TEC has contracted Traverse County Soil & Water to plant trees, wildflowers, and native prairie grasses on the west and north side of our building. As the trees & bushes grow, this will help block the snow and wind from our building.

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 2024, 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

## 2023 in Review continued

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 2023. 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 Huhnstock*

Thank you to all members who attended our District Meetings held at the end of January.

Congratulations to the following members who won a \$25 bill credit in the prize drawing at their district meetings:

- ▶ Roger Derby, Norcross, MN
- ▶ Claude & Betty Linder, Nashua, MN
- ▶ Gerald Heck, Beardsley, MN
- ▶ James & Loretta Kruger, Browns Valley, MN



- ▶ Janet Hasbargen, Wheaton, MN
- ▶ Erin Braun, Rosholt, SD
- ▶ Steven McCleery, Sisseton, SD
- ▶ Jerome Borgen, New Effington, SD

## OFFICIAL NOTICE

# Traverse Electric Cooperative, Inc. 84<sup>th</sup> Annual Meeting | March 21, 2024

## 6:30 PM BUSINESS MEETING ONLY

Registration begins at 6:00 PM

Wheaton High School, 1700 3rd Ave S., Wheaton, MN 56296

Notice is hereby given that the annual membership meeting of Traverse Electric Cooperative, Inc. will be held on Thursday, March 21, 2024 at the Wheaton High School with a business meeting only (no catered meal) at 6:30 PM. Members will register, receive a registration gift, and will also receive a \$40 food voucher immediately following the business meeting that can be used at area participating restaurants or it can be redeemed for a \$20 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 2, 5 & 8 have director seats up for election for a three year term. Registered members of those districts will receive a ballot to vote for their director if there is more than one candidate seeking election. Voting will take place during the meeting. 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 2023 and other pertinent information will be given at the meeting.

After the meeting, names will be drawn from registered members in attendance for bill credits and prizes. All members departing the business meeting will receive a \$40 food voucher (limit one per membership).

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

### District 2

Michael Marks

### District 5

Brad Rudolph

### District 8

Matthew Glynn

## AGENDA

### 6:00 P.M.

Registration

### 6:30 P.M.

Call of Meeting by Doug Diekmann, President

Introduction of Directors and Guests

Reading of the Notice of Mailing and Proof of Mailing by Secretary, Matthew Glynn

Minutes of last Annual Meeting by Matthew Glynn, Secretary

Treasurer's Report by Manager, Jeremy Huhnstock

General Operating Report by Manager, Jeremy Huhnstock

Questions

President's Report by Doug Diekmann

Opening of Polls

Closing of Polls

2023 Washington DC Youth Tour Report-Emmy Anderson

Old Business

New Business

Announcement of Results of Election of Directors

Prizes

Adjournment

# Balance Sheet

December 31, 2023

## What We Have

Assets and Other Debits		
Utility Plant		
Utility Plant in Service	\$40,461,247	
Construction Work in Progress	\$136,650	
Total Utility in Plant		\$40,597,897
Less: Reserve for Depreciation	\$12,176,095	
Utility Plant Less Reserve for Depreciation		\$28,421,802
Other Property & Investments		
Non-Utility Property - Net	\$422,857	
Capital Credits-East River, Basin & CFC	\$7,838,429	
Investments in associated Enterprises	\$419,335	
Temporary Investments	\$4,580,543	
Other Special Funds	\$0	
Total Other Property & Investments		\$13,261,164
Current Assets and Deferred Charges:		
Special Deposits	\$0	
Accounts Receivable	\$1,016,765	
Prepayments/Materials and Supplies	\$1,144,391	
Interest Receivable	\$12,657	
Deferred Debits	\$81,252	
Total Current Assets and Deferred Debits		\$2,255,065
Total Assets and Other Debits		<u>\$43,938,030</u>

## What We Owe

Liabilities and Deferred Credits		
Long-Term Obligations to REA	\$23,853,259	
Long-Term Obligations Other	\$463,180	
Current and Accrued Liabilities	\$1,070,681	
Deferred Credits	\$414,645	
Total Liabilities and Deferred Debits		\$25,801,765
Net Assets - Member Equities		<u>\$18,136,265</u>
Total Liabilities and Other Credits		<u>\$43,938,030</u>

## What We Own

Member Equities		
Patronage Capital	\$15,466,873	
Operating Margin - Current Year	\$965,593	
Non-Operating Margin	\$1,091,802	
Other Equities	\$611,997	
Total Member Equities		<u>\$18,136,265</u>

## Comparative Operating Statistics

	2022	2023
Number of Miles Energized - Distribution	1,763	1,693
Number of Services in Place	3,367	3,418
Kilowatt Hours Purchases	136,614,648	136,805,718
Kilowatt Hours Sold	130,234,633	130,279,409
Percent Line Loss	4%	4%

# Revenue and Expenses

January 1 to December 31, 2023

Operating Revenue		\$13,196,324
Cost of Purchased Power	\$7,833,664	
Total System Operations	\$1,231,892	
Total Consumer Services	\$394,629	
Total Depreciation	\$914,937	
Total Interest	\$807,063	
Total Administration	\$1,048,546	
Total Cost of Electric Service		\$12,230,731
Operating Margins		\$965,593
Non-Operating Margins		\$324,262
Transmission Capital Credits		\$767,538
Total Margins		\$2,057,393

## What Do Your Dollars Pay For?

59.36% Purchased Power

7.32% Operating Margins

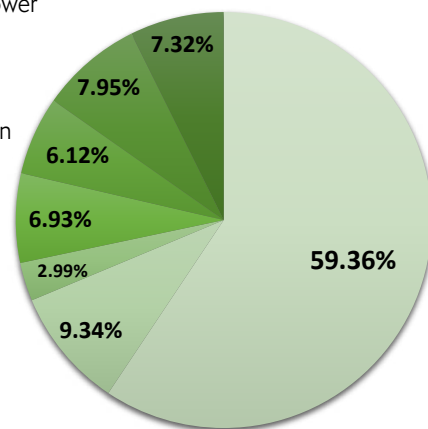
7.95% Administration

6.12% Interest

6.93% Depreciation

2.99% Consumer Services

9.34% Systems Operations



## Summary of Loan Fund

Total Debt Obligation, December 31, 2023	24,316,439
Balance	24,316,439
Less: Advance Payments	0
Net Obligations to RUS, FFB, CFC and USDA 12/31/2023	24,316,439

## Capital Credits Paid\*

1956 to 2007...\$5,032,301.61	2016 .....	\$300,004.40
2008 .....	2017 .....	\$400,010.49
2009 .....	2018 .....	\$400,000.00
2010 .....	2019 .....	\$450,000.00
2011 .....	2020 .....	\$600,000.00
2012 .....	2021 .....	\$600,000.00
2013 .....	2022 .....	\$600,000.00
2014 .....	2023 .....	\$600,000.00
2015 .....		\$288,893.81

**Total Paid Back ..... \$11,309,340.10**

\* Capital credits shown above have been paid to estates of deceased members plus payments to members for years 1942 through part of 2008.

# 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.

## 83<sup>rd</sup> Annual Meeting Traverse Electric Cooperative, Inc. Minutes, March 23, 2023

The eighty-third annual meeting of Traverse Electric Cooperative was held in the High School Auditorium at Wheaton, Minnesota on Thursday, March 23, 2023. Registration started at 6:00 p.m. The business meeting started at 6:30 p.m. with 96 registered members.

President Diekmann welcomed the members to their annual meeting and called the meeting to order.

The Pledge of Allegiance was recited.

President Diekmann asked the Secretary, Mark Pearson, to read the Notice of Mailing and Proof of Mailing. These were read. A register of attendance was presented. The chairman declared a quorum present and directed the register to become part of the official minutes.

President Diekmann called for the reading of the minutes of the last annual meeting and requested to dispense the reading of the minutes.

President Diekmann acknowledged the employees and directors in attendance.

President Diekmann introduced special guests from East River Electric: Bob Sahr and Chris Studer. **#1529**

General Manager, Jeremy Huhnstock, introduced himself and presented the 2022 Operating and Financial Reports. Topics reviewed included:

- Our March 31, 2022 and year end December 31, 2021 financials received a clean audit report by our independent auditing firm, CliftonLarsonAllen.
- 2022 operating revenue was \$12.1 million and kwh sales of 130 million.
- Reported that \$400,000 in revenue was deferred from 2022 to 2023.
- Reported that a class cost of service study was completed in 2022 as a tool to align costs.

- Reviewed new services connected and projects completed in 2022.
- Recapped the May 12th storm damage.

General Manager Huhnstock asked the membership if they had any questions on his reports. There were none. The reports were accepted.

President Diekmann gave the Presidents Report and encouraged members to read it as printed in the newsletter.

President Diekmann introduced board members and recognized former directors in attendance. The new facility project was also reviewed and this year's scholarship winners were announced.

President Diekmann opened the polls for the election directors. The candidates running for director from Districts 1 and 4 were running unopposed. Diekmann announced the following candidates who were nominated at the district meetings:

District 1 Tom Frisch  
District 4 Doug Diekmann  
District 7

A motion was made and seconded from the floor to cast a unanimous ballot. Motion carried unanimously.

Huhnstock read a letter written by Wyatt Krueger who attended the 2022 Washington DC Youth Tour regarding his trip.

Bob Sahr, East River Electric's General Manager, spoke briefly.

The door prize drawings were held.

The chairman asked for any old business, and there being none, he proceeded to ask for any new business. There being none, it was moved and carried that the meeting be adjourned.

Final adjournment.

### BOARD OF DIRECTORS

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

### OFFICE PERSONNEL

Jeremy Huhnstock – General Manager  
Karen Lupkes – Office Manager  
Dale Schwagel – Operations Manager  
Melissa Przymus – Accountant  
Stacie Johannsen – Billing Clerk

### OPERATIONS PERSONNEL

Richard Davis – Foreman  
Lonnie Tekrony – Journeyman Lineworker  
Joe Gahlon – Journeyman Lineworker  
Austin Reinke – Journeyman Lineworker  
Justin Lundblad – Apprentice Lineworker  
Isaac Callens – Apprentice Lineworker  
Tayden George – Apprentice Lineworker  
Chris Falk – Facility/Staking Technician  
Robert Groebner – Facility Technician

### GENERAL MANAGER'S CONTACT INFORMATION

Jeremy Huhnstock  
Cell: 320-349-9901 | Direct: 320-563-1055  
jhuhnstock@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**

6590 State Highway 27  
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](http://www.traverseelectric.com)

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*Our Mission: To provide dependable service at the lowest possible rates, consistent with sound business principles.*