

**AGENDA**  
**REGULAR MONTHLY MEETING-BOARD OF DIRECTORS**  
**TRAVERSE ELECTRIC COOPERATIVE, INC.**  
**Tuesday, December 31, 2019**  
**9:00 AM**

- 1). Call to order – *Alan Veflin*
- 2). Approval of Agenda \*\*\*
- 3). Approval of Minutes and Bills \*\*\*
- 4). Basin & East River Video Reports
- 5). East River Monthly Board Report - *Pat Homan*
  - Mid-West Annual Meeting
- 6). Northeast Area Legislative Forum – *Terry Monson, Mark Pearson, Alan Veflin*

**10 Minute Break**

- 7). General Manager's Report – *Joel Janorschke*
  1. East River MAC
  2. MN Legislation Update
  3. SD Legislation Update
- 8). Office Manager's Report – *Karen Lupkes*
  1. November 30, 2019 Accounts Receivable Balances review
  2. Scholarship and Youth Tour are being advertised
  3. Bill insert details process to install new sub meters for members.
  4. Update on new member services/master electrician department.
- 9). Financial Report – *Karen Lupkes*
  - a. Profit & Loss Statement & Form 7\*\*\*
  - b. Comparison
- 10). Operation Manager's Report – *Joel Janorschke*
  1. Operations update
  2. Outage update
  3. AMI update
- 11). Bylaws update
  - \*Motion for a Resolution to bring bylaw amendments to membership for a vote\*\*\*
- 12). Review Policy 306 Water Heater Value Certificate\*\*\*
- 13). Review Policy 307 Energy Efficiency, Conservation, and Generator Programs\*\*\*

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**REGULAR MONTHLY MEETING-BOARD OF DIRECTORS**  
**TRAVERSE ELECTRIC COOPERATIVE, INC.**  
**Tuesday, December 31, 2019**  
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**14). District Meeting Dates/Locations**

- Director Districts up for election are 1 (Frisch), 4 (Diekmann), & 7 (Pearson)
- District 3: January 27, 2020 – Campbell Community Center, Campbell, MN.
- District 1, 2 & 6: January 28, 2020 – TEC Office, Wheaton, MN.
- District 7, 8 & 9: January 29, 2020 – Rosholt Community Center, Rosholt, SD.
- District 4 & 5: January 30, 2020 - Big G's, Beardsley, MN.

**15). Other Business**

**16). Adjournment \*\*\***

**\*\*\* Indicates Board Action needed**

**Future Directors Meetings**

SDREA Annual Meeting - January 10-11, 2020 - Pierre, SD – *Monson, Pearson, Veflin*  
East River Energize Forum – February 5-6, 2020 – Hilton Garden Inn, Sioux Falls, SD  
NRECA Annual Meeting – February 27 – March 4, 2020 – New Orleans, LA – *Frisch, Marks, Monson*  
MREA Annual Meeting - March 17-18, 2020 - St. Paul, MN  
TEC Annual Meeting - March 19, 2020 - Wheaton High School - Wheaton, MN

**Future Managers Meetings**

NRECA CEO Close-Up – January 12-15, 2020 – Palm Desert, California  
SDREA Annual Meeting - January 10-11, 2020 - Pierre, SD  
East River Energize Forum – February 5-6, 2020 – Hilton Garden Inn, Sioux Falls, SD  
Basin Managers Conference – February 13-14, 2020, Sheraton Convention Center, Sioux Falls, SD  
MREA Annual Meeting - March 17-18, 2020 - St. Paul, MN  
TEC Annual Meeting - March 19, 2020 - Wheaton High School - Wheaton, MN

**Future Board Meeting Dates**

January 28, 2020 – Scheduled for 9:00 am  
February 25, 2020 – Scheduled for 9:00 am  
March 31, 2020 – Scheduled for 9:00 am

**Future NRECA Annual Meeting Dates**

2020 - New Orleans - February 27 – March 4 – *Frisch, Marks, Monson*  
2021 - San Diego - February 18 – 24 – Kath, Homan  
2022 – Nashville - March 3-9 – Diekmann, Armstrong  
2023 - Orlando - March 9 – 15- Pearson, Monson

**REGULAR MONTHLY MEETING-BOARD OF DIRECTORS  
TRAVERSE ELECTRIC COOPERATIVE, INC.  
Tuesday, November 26, 2019  
9:00 AM**

The November monthly meeting of the Board of Directors of Traverse Electric Cooperative, Inc. was held at the office of the Cooperative on Tuesday, November 26, 2019.

President Veflin called the meeting to order.

The Secretary reported the following directors present:

Alan Veflin	Karen Kath	Pat Homan
Michael Marks	Russ Armstrong	Doug Diekmann
Tom Frisch	Terry Monson	

Absent was: Mark Pearson.

Staff members attending the meeting were Joel Janorschke and Karen Lupkes.

Kath made a motion to approve the agenda as presented. Marks seconded the motion and upon vote, motion carried unanimously.

The minutes from the September Board of Directors meeting and the bills for September and October were presented. Homan made a motion to approve the minutes and the September and October bills. Armstrong seconded the motion and upon vote, motion carried unanimously.

The Basin video was not viewed.

The East River video was not viewed.

Homan reported on the East River board meeting:

- Plans are underway for the upcoming Energize Forum.
- Discussed Basin's capital credit retirement.
- SWPP has 67% wind saturation.
- Discussed lending from CRC and CoBank.
- Toured the Smart Home.
- The purchase of licensed radio frequency is on hold for now due to the cost.
- Territorial issues are not settled yet.
- Budget and rate resolutions all passed.
- After 2023, Basin will need more power.

Armstrong and Homan reported on the Basin Annual Meeting:

- ND Gov. Burgum spoke on ND's contribution to energy.
- Paul Sukut spoke about growth in the Bakken, and feels that carbon capture has great possibilities.
- Other speaker topics included discussion on ethanol, the presidential election, and solar in China.
- Financial reports were given and discussion was held on FERC.
- All resolutions passed.

Manager Janorschke presented the Manager's Report:

- East River update: Jim Horan is the new Executive Director of the Mid-West Consumers Assoc., East River approved their budget, and East River's rates to Traverse were reviewed.
- Basin update: Basin is building 300 MW of solar generation, Basin financials and projected margins were reviewed, and Basin plans to reduce rates. It is unclear if East River will pass all of the rate reduction through or use some for its construction work plan.
- Janorschke attended the Basin Annual Meeting and reported that he also toured DGC. Basin will be covered under FERC and discussed the legal action being brought against Basin by a smaller cooperative that makes up 13% of Basin's load. This co-op is claiming it had no voice on the Basin Board.
- Janorschke reported on the MREA Legislative Summit he attended via a conference call: Topics discussed were CIP reform, the State of MN requiring wiring inspection permits when replacing load management receivers, broadband easements, third party companies requesting meter data, diversity reporting, and "Clean Energy First".
- Provided a SD legislative update.

Lupkes presented the Office Manager's Report per written report:

- September 30 and October 31, 2019 Accounts Receivable balances were reviewed.
- Dairyland began printing and mailing our billing statements with the August statement.
- We continue to use social media to promote our cooperative and programs.
- Our \$2,482,2214.66 RUS Cushion of Credit balance was used to pay off 3 FFB loans and most of an RET loan that had interest rates higher than 5% with no prepayment penalty.
- MREA needs to know if we are going to sponsor a youth for the 2020 Washington DC Youth Tour. If we can't find someone to go, we can cancel on or before March 15, 2020 at no cost. Armstrong made a motion to send one youth. Diekmann seconded the motion and upon vote motion carried unanimously.
- Presented a request to apply capital credits to unpaid balances and write off bad debt for the following:

Account #	Name	Total owed	Capital credits to apply	Bad debt writeoff
12359	Richard Heyer	\$ 131.92	\$ 131.92	\$ -
14211	Timothy & Mindy Willert	\$ 160.65	\$ 160.65	\$ -
23143	William Langdeaux	\$ 487.75	\$ 249.11	\$238.64
18915	Bessie Genia	\$ 782.34	\$ 782.34	\$ -
24280	Delilah Paul	\$ 487.75	\$ 286.94	\$200.81
22060	Anne M. Ianniciello	\$ 169.66	\$ 169.66	\$ -
8791	Fran & Tommy Tease	\$ 659.91	\$ 659.91	\$ -
2518	Leslie Greybuffalo	\$ 281.74	\$ 281.74	\$ -
	TOTAL	\$3,161.72	\$2,722.27	\$439.45

Marks made a motion to apply capital credits and write off bad debt as requested. Kath seconded the motion and upon vote motion carried unanimously.

Lupkes presented the financial report. September and October sales and margins were discussed. Key events that affected margins for October included payment for contracted tree trimming, and the delayed harvest and crop drying. After a discussion on the monthly comparisons and financial status of the Cooperative, Monson made a

motion to accept the report as given. Frisch seconded the motion, and upon vote motion carried unanimously.

Janorschke gave the Operations Report per Schwagel's written report.

- Outages were reviewed.
- Provided a meter update.
- A list of projects was reviewed.
- There has been an increase in tile pump services.

Janorschke reviewed proposed bylaw changes with the board. Janorschke will have our attorney, Scott Dymoke, look over the proposed changes and bring it back to the board in December for approval so that proper notice can be provided to members who will vote on the changes at the next annual meeting in March.

The 2018 990 was reviewed by the board.

Janorschke requested that the board approve the retirement of \$450,000 in capital credits to estates and in general retirement in December. This will retire the remaining 2002 and approximately 78% of the 2003 capital credits. A list of estate retirements was provided to the board. Armstrong made a motion to approve the retirement of \$450,000 to estates and in general retirement. Kath seconded the motion and upon vote motion carried unanimously.

Janorschke presented the 2020 Budget, 2020 Capital Budget, and 2020 Work Plan to the board for review. After discussion, Diekmann made a motion to approve the 2020 Budgets and Work Plan. Homan seconded the motion and upon vote motion carried unanimously.

The board reviewed Policy 108. Diekmann made a motion to approve the following revision to Policy 108 Attendance of Directors at Meetings:

## **TRAVERSE ELECTRIC COOPERATIVE, INC.**

**Wheaton, Minnesota**

### **BOARD POLICY NO. 108**

#### **ATTENDANCE OF DIRECTORS AT MEETINGS**

##### **I. OBJECTIVE**

A. To encourage Directors to attend national, regional and state and special meetings that will enable them to develop, improve, and make more of a contribution to the Cooperative.

B. To establish the condition governing the attendance at such meetings.

##### **II. POLICY**

A. The Cooperative encourages its Directors to attend national, regional, state and special meetings that will enable them to develop, improve, and be better able to serve the membership.

B. The Cooperative views attendance at such meetings as educational and broadening of the viewpoints, knowledge, and experience of its Directors. In view of this, Directors will be expected to report to their fellow Directors at the next Board meeting on ideas, techniques, and development of value to the Cooperative about

which they learned at these meetings.

C. The President and Directors who have been elected or re-elected for a full term may attend the NRECA annual meeting.

D. The Cooperative will reimburse the Directors for their expenses in accordance with Policy #109.

### **III. RESPONSIBILITY**

A. The President of the Board shall be responsible to see that this policy is complied with and to determine any remedial action necessary.

Monson seconded the motion and upon vote motion carried unanimously. Frisch abstained from the vote.

The board reviewed Policy 110. Frisch made a motion to approve the following revisions to Policy 110 Fringe Benefits for Directors:

## **TRAVERSE ELECTRIC COOPERATIVE, INC.**

**Wheaton, Minnesota**

### **BOARD POLICY NO. 110**

#### **FRINGE BENEFITS FOR DIRECTORS**

##### **I. OBJECTIVE**

To describe the benefits the Cooperative will provide members of the Board of Director.

##### **II. POLICY**

All members of the Board of Directors shall be offered the following Fringe Benefits during their term of office subject to limitation contained in the policies.

A. 24 Hour Accident and High Limit Business Travel

This accident insurance coverage under the NRECA group policy shall be offered each Director. The Cooperative shall pay the full premium for this coverage.

##### **III. RESPONSIBILITY**

It shall be the General Manager's responsibility for enrolling the Directors and administration of the insurance plan.

Diekmann seconded the motion and upon vote motion carried unanimously.

The board reviewed Policy 111. Monson made a motion to approve the following revision to Policy 111 Services of Legal Counsel.

## **TRAVERSE ELECTRIC COOPERATIVE, INC.**

**Wheaton, Minnesota**

## BOARD POLICY NO. 111

### SERVICES OF LEGAL COUNSEL

#### I. OBJECTIVE

To recognize the value of continuing legal guidance and counsel in the ordinary and special activities of Traverse Electric to ~~insure~~ ensure maximum protection of the legal rights of Traverse Electric and that operations are within limitations prescribed by law.

#### II. POLICY

A. The Legal Counsel through the General Manager, or the Board, shall coordinate all legal services for the organization and shall be responsible for all legal matters. Said legal matters shall include, but not be limited to:

1. Assisting Traverse Electric's officers and the General Manager with the interpretation of the Articles of Incorporation and the By-laws; the calling and holding of special and regular meetings of the Board and the annual meeting and the amendment of the Articles of Incorporation and the By-laws and review of minutes of such meetings.

2. Rendering oral or written legal opinions and advice on contemplated actions of the Board, General Manager, or his staff.

3. Attending Board meetings, if so requested, and to serve as legal advisor on matters for which responsible.

4. Serving as advisor to the parliamentarian at all Board meetings and at the annual membership meeting.

5. Serving as a legal liaison and advising Traverse Electric on all substantive procedures that materially affect Traverse Electric's legal status and relationship with RUS, CFC, CoBank any bondholders, and other federal, state and local administrative or regulatory agencies.

6. Either prepare or coordinate the preparation of documents and the rendering of legal opinions and certificates in obtaining loan funds from RUS or other financial institutions.

7. Either represent or actively coordinate the legal representation of Traverse Electric in all court proceedings in which Traverse Electric may become involved, including the presentation or defense of all tort or contract claims for or against Traverse Electric in federal or state courts.

8. Either represent or actively coordinate the legal representation of Traverse Electric in all administrative or quasi-judicial hearings before the state or federal agencies or commissions and any appeals therefrom.

9. Assist special counsel in those matters that are deemed necessary and advisable.

10. Coordinate and administer all legal services performed on behalf of Traverse Electric.

11. Provide or make available to the General Manager and the Board and designated staff members, written summary reports on major legal matters involving Traverse Electric as appropriate.

B. The special counsel's responsibilities shall be as described in the policy on Services of Consultants.

### III. RESPONSIBILITY

A. The Legal Counsel shall keep the General Manager advised of all areas where legal advice is being provided the Board except during executive sessions.

B. The Legal Counsel shall be thoroughly familiar with the rural electrification program and do all possible to further the ideals and objectives of Traverse Electric.

Kath seconded the motion and upon vote motion carried unanimously.

The board reviewed Policy 513 with revisions. Homan made a motion to approve Policy 513 DOT Controlled Substances & Alcohol Use Testing:

# Policy 513 TRAVERSE ELECTRIC COOPERATIVE, INC

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## D.O.T. CONTROLLED SUBSTANCES AND ALCOHOL USE TESTING POLICY

## Table of Contents

I.	Introduction and Policy Statement:.....	2
II.	Definitions:.....	4
III.	Prohibited Conduct:.....	5
IV.	Tests Required: .....	6
V.	Procedures for testing .....	7
VI.	Limited Access to Results and Testing Records: .....	8
VII.	Notification of Test Results:.....	8
VIII.	Notice of No Expectation of Privacy in Connection with Employment Searches and Investigations:..	9
IX.	Consequences of Engaging and Prohibited Conduct; Testing Positive for Alcohol or Controlled Substances; receiving low Alcohol Test Results; Being Under Reasonable Suspicion of Alcohol Use; and Submitting to Alcohol of Drug Tests .....	9
X.	Employee Admission of Alcohol and Controlled Substance Use:.....	10
XI.	Voluntary Self-Identification Program:.....	10
XII.	Release of Test Records: .....	11
XIII.	(NEW) Commercial Driver’s License Drug and Alcohol Clearinghouse (Clearinghouse) .....	11

## **CONTROLLED SUBSTANCE AND ALCOHOL POLICY**

### **I. Introduction and Policy Statement:**

This policy applies to employees of Traverse Electric Cooperative, Inc and all references in the policy to “Employer” includes both entities.

The use of controlled substances and alcohol abuse has harmful effects on individuals’ health and personal lives. Employees must take steps on their own to address these problems at home and among family members. Since the use of illegal drugs and the misuse of alcohol have also been demonstrated to impair essential job functions like coordination, judgment, concentration, and vision, to reduce operational efficiency and productivity, and to be a critical factor in workplace accidents, the Employer has no choice but to address illegal drugs and the misuse of alcohol which affect employment. Because of these employment related issues, federal laws and regulations prohibit drivers from using or being under the influence of alcohol and controlled substances while operating commercial motor vehicles or other safety-sensitive equipment and require testing of drivers for use of alcohol and illegal drugs. State law also authorizes the Employer to issue a written policy, not limited to drivers, but covering all employees, which (1) prohibits use of either alcohol or controlled substances in connection with employment, and (2) requires testing under specified circumstances.

In light of these safety and welfare concerns, and in order to comply with federal and state laws and regulations, the Employer has adopted this Policy to prohibit the use, possession, or distribution of controlled substances and alcohol in connection with employment, and to require its drivers and other employees performing safety sensitive functions, as a condition of employment, to undergo controlled substances and alcohol testing when provided in this Policy. Note that the provisions of this Policy represent a combination of federal and state requirements, as well as independent Employer policies. For example, although many of the Federal Motor Carriers Safety Administration (“FMCSA”) testing and prohibited conduct requirements apply only to certain circumstances in which drivers are engaged in safety sensitive functions or are operating a commercial motor vehicle, the Policy applies these requirements also to circumstances in which drivers are engaged in any work tasks, are present on employer or customer premises, or are operating or riding in any vehicle in the Employer’s service. Similarly, although FMCSA and U.S. Department of Transportation (“DOT”) regulations apply primarily to drivers and driver applicants, other provisions throughout the Policy contain similar combinations of federal and state laws and independent Employer policies.

Each driver and every other employee who performs a safety sensitive functions is required to read, acknowledge receipt of, and to abide by this Policy as a condition of employment. (This requirement does not constitute a guarantee of continued employment, and the Employer continues to be an “at-will” employer.) The Employer’s specific prohibitions and testing procedures are set forth in the pages that follow. After you have had a chance to review them and

obtain answers to any questions you may have, you are asked to complete and sign the Acknowledgement Form at the end of the Policy document.

Employer Contact for Questions About Policy.

**Karen Lupkes** has been designated by the Employer to answer questions about this policy and the Employer's drug and alcohol testing procedures.

## II. Definitions:

*Commercial motor vehicle* means a motor vehicle or combination of motor vehicles used in commerce to transport passengers or property if the vehicle has a gross combination weight rating of 26,001 or more pounds inclusive of towed unit with a gross vehicle weight rating of more than 10,000 pounds; or has a gross vehicle weight rating of 26,001 or more pounds; or is of any size and is used in the transportation of materials found to be hazardous for the purposes of which require the motor vehicle to be placarded.

*Confirmation (or confirmatory) drug test* means a second analytical procedure performed on a urine specimen to identify and quantify the presence of a specific drug or drug metabolite.

*Confirmed drug test* means a confirmation test result received by a Medical Review Officer (MRO) from a laboratory.

*Controlled substances* mean marijuana metabolites, cocaine metabolites, amphetamines, opiate metabolites, and phencyclidine (PCP).

*Driver* means any person who operates a commercial motor vehicle. This includes, but is not limited to: full time, regularly employed drivers; casual, intermittent or occasional drivers; leased drivers and independent owner-operator contractors.

*Medical Review Officer (MRO)* means a person who is a licensed physician and who is responsible for receiving and reviewing laboratory results generated by an employer's drug testing program and evaluating medical explanations for certain drug test results.

*Refuse to submit (to an alcohol or controlled substances test)* means that a driver or other employee fails to appear for any test within a reasonable time after being directed to do so; fails to remain at the testing site until the testing process is complete; fails to provide a urine specimen for any drug test required by this policy or DOT agency regulations; fails to provide a sufficient amount of urine when directed, and it has been determined, through a required medical evaluation, that there was not adequate medical explanation for the failure; fails or declines to take a second test the employer or collector has directed the driver to take; fails to undergo a medical examination or evaluation, as directed by the MRO as part of the verification process; fails to cooperate with any part of the testing process (e.g., refuse to empty pockets when so directed by the collector, behave in a confrontational way that disrupts the collection process); or is reported by the MRO as having a verified adulterated or substituted test result.

*Substance Abuse Professional (SAP)* means a person who evaluates employees who have violated a DOT drug and alcohol regulation and makes recommendations concerning education, treatment, follow-up testing, and aftercare.

*Safety-sensitive function* means a job, including any supervisory or management position, in which an impairment caused by a drug or alcohol usage would threaten the health or safety of any person and all time from the time a driver begins to work or is required to be in readiness to work until he/she is relieved from work and all responsibility for performing work. Safety-sensitive functions shall include all time at an employer or shipper plant, terminal, facility, or other property, or on any property, waiting to be dispatched, unless the driver has been relieved from duty by the employer; all time inspecting equipment, servicing, or conditioning any commercial motor vehicle at any time; all the time spent at the driving controls of a commercial motor vehicle except time spent resting in a sleeper berth; all time loading or unloading, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded; and all time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

### **III. Prohibited Conduct:**

This Policy prohibits the following conduct:

- Employees performing safety sensitive functions, including but not limited to drivers, who have an alcohol concentration of 0.04 percent or greater, cannot report for or remain on duty, perform any work tasks, enter or remain on the premises of the Employer or a customer, or operate or be transported in a commercial motor vehicle or any other vehicle in the service of the Employer (except to be transported home or to a testing or rehabilitation facility).
- Employees performing safety sensitive functions, including but not limited to drivers, cannot possess, transfer or receive alcohol or controlled substances while on duty, while performing any work tasks, while on the Employer's or a customer's premises, or while operating or being transported in a commercial motor vehicle, or any other vehicle used in the service of the Employer.
- Employees performing safety sensitive functions, including but not limited to drivers, cannot use alcohol while on duty, while performing any work tasks, while on the Employer's or a customer's premises, or while operating or being transported in a commercial motor vehicle, or any other vehicle used in the service of the Employer, or within the four-hour period preceding such occasions.
- Employees performing safety sensitive functions, including but not limited to drivers, who have used a controlled substance, cannot report for or remain on the Employer's or a customer's premises, or operate or be transported in a commercial motor vehicle or any other vehicle used in the service of the Employer (except to be transported home or to a testing or rehabilitation facility).
- Employees performing safety sensitive functions, including but not limited to drivers, cannot refuse to submit to tests required under this Policy, must cooperate and the refrain from interfering with such tests and, if required to take a post-accident or reasonable suspicion alcohol test, cannot use alcohol or controlled substances for a period of up to eight hours after notice that such a test must be taken and until the test has been performed.

#### **IV. Tests Required:**

Employees performing safety sensitive functions, including but not limited to driver, must submit to the following types of tests:

- Pre-Employment testing
  - All applicants, including but not limited to drivers, must undergo testing for controlled substances, after a conditional offer of employment has been made, and the Employer must receive a verified negative test result from the Medical Review Officer before the first time they are placed on duty, perform any work tasks, enter or remain on the Employer's or a customer's premises (except to process an application), or operate or be transported in a commercial motor vehicle or any other vehicle used in the service of the Employer (except to be transported home or to a testing rehabilitation site facility).
- Post-Accident testing
  - As soon as possible after any work-related vehicular or other accident involving personal injury or property damage, a moving violation involving serious reckless driving, or a serious safety violation, the Employer will administer alcohol and controlled substances tests to each surviving driver or other employee involved in the accident, irrespective of fault in connection with the accident.
  - Drivers and other employees subject to post-accident testing must remain readily available after the accident for testing or they will be deemed to have refused to submit to testing. In addition, drivers and other employees must refrain from using alcohol or controlled substances for a period of up to eight hours after the accident or until the post-accident test have been performed.
- Reasonable Suspicion Testing
  - The Employer will conduct reasonable suspicion drug and/or alcohol tests if one or more supervisors, trained to detect suspected drug or alcohol use, witnesses suspicious behavior on the part of the driver or other employee to be tested. The decision to engage in reasonable suspicion testing will be based upon specific, articulable observations about the employee's appearance, behavior, speech, body odors, or other subjective symptoms of the use or withdrawal effects of use of alcohol or controlled substances.
  - If a reasonable suspicion determination of drug or alcohol use is made, the driver or other employee will not be allowed to drive or perform any work duties until obtaining a negative result on a return to duty test.
- Return to Duty testing
  - Once drivers or other employees have engaged in conduct prohibited by FMCSA or DOT drug and alcohol regulations or this Policy, including receiving a positive drug or alcohol test, refusing to test, adulterating or substituting a urine specimen, or otherwise failing to cooperate with testing procedures, they are subject to alcohol or controlled substances before returning to work. Return-to-duty tests will be administered after the SAP has determined that the driver or other employee has successfully complied with prescribed education and/or treatment. In addition, in order to return to work, 24 hours must have elapsed since the positive test or other violation(s), alcohol tests must indicate a verified negative result for any use, controlled substances tests must indicate a verified negative result for any use of controlled substances. In addition, before returning to work, employees who have tested positive are required to submit to a reemployment interview and confirmation procedure to be requalified for work.
- Follow-up testing
  - Drivers or other employees who have previously tested positive for alcohol or controlled substances, have refused to test, adulterated or substituted a urine specimen, or have otherwise

failed to cooperate with testing procedures, have otherwise violated FMCSA or DOT prohibitions on drug or alcohol use or this Policy, or have submitted to voluntary or other referral for assistance to resolve problems associated with alcohol misuse and/or controlled substances tests.

- Follow-up tests will be performed as directed by the SAP involved, but will consist of a minimum of six (6) tests in the first twelve (12) months following the driver's or other employee's return to duty.
- Periodic Medical Examination Testing
  - Drivers and other employees may be required to undergo drug and alcohol testing as part of routine physical examinations required under federal regulations or by the Employer's policies.
- Random testing
  - All drivers and other employees performing safety sensitive functions are subject to random testing for use of alcohol or controlled substances. Random tests will be unannounced, and may occur at any time throughout the calendar year. Drivers and other employees who are selected for random tests will be sent to the test site immediately upon selection and notification.
  - The percentage of the driver workforce which must undergo random tests is set by federal law and may vary from year to year. Currently, the Employer is required to test at least 25 percent of its drivers per year for controlled substances and at least 10 percent of its drivers per year for alcohol. Other employees subject to random testing are selected at the same rate for controlled substance testing as drivers regulated by federal law and will not participate in random alcohol testing. The Employer will pay drivers and other employees for the time they spend submitting to required random tests.

## **V. Procedures for testing**

- All testing procedures will be conducted in compliance with applicable federal and state laws and regulations, including specimen collection, laboratory testing, and communication of results. Laboratories utilized by the Employer shall be federally and/or state certified and otherwise comply with applicable federal and state regulations and standards. Relevant portions of these regulatory testing requirements are summarized below:
  - Controlled substance testing
    - When conducting substances tests, the Employer, or its designated testing service provider, will test for marijuana, cocaine, opiates, amphetamines and phencyclidine, and may test for other controlled substances for which testing may be required or authorized under law. The Employer has designated one or more collection sites to collect, store and transport urine specimens. As required under federal regulations, the Employer will use a "split urine specimen" testing procedure.
    - Under this procedure, this specimen from a single test is divided into two portions. If the test on the first portion is positive, the employee can request (within five (5) working days of notification of a positive test) that the second portion be tested for presence of the substance(s) found in the first specimen. The Employer may implement any actions required by federal regulations or this Policy while the second (confirmatory) test is being processed.
    - When the laboratory completes testing, it will report the test results to the Employer's Medical Review Officer (MRO) within an average of five (5) working days of the laboratory's receipt of the specimen. The MRO will analyze the testing procedures and

results and certify that the positive tests are due to use of prohibited drugs. Before making a final decision to verify a positive test result, the MRO will give the employee the opportunity to discuss the test results. If the MRO is unable to contact the employee to do so, a management official will attempt to contact the employee on temporary medical unqualified status or medical leave, or the MRO may verify results without discussion with the employee. After verifying a positive result, the MRO will communicate this result to the Employer.

- If laboratory test results indicate that the specimen has been adulterated or substituted, these results will also be reported to the MRO. Before verifying a report of adulterated or substituted specimen, the MRO will give the employee the opportunity to discuss the test results and to offer a legitimate medical explanation for the report. The MRO may then reject the explanation and verify the result as a refusal to test because of adulteration or substitution, or direct the employee to obtain, within five (5) days, a medical evaluation by a licensed physician with expertise in the medical issues raised by the employee. If the employee's explanation is accepted, the MRO will cancel the test and notify the DOT. If not, the adulteration/substitution result is verified. Any such result is treated the same as a refusal to test (i.e., a Policy violation) under Section VIII of this Policy, for purposes of follow-up actions and discipline.
- If laboratory test results indicate that a negative drug test was diluted, the Employer will direct the employee to take another test immediately.
- Alcohol testing
  - Alcohol tests will be performed by Screening Test Technicians (STT's) and/or Breath Alcohol Technicians (BAT's), as required by federal regulations, with and Evidential Breath Test Device (EBT), or Alcohol Screening Device (ASD).
  - Alcohol tests will be conducted in an area that affords privacy to employees, except in unusual circumstances which require tests to be performed in a less private location, such as the scene of an outside accident.
  - The BAT will conduct a confirmatory test, if required by federal or state requirements. If the results from the initial and confirmatory tests differ, the confirmatory test results will control.

## **VI. Limited Access to Results and Testing Records:**

The testing laboratories and personnel that the Employer uses to perform drug and alcohol tests will limit access to testing records and results, as required by federal and state laws, except that the MRO and Employer and insurance company personnel and agents, with a need to know such information in performance of their duties, will have access to such records and results. Disclosure may also be made as otherwise permitted or required by law.

## **VII. Notification of Test Results:**

The Employer will notify employees and applicants of negative test results. The MRO will notify employees and applicants of positive test results and their right to explain a positive test. Employees or applicants with positive results can then submit any information they believe will serve to explain that result or the reliability of that result (within three (3) working days of notification); request a

confirmatory retest of the original sample (within five (5) working days of notification); or request a copy of the test result report.

#### **VIII. Notice of No Expectation of Privacy in Connection with Employment Searches and Investigations:**

The Employer reserves the right to investigate and to interview employees in the course of implementing and enforcing this Policy, and other policies of the Employer, to require truthful answers to inquiries in connection with such investigations and interviews, to conduct searches of employees' persons, vehicles, work stations and locations, clothing, purses, briefcases, luggage, personal items, other possessions, documents, and any and all other articles within their possession or control while employees are on duty, on Employer or customer property or while operating or being transported in a commercial motor vehicle or any other vehicle used, at that or any other time, in the service of the Employer, and to conduct the tests provided for in this Policy. The Employer may, at its sole discretion, seize any items which it deems to represent possible evidence of a violation of this Policy or other Employer policies or state or federal law. An employee's refusal to submit to such investigations, interviews, searches or seizures, or to require tests, may lead to disciplinary action up to and including discharge.

#### **IX. Consequences of Engaging and Prohibited Conduct; Testing Positive for Alcohol or Controlled Substances; receiving low Alcohol Test Results; Being Under Reasonable Suspicion of Alcohol Use; and Submitting to Alcohol or Drug Tests**

- Prohibited conduct/positive tests results
  - Drivers and other employees committing violations under Section III of this Policy (including testing positive for controlled substances or receiving alcohol test results showing alcohol concentration of at least 0.04), will be removed from all driving and any other work duties.
  - After removal from driving and other work duties, such employees will be referred to a Substance Abuse Professional (SAP) and will be notified of resources to evaluate and resolve problems associated with controlled substances use and misuse of alcohol. The SAP will evaluate whether the employee needs assistance with alcohol or controlled substances problems and will prescribe and oversee any necessary rehabilitation programs.
  - After referral to the SAP, drivers and other employees will not be allowed to return to duty until:  
(1) at least 24 hours have passed; (2) the driver or other employee has passed a return-to-duty alcohol and/or controlled substances test; (3) the driver or other employee has reported to the SAP and has cooperated with and commenced any SAP referrals or treatment or rehabilitation recommendations to the Employer's satisfaction; and (4) appropriate discipline has been imposed. In addition, once back on duty, drivers and other employees will be required to pass unannounced follow-up alcohol and/or controlled substances tests, consistent with the SAP's evaluation (See Section IV. of this Policy).
  - Drivers and other employees will bear the costs of referral, treatment or rehabilitation under this provision, unless such services are routinely (and without additional cost to the Employer) covered by existing insurance programs. Applicants who refuse to submit to or fail a pre-employment controlled substance test are not eligible for such referral, treatment or rehabilitation assistance. In addition to the proceeding consequences, any driver or other employee who violates this Policy, tests positive for controlled substances, or shows alcohol concentrations of 0.04% or more, will be subject to disciplinary action up to and including discharge, and will not be paid for any period he

or she is removed from duty, as a consequence of such violation or positive test.

- The Employer will discharge an employee based on the first positive drug or alcohol test for that driver or other employee, in the absence of a prior record of other disciplinary violations, or if: (1) the driver employee has been given a chance to participate, at the employee's expense, in an appropriate rehabilitation program; and (2) has either refused to participate in or has failed to successfully complete the program. For purposes of this provision, the Employer will determine the appropriate counseling or rehabilitation program after consultation with an appropriate chemical use counselor or specifically trained physician.
- Low Level Alcohol Test Results
  - If a driver's or other employee's alcohol test shows an alcohol concentration between 0.02 and 0.039 percent, the employee shall be removed immediately from driving, or any other safety sensitive duty, and placed on unpaid status for 24 hours. The employee will also be subject to additional disciplinary action if he or she has previously had low (or high) level positive alcohol test results or other drug or alcohol related policy violations, or if this result represents failure to adhere to a rehabilitation program.
- Suspected Driver Impairment
  - If the Employer suspects a driver or other employee of controlled substance or alcohol use, the driver or other employee shall be removed immediately from driving and from other work duties until a reasonable suspicion test is performed.
- Refusal to Submit to Alcohol or Controlled Substances Testing
  - If a driver or other employee refuses to submit to testing, a first refusal will be treated in same manner as a violation of this DOT Controlled Substances and Alcohol Use Testing Policy for the purposes of follow-up actions and discipline. A second refusal will be treated as a resignation of employment.
  - A refusal or alleged inability to produce a full urine, breath or saliva sample for an alcohol or controlled substance test, in the absence of a legitimate satisfactory medical explanation confirmed by a licensed physician (after applicable DOT procedures regarding insufficient urine, saliva, and breath production for testing have been followed.), is considered a refusal to submit to testing under this Policy, for purposes of follow-up actions and discipline.
  - A verified test result of specimen adulteration or substitution is considered a refusal to submit to testing under this Policy, for purposes of follow-up actions and discipline.

#### **X. Employee Admission of Alcohol and Controlled Substance Use:**

Drivers or other employees who admit to alcohol misuse or controlled substances use are not subject to the referral, evaluation and treatment requirements of this policy provided that: (1) the admission is in accordance with the voluntary self-identification program under section XI of this Policy; (2) the employee does not self-identify in order to avoid testing; (3) the employee makes the admission of alcohol misuse or controlled substances use prior to performing a safety sensitive function (i.e., prior to reporting for duty); and (4) the employee does not perform a safety sensitive function until the Employer is satisfied that the employee has been evaluated and has successfully completed education or treatment requirements in accordance with the voluntary self-identification program guidelines.

#### **XI. Voluntary Self-Identification Program:**

- The employer shall not take adverse action against a driver or other employee making a voluntary admission of alcohol misuse or controlled substances use within the parameters of Section X of this policy.
- Prior to the driver or other employee participating in a safety sensitive function, the driver or other employee shall undergo a return to duty test with a result indicating an alcohol concentration of less than 0.02; and/or a return to duty controlled substance test with a verified negative test result for controlled substances use may be required to submit to non-DOT follow-up testing under Section IV of this policy.

## **XII. Release of Test Records:**

- The Employer will not release information regarding driver or other employee drug and alcohol tests. Except as prescribed in Section V. upon written request, a driver or other employee can obtain copies of records regarding his other violations, tests, discipline and follow-up actions under this Policy.

## **XIII. (NEW) Commercial Driver's License Drug and Alcohol Clearinghouse (Clearinghouse)**

- Beginning January 6<sup>th</sup>, 2020, a repository created by the FMCSA will collect information on drivers' DOT drug and alcohol violations occurring under a motor carrier's testing program.
- Employers and service providers are called up on to report DOT drug and alcohol testing program violations to the Drug and Alcohol Clearinghouse database. Motor carriers, medical review officers, third-party administrators, and substance abuse professionals must provide information when a driver:
  - Tests positive for drugs and alcohol
  - Refuses drug and alcohol testing; and
  - Undergoes the return-to-duty drug and alcohol rehabilitation process
- The following records will be collected and maintained in the Clearinghouse:
  - A verified positive, adulterated, or substituted drug test result;
  - An alcohol confirmation test with a concentration of 0.04 or higher;
  - A refusal to submit to any testing knowledge, as defined at 382.107, including:
    - On duty alcohol use pursuant to 382.205
    - Pre-duty alcohol use pursuant to 382.207
    - Alcohol use following an accident pursuant to 382.209; and
    - Controlled substance use pursuant to 382.213
  - A substance abuse professional report of the successful completion of the return-to-duty process;
  - An employer's report of completion of follow-up testing.
- The Clearinghouse will aid the company in learning of a driver's need to start or continue with the necessary steps in the DOT return-to-duty process (i.e. Substance Abuse Professional (SAP) program in order to operate a commercial motor vehicle (CMV)).
- FMCSA requires motor carrier employers to:
  - Query the system for information on drivers' applicants, and
  - Search the database annually for current employees
- Before a motor carrier may gain access to the information in the Drug and Alcohol Clearinghouse database, the driver must grant consent. Failure to provide consent prevents the motor carrier from using the CDL driver in a safety-sensitive function.

- A driver can review his or her report at no cost by registering with the Drug and Alcohol Clearinghouse database.

Frisch seconded the motion and upon vote motion carried unanimously.

The board reviewed the new Non-DOT Drug and Alcohol testing policy. Kath made a motion to approve the adoption of Policy 513.10 Non-DOT Drug and Alcohol Testing.

**TRAVERSE ELECTRIC COOPERATIVE, INC.**

**WHEATON, MN**

**BOARD POLICY 513.1**

**NON-DOT DRUG AND ALCOHOL TESTING POLICY**

**I. Purpose**

This policy provides guidelines consistent with Minnesota law for testing employees for the presence of alcohol or illegal drugs under certain circumstances. While Traverse Electric Cooperative does not wish to intrude upon the private lives of its employees, it recognizes that alcohol or drug abuse may interfere with an employee's job performance, endanger the employee or other employees, or be detrimental to Traverse Electric Cooperative's business.

**II. Scope**

This policy applies to all applicants for Traverse Electric Cooperative employees, including contract or temporary employees. The policy is applicable at Traverse Electric Cooperative or whenever employees are performing company business.

**III. Definitions**

A. "Illegal Drug" means a controlled substance as defined in Schedules I through V of Section 202 of the Controlled Substances Act, 21 U.S.C. § 812 ("the CSA Schedules"), and as defined in Minnesota Statutes, Section 152.01, Subdivision 4 and Section 152.02 but excluding substances listed in those two sections that are not also listed in the CSA Schedules. The term "illegal drug" includes any drug the possession or use of which is illegal under federal, state, or local law, and includes prescription medications not used by the person for whom prescribed or used in a manner other than prescribed (e.g., ignoring "do not use after," "discard after" "use by" or any similar instructions).

B. "Under the influence of alcohol" means (1) the presence of alcohol in the individual's system which results in a positive alcohol test result; or (2) behavior, appearance, speech, or bodily odors that lead a supervisor or manager to reasonably suspect that the employee is impaired by alcohol during working time or on Company premises.

C. "Under the influence of illegal drugs" means (1) the presence of any detectable amount of an illegal drug or its metabolites demonstrated by a verified/confirmed positive drug

test result, or (2) behavior, appearance, speech, or bodily odors that lead a supervisor or manager to reasonably suspect that the employee is impaired by illegal drugs or is using illegal drugs during working time or on Company property.

D. “Other Drugs” means those substances such as those prescribed by a physician that may not be classified as controlled substances but which nevertheless may affect an employee’s ability to, with or without reasonable accommodation, perform the essential functions of the employee’s job or create a direct threat to the safety of the employee or others.

#### **IV. Non-Discrimination**

Traverse Electric Cooperative does not discriminate against any applicants or employees who are qualified individuals with disabilities, including those who have successfully completed or who are currently participating in a supervised rehabilitation program. However, Traverse Electric Cooperative will not tolerate illegal drug use by applicants or employees, any employee working under the influence of illegal drugs or alcohol, or any employee whose use of other drugs makes him or her unable to perform the essential functions of the job with or without reasonable accommodation. Additionally, one of the essential functions of every Traverse Electric Cooperative position is that an individual not pose a direct threat to himself/herself or others in the workplace.

#### **V. Prohibitions**

A. No employee shall report to work, or engage in any work on behalf of Traverse Electric Cooperative while under the influence of alcohol or illegal drugs.

B. No employee shall manufacture, distribute, dispense, possess, transport, transfer, or use alcohol, illegal drugs or illegal drug paraphernalia in the workplace or wherever Traverse Electric Cooperative work is being performed, or attempt to do so.

C. Traverse Electric Cooperative prohibits the off-duty sale, purchase, transfer, use or possession of illegal drugs. This paragraph does not apply, however, to the proper purchase, possession and/or use of prescription medication under a valid prescription.

D. Use of prescription drugs can adversely affect workplace safety and job performance. Therefore, the employee must inform his/her doctor when the doctor is considering whether to prescribe a medication about the nature of his/her job and ask whether the medication poses a direct threat to his/her health or safety on the job, or to that of others, and whether while using the medication he/she can perform the essential functions of the job, with or without reasonable accommodation. If the employee’s doctor believes that such a threat or inability exists, the employee must inform his/her supervisor accordingly. Additionally, an employee must inform his/her supervisor or manager of the use of a prescription or over-the-counter drug which may alter the employee’s ability to perform the essential functions of his or her job, including situations in which use would create a direct threat to the health or safety of the employee or others.

E. Employees are prohibited from failing to notify a supervisor before going to work if he or she is under the influence of illegal drugs or alcohol.

F. Subject to applicable law, employees are prohibited from failing to consent to, participate in, abide by and satisfactorily complete the terms and recommendations of any Employee Assistance Program (EAP) or any counseling, rehabilitation or treatment program to which the Company makes a referral, including but not limited to, failure to follow recommendations, if any, regarding behavior modification and abstinence, failure to be available for any prescribed follow-up sessions or testing, and failure to provide, if requested by the Company, consent to communicate with such providers. Employees who refuse to consent to assessment and counseling after a first-time confirmed positive test result are subject to termination of employment.

G. There may be occasions, with the approval of management, when it is permissible to consume reasonable amounts of alcohol at Company sponsored functions. Employees are expected to remain responsible, professional, sober, and in full compliance with this Policy and all other Company policies at all times when attending such events. Employees assisting in preparing for and/or serving at such events are excused from prohibitions under this Policy pertaining to distributing alcohol. Employees attending such events are subject to all other Company policies, including but not limited to the Company's harassment policies. These exceptions with respect to acceptable alcohol use do not apply to any employee who works in security and safety sensitive positions or operate any type of equipment or machinery.

## **VI. Alcohol and Drug Testing**

A. Introduction. In order to carry out Traverse Electric Cooperative commitment to an alcohol and illegal drug-free workplace, Traverse Electric Cooperative and/or alcohol testing in accordance with the provisions of Minn. Stat. §§ 181.950-181.957. This policy represents the notice required under Minnesota law and will be provided to all applicants and employees who are requested to undergo testing. Traverse Electric Cooperative reserves the right to change this policy at any time. Employees may obtain another copy of the policy from Human Resources.

### **B. Testing Circumstances**

1. Pre-Employment Testing. Traverse Electric Cooperative makes all offers of employment (including offers to re-hire after termination of employment for any reason) to applicants subject to and conditioned on the applicant's: (1) consent to taking a drug and/or alcohol test; and (2) a negative test result. Applicants will be required to voluntarily submit to urinalysis, blood or saliva drug and/or alcohol testing and sign the Acknowledgement and Information Form to Be Provided before Requesting Testing form attached as Appendix A to this Policy and any other forms or portions of forms pertaining to the testing process required to be completed by individual donors. If the test(s) are positive or if the applicant refuses to undergo testing, the offer of employment will be withdrawn.

The Company will not withdraw an offer of employment based on a positive test result from an initial screening test that has not been verified by a confirmatory test. If the job offer is withdrawn, the Company will inform the job applicant of the reason for its action.

2. Reasonable Suspicion and Post-Accident Testing. Traverse Electric Cooperative may require an employee to be tested when Traverse Electric Cooperative reasonably suspects that the employee:

- a. is under the influence of illegal drugs or alcohol; or
- b. has violated Traverse Electric Cooperative written work rules prohibiting the use, possession, sale or transfer of illegal drugs or alcohol while the employee is working or while the employee is on Traverse Electric Cooperative or client premises or operating Traverse Electric Cooperative vehicles, machinery or equipment; or,
- c. has sustained a personal injury, or has caused another employee to sustain a personal injury, which injuries are arising out of and in the course of employment; or,
- d. has caused a work-related accident or was operating or helping to operate machinery, equipment or vehicles involved in a work-related accident.

In order for “reasonable suspicion” to exist, there must be a basis for forming a belief that testing is justified based on specific facts and rational inferences drawn from those facts. Nothing in this policy is intended to change Traverse Electric Cooperative policies and practices regarding the reporting of work-related injuries.

3. Follow-Up Treatment Program Testing. Traverse Electric Cooperative may require an employee to be tested whenever the employee has been referred by Traverse Electric Cooperative for chemical dependency evaluation or treatment, or is participating in a chemical dependency treatment program under an employee benefit plan. The employee may be subject to testing without notice during the evaluation or treatment period and for up to two years following the completion of the evaluation or treatment.

C. Conducting the Testing.

1. Consent. Before requesting an employee or job applicant to undergo drug or alcohol testing, he or she will be required to complete and sign the form attached to this Policy as Appendix A. Substance abuse testing will not be performed unless a signed consent is in Traverse Electric Cooperative possession.

2. Right to Refuse Testing and Consequences of Refusal. Applicants and employees have the right to refuse testing. However, if an applicant or employee refuses to test,

the refusal will be treated as a failure to comply with Traverse Electric Cooperative policy and may result in withdrawal of an applicant's job offer or, with respect to employees, disciplinary action up to and including termination of employment. A refusal to test includes, but is not limited to, conduct obstructing testing such as: a) failing to sign necessary paperwork, b) failing to report to the collector and/or collection site at the appointed time, c) failing to be reasonably available for a post-accident test; and d) switching, tampering with or adulterating any sample collected under this Policy or attempting to do so.

3. The Laboratory. The laboratory selected to perform testing will be certified by the National Institute on Drug Abuse (NIDA), the College of American Pathologists (CAP), or the New York Department of Health. The laboratory's results may be reviewed and communicated to the employee by an independent Medical Review Officer.

4. Adulteration Testing. Adulterant testing may be performed in accordance with the procedures of the laboratory. The presence of any chemical adulterants will be considered a refusal to be tested.

5. Dilute Samples. If a urine specimen is dilute, the employee will be asked to stay at the testing facility for a period of time and a re-collection will be taken. A second dilute sample will result in termination of employment unless the employee can provide documentation from a personal physician identifying a medical condition that results in having dilute urine.

6. Cold Samples. After the collection of a urine sample, the temperature is recorded. If the temperature is out of the acceptable range, the specimen may be re-collected under direct observation.

7. Test Results: Notices and Rights.

a. *Negative Tests.* Within three working days after Traverse Electric Cooperative receives a negative test result on an initial screen or on a confirmatory test, Traverse Electric Cooperative or its agent will inform an applicant or employee in writing of: i) the negative test result, and, ii) the right to request and receive a copy of the test result report.

b. *Positive Tests.* A confirmatory test will be performed on all samples that result in a positive test result on an initial test. Within three working days after Traverse Electric Cooperative receives a positive result on a confirmatory test, Traverse Electric Cooperative or the MRO will inform an applicant or employee in writing of: i) the positive test result, ii) the right to request and receive a copy of the test result report; iii) the right to explain the positive test result; iv) the right to request a confirmatory retest of the original sample at the employee's or job applicant's own expense; and v) limitations under Minnesota law on either job offer withdrawals or employee discipline, discharge and discrimination.

Within three working days after receipt of notice of a positive result on a confirmatory test, an applicant or employee may submit information to Traverse Electric Cooperative regarding any over-the-counter medication that the individual is taking or has recently taken, and any other information relevant to the reliability of, or explanation for, the positive test result.

An applicant or employee may request a confirmatory retest of the original sample at his or her own expense. Within five working days after notice of a positive test result, the applicant or employee must notify the Human Resources dept in writing of his or her intention to obtain a confirmatory retest. Within three working days after receipt of any such notice, Traverse Electric Cooperative will notify the original testing laboratory that the applicant or employee has requested the laboratory to conduct the confirmatory retest or transfer the sample to another laboratory licensed per the requirements of the Minnesota Drug and Alcohol Testing in the Workplace Act. If the confirmatory retest does not confirm the original positive result, no adverse action based on the original confirmatory test will be taken against the applicant or employee.

c. *Right to Test Result.* An employee has the right to request and receive from Traverse Electric Cooperative a copy of the test result report on any drug or alcohol test. All such requests should be made to the Director of Human Resources or his/her designee.

D. Costs. All costs related to alcohol and drug testing will be paid by Traverse Electric Cooperative except for confirmatory retests, which must be paid for by the employee requesting the retest.

E. Disciplinary Action in Response to a Positive Test Result.

1. Traverse Electric Cooperative reserves the right to transfer or suspend an employee pending the outcome of a confirmatory test or any confirmatory retest if it believes it is reasonably necessary to protect the health and safety of the employee, co-employees or the public. An employee who is suspended without pay will be reinstated with back pay if the confirmatory test or re-test is negative.

2. Traverse Electric Cooperative may not take disciplinary action against or discharge an employee if the employee tests positive on a confirmatory test and the positive confirmatory test was the first such result. Traverse Electric Cooperative may, however, take disciplinary action against or discharge an employee for whom a positive confirmatory test is the first such result where (1) the employee is given an opportunity to participate in, at the employee's expense or pursuant to coverage under an employee benefit plan, a drug or alcohol counseling or rehabilitation program; and (2) the employee has either refused to participate in the counseling or rehabilitation program, or has failed to successfully complete it. The type of counseling or rehabilitation program in which an employee participates will be determined by Traverse Electric

Cooperative after consultation with a certified chemical use counselor or physician trained in the diagnosis and treatment of chemical dependency.

3. Any employee who tests positive on a confirmatory test where the positive confirmatory test was the second such result may be discharged.

F. Privacy of Test Results.

1. Test results and other information acquired as a result of the testing program are private and confidential information and will not be disclosed by Traverse Electric Cooperative or the testing laboratory to another employee or to third parties, government agencies, or private organizations without written consent of the applicant or employee being tested.

2. Evidence of a positive test result on a confirmatory test, however, may be used in an arbitration proceeding pursuant to a collective bargaining agreement, an administrative hearing, or a judicial proceeding, provided the information is relevant to the hearing or proceeding. Such evidence may also be disclosed to any federal agency or other unit of the United States government as required under federal law, regulation, or order. Evidence of a positive test result on a confirmatory test may also be disclosed to a substance abuse treatment facility for the purpose of evaluation or treatment.

3. Traverse Electric Cooperative will provide an employee with access to information in the employee's file relating to positive test result reports and other information acquired in the testing process as well as conclusions drawn from or actions taken based upon such information.

G. Reservation of Rights.

This Policy supersedes any other Traverse Electric Cooperative policy relating to the use of drugs and alcohol in the workplace, drug and/or alcohol testing and all other subject matter addressed in this Policy. The Company reserves the right to interpret and administer this Policy, and at any time and at its sole discretion, amend, supplement, modify, revoke, rescind or change this Policy, in whole or in part, with or without notice. This Policy is not an express or implied contract of employment nor is it to be interpreted as such. Additionally, this Policy does not in any way affect or change the status of any at-will employee. Nothing in this Policy is a promise or guarantee or should be construed as a promise or guarantee that the Company will follow in any circumstance or any particular course of action, disciplinary, rehabilitative or otherwise other than as required by Minnesota law.

Diekmann seconded the motion and upon vote motion carried unanimously.

Janorschke presented membership information for the MREA REPAC, SDREA REPAC, and ACRE.

The Mid-West Electric Consumers Assoc. Annual meeting will be held December 10-12, 2019 in Denver. Armstrong made a motion to name Janorschke the voting delegate. Monson seconded the motion and upon vote motion carried unanimously.

SDREA's Annual Meeting will be held January 16-17, 2020 in Pierre, SD. Diekmann made a motion to name Veflin the voting delegate and Pearson the alternate. Armstrong seconded the motion and upon vote motion carried unanimously.

The Northeast Area Legislative Forum will be held on December 18 at 6:30 PM at the Ramkota Hotel in Watertown, SD. Veflin, Monson, Pearson, and Janorschke will attend.

Janorschke reported that he was not able to set a date for the Christmas Party before the end of the year. The board agreed to not have a party this year.

Frisch made a motion to approve a \$200 Christmas bonus plus an additional \$50 this year in lieu of a party for each employee. Diekmann seconded the motion and upon vote motion carried unanimously.

The January 2020 District Meeting dates were selected. Janorschke will reserve the locations. The meetings will begin at noon with a light lunch provided. Districts 1 (Frisch), 4 (Diekmann), and 7 (Pearson) will be up for re-election at the annual meeting in March.

Districts 1, 2, & 6: January 28, 2020 at Traverse Electric

District 3: January 27, 2020 at the Campbell Community Center, Campbell, MN

Districts 4 & 5: January 30, 2020 at Big G's, Beardsley, MN

Districts 7, 8, & 9: January 29, 2020 at the Rosholt Community Center, Rosholt, SD

Gregory Thelin is requesting a Generator Loan for up to \$5,000. He plans to install a 20KW generator this Fall or in the Spring. Diekmann made a motion to approve up to \$5,000 in financing for the generator at 5% for 84 months. Monson seconded the motion and upon vote motion carried unanimously.

Other business:

Next board meeting will be on Tuesday, December 31, 2019 beginning at 9 AM.

Upcoming Board Member meetings:

Mid-West Annual Meeting, Dec 10-12, 2019, Denver, CO –

SDREA Annual Meeting, Jan. 10-11, 2020, Pierre, SD – Veflin, Pearson, Monson

East River Energize Forum, Feb 6-

NRECA Annual Meeting, Feb 27-Mar 4, 2020, New Orleans – Frisch, Marks, Monson  
MREA Annual Meeting, Mar 17-18, 2020, St. Paul, MN –  
Traverse Electric Annual Meeting, March 19, 2020, Wheaton High School

Upcoming Managers Meetings:

East River MAC Meeting, Dec 2, 2019, Madison, SD  
Mid West Annual Meeting, Dec 10-12, 2019, Denver, CO  
Northeast Area Legislative Forum, December 18, 2019, Watertown, SD  
NRECA CEO Close-Up, Jan 12-15, 2020, Palm Desert, CA  
SDREA Annual Meeting, Jan. 10-11, 2020, Pierre, SD -  
MREA Annual Meeting, Mar 17-18, 2020, St. Paul, MN –  
Traverse Electric Annual Meeting, March 19, 2020, Wheaton High School -

As there was no further business, Homan made a motion to adjourn. Monson seconded the motion and upon vote motion carried unanimously. Meeting adjourned at 1:13 PM

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Mark Pearson, Secretary

# CM - Check Register-Detail

## 1 Cash - General Fund

<u>Type</u>	<u>Date</u>	<u>Chk Nbr</u>	<u>Name</u>	<u>Total Check Amount</u>	<u>Document Detail</u>
CK	11/01/2019	116018	NRECA	109.01	
			Admin Fee		109.01
CK	11/01/2019	116019	FURTHER	1,725.02	
			November HSA Contributions		1,725.02
CK	11/01/2019	116020	East River Federal Cu	875.00	
			November Credit Union		875.00
CK	11/01/2019	116021	I.B.E.W. Lu 524	240.00	
			November Union Dues		240.00
CK	11/01/2019	116022	NRECA Group Benefits Trust	1,367.87	
			Group Insurance		1,367.87
CK	11/01/2019	116023	NRECA	636.72	
			Admin Fee		636.72
WT	11/01/2019	8801494	Minnesota Dept Of Revenue	3,281.37	
			Oct 31, 2019 payroll taxes SWH		3,281.37
WT	11/01/2019	8801496	Internal Revenue Service	15,979.60	
			Oct 31, 2019 payroll taxes FWH & FICA		15,979.60
CK	11/04/2019	116039	Irby (Stuart C. Irby Company)	458.85	
			For Programming Meters		18.70
			Materials		440.15
CK	11/04/2019	116040	East River Electric Coop	564.30	
			AVL Monthly Fees		564.30
CK	11/04/2019	116041	Wesco Receivables Corp.	572.10	
			41 MV Bulbs		442.57
			12 MV Bulbs		129.53
CK	11/04/2019	116042	TWIN VALLEY TIRE OF WHEATON INC	872.10	
			4 New Tires - #140		872.10
CK	11/04/2019	116043	Sisseton-Wahpeton Oyate	100.00	
			SWO Business License NM-185		100.00
CK	11/04/2019	116044	Colonial Life	321.86	
			October Colonial Life		321.86
CK	11/04/2019	116045	B&B Transformer Inc	5,841.00	
			Regulator Repair		5,841.00
CK	11/04/2019	116046	Integrity Contracting Inc	2,600.00	
			Boring WO#9825 - A Deal		1,520.00
			Secondary Boring - A Deal		1,080.00
CK	11/04/2019	116047	HRExpertiseBP	1,089.95	
			October HR Services & New Emp Backgroun		1,089.95
CK	11/04/2019	116048	Pemberton Law PLLP	2,741.00	
			September Legal - Employee Matters		2,741.00
CK	11/04/2019	116049	Ronald Scherer	100.00	
			Refrigerator Rebate		100.00
CK	11/04/2019	116050	Valley Pork LLP	100.00	
			Cr/ Rheem on Labor to Inst Warranty Repl W		100.00
CK	11/04/2019	116051	Davison Inc	9,000.00	
			Reimb from B Loll for Orig Line Const Costs		9,000.00
CK	11/04/2019	116052	SD Electrical Commission	200.00	
			SD Wiring Permit - R Peterson Generator		50.00
			SD Wiring Permit for Sanford Vig's Generator		50.00
			SD License - Stephen Powers		100.00

**CM - Check Register-Detail****1 Cash - General Fund**

<u>Type</u>	<u>Date</u>	<u>Chk Nbr</u>	<u>Name</u>	<u>Total Check Amount</u>	<u>Document Detail</u>
CK	11/04/2019	116053	Morris Electronics Inc	140.00	
			WiFi Not Working		70.00
			Assess Place for Wireless - Darren		35.00
			WiFi Issues - Updated Firmware & Software		35.00
CK	11/04/2019	116054	Mike's Cleaning Service	1,143.56	
			October Janitorial Services		571.78
			September Janitorial Services		571.78
CK	11/04/2019	116055	NRECA-Coop Benefit Adm	15.00	
			October Cafeteria Expense		15.00
CK	11/04/2019	116056	Mediacom LLC	253.53	
			November Internet Service		253.53
WT	11/04/2019	8801495	Natl Rural Elec Assn	5,840.18	
			Oct 31, 2019 payroll taxes 401K Loan		(113.81)
			Oct 31, 2019 payroll taxes 401K		5,726.37
			Oct 31, 2019 payroll 401K Loan		227.62
WT	11/05/2019	8801497	Payment Service Network Inc	909.32	
			Oct Credit Card Payment Fees		909.32
WT	11/08/2019	8801498	Mn Comm. Of Revenue	23.00	
			2018 UBIT Tax		23.00
CK	11/11/2019	116057	BJ's Parts Depot	305.64	
			2 Batteries for #139		305.64
CK	11/11/2019	116058	Basin Electric Power Coop	24.00	
			November Email Hosting		24.00
CK	11/11/2019	116059	SD Rural Electric Ass'n	455.00	
			Newsletter Labor & Insert		455.00
CK	11/11/2019	116060	Sturdevant's, Inc.	775.66	
			Shop Sup, Generator Batteries, 3/8" Socket		775.66
CK	11/11/2019	116061	Tri-County Coop	433.69	
			Fuel, Gas & radiator/air filter		433.69
CK	11/11/2019	116062	City Of Wheaton	191.63	
			Utilities		191.63
CK	11/11/2019	116063	Chokio Review	35.20	
			Coop Month Sponsor		35.20
CK	11/11/2019	116064	Star Energy Services	12,621.00	
			Generator Material		5,591.00
			Generator Material		7,030.00
CK	11/11/2019	116065	Grant County Herald	75.00	
			Coop Month Sponsor		75.00
CK	11/11/2019	116066	Xerox Corporation	386.90	
			November Copier Tax Lease		386.90
CK	11/11/2019	116067	Bluecross Blueshield	20,202.45	
			Dec Premiums Billed November		20,202.45
WT	11/12/2019	8801502	EAST RIVER FCU	2,259.98	
			ER Credit Card Charges		2,259.98
CK	11/13/2019	116068	SD DEPT OF REVENUE & REGULATION	9,483.57	
			2% Excise Tax - Sept & Oct 2019		9,483.57
CK	11/18/2019	116069	FURTHER	2.00	
			2019 HSA Participant Fee - S Powers		2.00
CK	11/18/2019	116070	Border States Electric	8,479.60	

## CM - Check Register-Detail

**1 Cash - General Fund**

<u>Type</u>	<u>Date</u>	<u>Chk Nbr</u>	<u>Name</u>	<u>Total Check Amount</u>	<u>Document Detail</u>
			Materials		315.91
			Materials		196.22
			InstSingle & 3 Phase Meters, Meter Rep & Su		2,537.50
			PVC Junction Box - R Peterson Generator		240.10
			Materials		226.72
			Inst Single & 3 Phase Meters, Rep & Meter Si		5,127.50
			Credit for 2 Meter Socket Jaw Testers Return		(533.58)
			Materials		369.23
CK	11/18/2019	116071	Irby (Stuart C. Irby Company)	87.15	
			Glove Testing		87.15
CK	11/18/2019	116072	Dakota Supply Group	15,361.50	
			Big Stone Colony 3-Phase Primary Metering I		14,600.00
			Big Stone Colony - Box Pad for Primary Mete		761.50
CK	11/18/2019	116073	Gazette Publishing Co.	128.00	
			Fire Prevention, 4H Week & Post Season Spo		128.00
CK	11/18/2019	116074	KMRS	227.00	
			WHN Sports Boosters & VB Sponsor		227.00
CK	11/18/2019	116075	Sisseton Courier	50.00	
			Coop Month		50.00
CK	11/18/2019	116076	Valley Office Products	88.68	
			Steve's Business Cards & Pens		88.68
CK	11/18/2019	116077	Wesco Receivables Corp.	2,180.67	
			MV Bulbs		75.56
			12 MV Bulbs		129.53
			Materials		1,975.58
CK	11/18/2019	116078	Claire City Community Women	30.00	
			Donation		30.00
CK	11/18/2019	116079	Star Energy Services	27,866.18	
			URD Infrared Testing & URD Line Inspector		9,910.05
			Gen Quote & Inst, Sub & Rec Inst, Map Updat		17,956.13
CK	11/18/2019	116080	Amaril Uniform Company	1,532.11	
			FR Clothing for Steve		1,532.11
CK	11/18/2019	116081	USIC Locating Services LLC	1,867.00	
			October MN Locates		1,363.00
			October SD Locates		504.00
CK	11/18/2019	116082	Sag's Hardware Hank LLC	118.42	
			Cleaning Sup, Trash Can, Bulbs, Sawsall Blac		118.42
CK	11/18/2019	116083	Browns Valley Volunteer Ambulance Service	50.00	
			Donation		50.00
CK	11/18/2019	116084	CRC Response Center Inc	1,268.82	
			October After Hours Service		1,268.82
CK	11/18/2019	116085	South Dakota One Call	27.30	
			October SD Locates		27.30
CK	11/18/2019	116086	CGB School	40.00	
			Silver Level Yearbook Sponsor		40.00
CK	11/18/2019	116087	Gopher State One-Call	102.60	
			October MN Locates		102.60
CK	11/18/2019	116088	Cenex Fleetcard	3,950.53	
			October Fuel		3,950.53

**CM - Check Register-Detail****1 Cash - General Fund**

<u>Type</u>	<u>Date</u>	<u>Chk Nbr</u>	<u>Name</u>	<u>Total Check Amount</u>	<u>Document Detail</u>
CK	11/18/2019	116089	HEARTLAND MOTOR COMPANY Repair Steering #140	231.37	231.37
CK	11/18/2019	116090	Toys for Tots Donation	50.00	50.00
CK	11/18/2019	116091	RC TECHNOLOGIES CORP CREDIT REFUNDS - 3133 52 -12-2A	179.53	179.53
CK	11/18/2019	116092	RC TECHNOLOGIES CORP CREDIT REFUNDS - 3136 49 -20-1	499.62	499.62
CK	11/18/2019	116093	RC TECHNOLOGIES CORP CREDIT REFUNDS - 3138 44 -04-1A	411.24	411.24
CK	11/18/2019	Payroll Batch # PR000898		35,156.48	
WT	11/18/2019	8801504	Minnesota Dept Of Revenue Nov 18, 2019 payroll SWH	2,408.32	2,408.32
WT	11/18/2019	8801505	Internal Revenue Service Nov 18, 2019 payroll FICA & FWH	13,139.81	13,139.81
WT	11/20/2019	8801499	CoBank ACB CoBank Mo Princ & Int Pmt	22,551.43	22,551.43
WT	11/20/2019	8801500	SD DEPT OF REVENUE & REGULATION SD 4.5% Sales Tax	16,544.36	16,544.36
WT	11/20/2019	8801501	Minnesota Sales & Use Tax MN Mo Sales Tax Return	35,382.00	35,382.00
WT	11/20/2019	8801503	Natl Rural Elec Assn Nov 18, 2019 payroll 401K Loan Nov 18, 2019 payroll 401K	5,145.31	113.81 5,031.50
CK	11/25/2019	116108	Aflac November AFLAC	13.70	13.70
CK	11/25/2019	116109	PROFESSIONAL COMPUTER SOLUTIONS LLC November Hosting & User Fees Mobile Customer Access Service for October Credit for ASP Hosting User Fee on Inv #148	984.00	977.00 50.00 (43.00)
CK	11/25/2019	116110	Irby (Stuart C. Irby Company) Hammer Drill/Impact Driver & 16" Chainsaw	907.37	907.37
CK	11/25/2019	116111	Mn Rural Electric Ass'n 2020 DOT Drug & Alcohol Program	552.00	552.00
CK	11/25/2019	116112	Schultz Welding Labor on Pry Bars on Pole Trailer	20.00	20.00
CK	11/25/2019	116113	Locators & Supplies Safety Vests & Hard Hats	747.67	747.67
CK	11/25/2019	116114	Delta Dental of Minnesota December Premiums	1,346.55	1,346.55
CK	11/25/2019	116115	L&S Grafix Electrical Contractors Lic Decals - #140	16.03	16.03
CK	11/25/2019	116116	Joel Janorschke Mileage To/From ER MAC Mtg	203.00	203.00
CK	11/25/2019	116117	B&B Transformer Inc 8 - 25 KVA OVH Transformers & Pallets	5,184.00	5,184.00
CK	11/25/2019	116118	B. G. Marketing Phone Book Cover Ad	299.00	299.00
CK	11/25/2019	116119	Altec Industries, Inc.	880.63	

**CM - Check Register-Detail****1 Cash - General Fund**

<u>Type</u>	<u>Date</u>	<u>Chk Nbr</u>	<u>Name</u>	<u>Total Check Amount</u>	<u>Document Detail</u>
			Guy Wire Reel		762.51
			Guy Wire Reel		118.12
CK	11/25/2019	116120	State Bank Of Wheaton	<b>261.40</b>	
			Sept, Oct & Nov ACH Processing		261.40
CK	11/25/2019	116121	JOHN DEERE FINANCIAL	<b>21.00</b>	
			Shipping Charges		21.00
CK	11/25/2019	116122	LegalShield	<b>147.50</b>	
			November ID Theft Ins		147.50
CK	11/26/2019	116123	TOM FRISCH	<b>256.96</b>	
			T Frisch - Board Check		256.96
CK	11/26/2019	116124	Russell Armstrong	<b>1,102.94</b>	
			R Armstrong - Board Check		1,102.94
CK	11/26/2019	116125	Michael Marks	<b>278.42</b>	
			M Marks - Board Check		278.42
CK	11/26/2019	116126	Alan Veflin	<b>284.80</b>	
			A Veflin - Board Check		284.80
CK	11/26/2019	116127	Douglas Diekmann	<b>261.02</b>	
			D Diekmann - Board Check		261.02
CK	11/26/2019	116128	Pat Homan	<b>273.20</b>	
			P Homan - Board Check		273.20
CK	11/26/2019	116129	Karen Kath	<b>285.96</b>	
			K Kath - Board Check		285.96
CK	11/26/2019	116130	Terry Monson	<b>301.62</b>	
			T Monson - Board Check		301.62
WT	11/29/2019	8801506	USDA, Rural Util. Service	<b>3,704.48</b>	
			RUS November Pmt on RET 8-1		3,704.48
WT	11/29/2019	8801507	USDA, Rural Util. Service	<b>30,656.45</b>	
			RUS Monthly Loan Pmt (- RET 8-1 Amt)		30,656.45
CK	11/30/2019	Payroll Batch # PR000901		<b>32,136.57</b>	
<b>Total</b>				<b>\$380,633.36</b>	

Database: TR PROD

Report:D:\HomeDir\PCS\Reports\PCSCustom\CM-Board Check Register.rpt

Parameters: ( ( {CMDoc.TranType} in ["CK", "MC", "VC", "WT"] AND ( {CMDoc.CheckStatus} <> "C" ) ) AND ( NOT (isnull({CMDoc.BatchID}) ) ) AND ( {CMDoc.TranDate} in Date(2019, 11, 1) to Date(2019, 11, 30)) AND ( {CMDoc.BankAcctID} in ['1'])

Last Modified: 12/17/2019

December 31, 2019 Office Manager's Report:

1. Accounts Receivable balances as of 11/30/2019 billing statement:
  - a. Current (Nov. 30<sup>th</sup> statement) \$1,415,454.65
  - b. 1-30 Days (Oct 31<sup>st</sup> statement) \$29,937.69
  - c. 31-60 Days (Sept. 30<sup>th</sup> statement) \$3719.08 ( 37 Disconnect notices sent out, resulted in 0 disconnects)
  - d. 61-90 Days (Aug 31<sup>st</sup> statement) \$904.60
  - e. Older than 91 days - \$10,602.45

2. Information about the Scholarship and Youth Tour was sent to all area high schools, advertised in our newsletter, our website, and Facebook.

3. A bill insert was sent with the Nov 30<sup>th</sup> bills with information on our sub meters (load management meters for heat). This details our requirements and the procedures that our members and their electricians need to follow when requesting a new sub meter.

A letter with this same information was sent to all area electricians as well.

4. Member Services/Electrician Dept. Update: Steve Powers continues to learn his duties as our member services rep/master electrician. He is licensed in MN and SD. He has been busy troubleshooting sub meters, doing small electrician jobs, working on the generator program, installing and inspection new sub meters, and has installed a few water heater receivers including 2 of East River's shifted energy controllers on our system. The shifted energy controllers will give East River real time energy usage of the water heaters. He has quite a few reverse rotation issues to correct for submeters that are reported by our new RF meters. He is also learning how to process rebates. He attended the East River Members Services meeting, East River's new employee orientation, and the Northeast Legislative Dinner.

Steve will also be attending the MN REMA Member Services Conference in January.

<b>USDA - RUS</b>  <b>FINANCIAL AND STATISTICAL REPORT</b>			BORROWER DESIGNATION <b>MN 84 Traverse</b>		
INSTRUCTIONS - See RUS Bulletin 1717B-2			PERIOD ENDED <b>November 2019</b>		
<b>PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT</b>					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	37	47	5. Miles Transmission		
2. Services Retired	40	9	6. Miles Distribution- Overhead	1,173	1,168
3. Total Services in Place	3,182	3,217	7. Miles Distribution- Underground	529	542
4. Idle Services (Exclude Seasonal)	0	0	8.Total Miles Energized (5 + 6 + 7)	1,702	1,710
<b>PART E. KWH AND KW STATISTICS</b>					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	THIS MONTH (a)	YTD (b)		THIS MONTH (a)	YTD (b)
1. Net kWh Generated			6. Office Use	31,614	293,587
2. kWh Purchased	15,255,813	109,256,551	7. Total Unaccounted For (4 Less 5 & 6)	811,087	5,237,780
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	5	5
4. Total kWh (1 thru 3)	15,255,813	109,256,551	9. Maximum Demand (kW)	23,120	
5. Total kWh Sold	14,413,112	103,725,184	10. Mo When Max Demand Occurred	November	23120

## PART D. CONSUMER SALES AND REVENUE DATA

Class Of Service	THIS MONTH				YEAR-TO-DATE		
	# Rec'g Service a	kWh Sold b	Amount c	# Min Bills d	Avg # Rec'g Serv e	kWh Sold Cumulative f	Amount Cumulative g
1. Residential Sales	2,556	7,509,267	788,896		2,514	51,621,361	5,864,414
2. Seasonal Sales	400	160,914	30,928		411	1,935,252	361,039
3. Irrigation Sales	12	122	1,270		12	38,327	16,088
4. Comm - 50 kVA or less	2	19	202		2	37,432	7,295
5. Comm - over 50 kVA	111	3,197,042	326,520		107	12,591,764	1,264,168
6. Kinder Morgan	1	419,810	34,274		1	5,354,990	399,893
7. Veblen Dairy	1	1,439,941	98,105		1	16,332,583	1,198,473
8. WDCE - Graceville Loc	1	430,000	40,718		1	2,010,380	196,127
9. Dollymount Dairy	3	1,081,226	75,183		3	11,922,448	845,176
10. Campbell Dairy	1	174,771	16,375		1	1,880,647	169,694
11. Total Sale of Electric	3,088	14,413,112	1,412,471		3,053	103,725,184	10,322,366
12. Other Elec Revenue			1,878				24,059
13. Total (11 + 12)			1,414,349				10,346,425

1.  $25132 + 2556 = 27658 / 11 = 2514$
2.  $4129 + 400 = 4529 / 11 = 411$
3.  $120 + 12 = 132 / 11 = 12$
4.  $23 + 2 = 25 / 11 = 2$
5.  $1068 + 111 = 1179 / 11 = 107$
9.  $30 + 3 = 33 / 11 = 3$

**Traverse Electric Cooperative, Inc.**  
**Financial and Operating Report Electric Distribution**  
**Statement of Operations**  
For the eleven months ending 11/30/2019

	2018 <u>YTD Actual</u>	2019 <u>YTD Actual</u>	2019 <u>YTD Budget</u>	2019 <u>November</u>
1. Operating Revenue and Patronage Capital	9,990,543.49	10,346,424.92	10,178,177.00	1,414,348.91
2. Power Production Expense	0.00	0.00	0.00	0.00
3. Cost of Purchased Power	6,124,208.21	6,402,086.16	6,209,016.00	840,076.93
4. Transmission Expense	0.00	0.00	0.00	0.00
5. Regional Market Expense	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	512,420.74	475,213.98	584,330.00	32,260.65
7. Distribution Expense - Maintenance	508,126.21	617,539.04	638,335.00	32,314.11
8. Customer Accounts Expense	161,837.90	169,292.18	178,475.00	17,551.82
9. Customer Service and Informational Expense	70,715.93	71,717.51	88,025.00	5,664.89
10. Sales Expense	8,353.40	6,125.00	9,085.00	(1,150.00)
11. Administrative and General Expense	705,851.69	837,957.35	718,304.00	58,874.61
12. Total Operation & Main. Expense (2 thru 11)	8,091,514.08	8,579,931.22	8,425,570.00	985,593.01
13. Depreciation and Amortization Expense	875,084.41	888,207.32	924,300.00	81,649.90
14. Tax Expense - Property & Gross Receipts	0.00	0.00	0.00	0.00
15. Tax Expense - Other	140.00	372.83	0.00	23.00
16. Interest on Long-Term Debt	589,707.70	577,896.10	618,560.00	50,003.23
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00
18. Interest Expense - Other	455.67	599.70	500.00	77.38
19. Other Deductions	0.00	0.00	0.00	0.00
20. Total Cost of Electric Service (12 thru 19)	9,556,901.86	10,047,007.17	9,968,930.00	1,117,346.52
21. Patronage Capital & Operating Margins (1 - 20)	433,641.63	299,417.75	209,247.00	297,002.39
22. Non Operating Margins - Interest	220,395.72	214,844.05	213,583.00	13,297.13
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
25. Non Operating Margins - Other	17,423.03	(32,166.34)	13,250.00	(3,028.96)
26. Generation and Transmission Capital Credits	0.00	0.00	0.00	0.00
27. Other Capital Credits and Patronage Dividends	28,138.17	21,260.56	24,000.00	0.00
28. Extraordinary Items	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	699,598.55	503,356.02	460,080.00	307,270.56

## Income Statement Analysis Ratios

For the eleven months ending 11/30/2019

$$\begin{aligned}\text{Times Interest Ratio} &= 2 \text{ to } 1 \\ &= \text{Line 29} + \text{Line 16} / \text{Line 16} \\ &= \frac{503,356.02 + 577,896.10}{577,896.10}\end{aligned}$$

$$\begin{aligned}\text{Modified Times Interest Earned Ratio} &= 2 \text{ to } 1 \\ &= \text{Line 29} - \text{Line 26} - \text{Line 27} - \text{Line 28} + \text{Line 16} / \text{Line 16} \\ &= \frac{503,356.02 - 0.00 - 21,260.56 - 0.00 + 577,896.10}{577,896.10}\end{aligned}$$

$$\begin{aligned}\text{Operating Times Interest Earned Ratio} &= 2 \text{ to } 1 \\ &= \text{Line 21} + \text{Line 16} / \text{Line 16} \\ &= \frac{299,417.75 + 577,896.10}{577,896.10}\end{aligned}$$

**Traverse Electric Cooperative, Inc.**  
**Financial and Operating Report Electric Distribution**  
**Balance Sheet**

For the period ending 11/30/2019

	-----2019-----		-----2018-----	
	November <u>Activity</u>	November <u>Balance</u>	November <u>Activity</u>	November <u>Balance</u>
<b><u>Assets and Other Debits</u></b>				
1. Total Utility Plant in Service	441,858.72	26,060,800.41	256,077.64	25,301,613.76
2. Construction Work in Progress	(480,416.15)	1,341,684.34	52,379.61	432,280.26
3. Total Utility Plant (1+2)	(38,557.43)	27,402,484.75	308,457.25	25,733,894.02
4. Accum. Provision for Depreciation and Amort	(24,493.48)	(11,478,815.16)	(87,611.66)	(10,893,053.27)
5. Net Utility Plant (3-4)	(63,050.91)	15,923,669.59	220,845.59	14,840,840.75
6. Non-Utility Property - Net	0.00	0.00	0.00	0.00
7. Investment in Subsidiary Companies	0.00	0.00	0.00	0.00
8. Invest in Assoc. Org.-Patronage Capital	0.00	5,580,407.49	0.00	4,688,150.37
9. Invest in Assoc. Org.-Other-General Funds	0.00	26,134.57	0.00	23,276.57
10. Invest in Assoc. Org.-Other-Nongeneral Funds	0.00	283,488.66	0.00	282,134.20
11. Investments in Economic Development Projects	0.00	0.00	0.00	0.00
12. Other Investments	(304.15)	71,288.78	(1,748.58)	89,251.08
13. Special Funds	0.00	0.00	0.00	0.00
14. Total Other Property & Investments(6 thru 13)	(304.15)	5,961,319.50	(1,748.58)	5,082,812.22
15. Cash-General Funds	(225,330.86)	251,616.45	(1,646,905.31)	1,230,885.34
16. Cash-Construction Funds-Trustee	0.00	1.00	0.00	1.00
17. Special Deposits	0.00	0.00	0.00	1,000.00
18. Temporary Investments	653,487.65	3,349,930.24	1,934,749.46	3,715,643.48
19. Notes Receivable - Net	0.00	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	375,144.10	1,488,717.45	(201,398.24)	1,139,198.15
21. Accounts Receivable - Other (Net)	(321,602.27)	141,347.04	62,048.20	116,358.05
22. Renewable Energy Credits	0.00	0.00	0.00	0.00
23. Materials & Supplies - Electric and Other	(29,829.73)	295,300.84	(35,145.88)	478,485.80
24. Prepayments	(1,911.10)	39,156.14	(8,784.49)	38,856.73
25. Other Current & Accrued Assets	6,099.71	22,378.41	6,161.01	7,066.16
26. Total Current & Accrued Assets (15 thru 25)	456,057.50	5,588,447.57	110,724.75	6,727,494.71
27. Regulatory Assets	0.00	0.00	0.00	0.00
28. Other Deferred Debits	(5,397.89)	194,395.65	(5,074.05)	258,108.83
29. Total Assets & Other Debits (5+14+26 thru 28)	387,304.55	27,667,832.31	324,747.71	26,909,256.51
<b><u>Liabilities and Other Credits</u></b>				
30. Memberships	0.00	0.00	0.00	0.00
31. Patronage Capital	(310.01)	12,372,584.44	(22,669.56)	10,933,872.65
32. Operating Margins - Prior Years	0.00	0.00	0.00	0.00
33. Operating Margins - Current Year	297,002.39	299,417.75	180,508.95	433,641.63
34. Non Operating Margins	10,268.17	203,940.28	21,709.49	265,958.29
35. Other Margins and Equities	172.92	458,433.75	8,735.97	423,271.45
36. Total Margins & Equities (30 thru 35)	307,133.47	13,334,376.22	188,284.85	12,056,744.02
37. Long-Term Debt RUS (Net)	(528,770.83)	4,519,481.06	(15,780.31)	5,222,368.40
38. Long-Term Debt - FFB - RUS Guaranteed	(1,955,294.09)	7,790,461.03	0.00	10,013,114.10
39. Long Term Debt - Other - RUS Guaranteed	(21,781.47)	154,871.28	(20,785.40)	410,724.24
40. Long-Term Debt - Other (Net)	0.00	607,256.87	0.00	649,560.29
41. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00	0.00	0.00	0.00
42. Payments - Unapplied	2,475,652.50	0.00	23,219.49	(2,733,884.77)
43. Total Long-Term Debt (37 thru 41-42)	(30,193.89)	13,072,070.24	(13,346.22)	13,561,882.26
44. Obligations Under Capital Leases	0.00	0.00	0.00	0.00
45. Accumulated Operating Provisions	0.00	0.00	0.00	0.00
46. Total Other Noncurrent Liabilities (44 + 45)	0.00	0.00	0.00	0.00
47. Notes Payable	0.00	0.00	0.00	0.00
48. Accounts Payable	83,134.80	965,589.43	99,689.76	1,012,471.05
49. Consumer Deposits	600.00	13,950.00	(50.00)	13,000.00
50. Current Maturities Long Term Debt	0.00	0.00	0.00	0.00
51. Current Maturities - Econ Development	0.00	0.00	0.00	0.00
52. Current Maturities - Capital Leases	0.00	0.00	0.00	0.00
53. Other Current & Accrued Liabilities	30,882.63	243,736.39	50,169.32	241,467.37
54. Total Current & Accrued Liab (47 thru 53)	114,617.43	1,223,275.82	149,809.08	1,266,938.42
55. Regulatory Liabilities	0.00	0.00	0.00	0.00
56. Other Deferred Credits	0.00	21,100.23	0.00	23,691.81
57. Total Liab & Other Credits(36+43+46+54 thru 56)	391,557.01	27,650,822.51	324,747.71	26,909,256.51

**Balance Sheet Analysis Ratios**

For the period ending 11/30/2019

**Equity as a Percent of Assets = 48.22 %****= Line 36 / Line 29**

$$= \frac{13,334,376.22}{27,650,822.51}$$

**General Funds as a Percent of Total Utility Plant = 13.4033 %****= Line 12 + Line 13 + Line 15 + Line 16 + Line 18 / Line 3**

$$= \frac{71,288.78 + 0.00 + 251,616.45 + 1.00 + 3,349,930.24}{27,402,484.75}$$

**Modified Equity as a Percent of Assets = 28.0252 %****= Line 36 - Line 8 / Line 29**

$$= \frac{13,334,376.22 - 5,580,407.49}{27,667,832.31}$$

**Current Assets to Current Liabilities Ratio = 4.5684 to 1****= Line 26 / Line 54**

$$= \frac{5,588,447.57}{1,223,275.82}$$

**Total Long-Term Debts as a Percentage of Total Utility Plant = 47.7040 %****= Line 43 / Line 3**

$$= \frac{13,072,070.24}{27,402,484.75}$$

## November Comparison 2019

	18-Nov	YTD 18	YTD 19	19-Nov
<b>Revenue</b>	\$ 1,101,659.02	\$ 9,990,543.49	\$ 10,346,424.92	\$ 1,414,348.91
<b>Cost of Power</b>	\$ 639,578.70	\$ 6,124,208.21	\$ 6,402,086.16	\$ 840,076.93
<b>Distribution Exp - Oper.</b>	\$ 29,536.80	\$ 512,420.74	\$ 475,213.98	\$ 32,260.65
<b>Distribution Exp. - Maint.</b>	\$ 26,086.46	\$ 508,126.21	\$ 617,539.04	\$ 32,314.11
<b>Interest Paid</b>	\$ 53,642.51	\$ 590,163.37	\$ 578,495.80	\$ 50,080.61
<b>Total Cost of Service</b>	\$ 921,150.07	\$ 9,556,901.86	\$ 10,047,007.17	\$ 1,117,346.52
<b>Margin Operation</b>	\$ 180,508.95	\$ 433,641.63	\$ 299,417.75	\$ 297,002.39
<b>Other Income</b>	\$ 21,709.49	\$ 265,956.92	\$ 203,938.27	\$ 10,268.17
<b>Total Margins</b>	\$ 202,218.44	\$ 699,598.55	\$ 503,356.02	\$ 307,270.56
<b>Total kWh Sold</b>	10,977,003	98,410,439	103,725,184	14,413,112
<b>Line Loss</b>	4%	5%	5%	5%

## OPERATIONS REPORT DECMEBER 2019

As of December 19<sup>th</sup> 2019, crews have been busy with the following:

- Pole change outs
- Service upgrades
- Install transformer/Energized new service/ tile pump Deal
- Energized 2 new services in Long Hollow housing
- Plow/Bore 2500ft, new service for tile pump. Davison
- Meter & Energized 3 phase service/ Ben Loll
- Meter & Energize 3 phase service/ Justin Deal
- Retired 3 transformers and services for RC technologies
- Tree trimming

### Miscellaneous:

- **Meter update**
  - Chapman metering is no longer changing meters for us, we have approximately 4100 meters installed, and have roughly 450ish to replace yet. Most of these, are sub meters in the homes, that we need to make appointments with the member to access these meters.
  - I am also working with Landis/Gyr and Irby, on some issues we have seen with some of our meters that stay in the lost status even after power has been restored.
- **SD Retirements**
  - These projects have been completed, to include the work west of Sisseton in the hills, and also the East River projects
- **SD Electrical Inspector**
  - We received word, that we can no longer energize any services for 2 different Electricians in SD.
- **Transformer wrecked/oil spill**
  - We had an electrician in SD, that tried to do some trenching in front of one of our pad mount transformers, NO LOCATE, he did not hand dig either, he ended up hooking the secondary coming out of the transformer and ripped one of the secondary bushings completely out of the transformer, causing an outage and draining all oil out of it as well. I reached out to Lisa, STAR ENERGY, to help with all of the proper paperwork and reporting for the spill/cleanup. Electrician will be getting a bill. FYI...he also cut the members fiber drop!
- **Sisseton substation**
  - We had to shut down the Sisseton sub for East River on the 13<sup>th</sup>, to make some changes, to stay compliant with SPP, we tried to pick up the load from the victor substation, but the load was too much to handle, so we did have some members out of power for a little while and also had some flickering lights complaints. This was all due

to the load on the system at the time. East River will require at least a 2 day outage of the Sisseton sub in the future, however, they will need to come up with a better solution for us to be able to keep our members on.

**Safety:**

- STAR
  - Safety committee meeting on the 12<sup>th</sup>
  - De-escalation/active shooter training on the 12<sup>th</sup>, with Mike Scharnowski
  - Rick and I attended a joint operations/safety meeting at STAR on the 10<sup>th</sup>, with multiple topics covered.
- MREA
  - Safety meeting on the 16<sup>th</sup>, Tree trimming safety
  - Safety playbooks

**Outage Report attached:**

- Traverse

***Dale Schwagel***

***Operations Manager***

## November 2019 Outages

OUTAGE DATE	LOCATION	CAUSE OF OUTAGE	TIME OFF	TIME ON	No. consumers affected	POWER SUPPLY	No. consumers affected	PRE-ARRANGED	Consumer-Hour Outage Time (in minutes)		
									No. consumers affected	STORM	OTHER
11/3/2019	3-3-2	Wires wrapped up across from 3-3-2	1:30 PM	2:35 PM					3	195	
	Christi Schumacher	Clearance little low - unwrapped & pulled up guy wire							1	240	
11/6/2019	40-16-3A	Fuse blown on take off pole - refused	5:00 AM	9:00 AM					1	96	
	Richard Sando								1	417	
11/7/2019	49-35-4	Trans fuse blown - added new dryer	6:53 PM	8:29 PM					4	396	
	Dan Piotter										
11/12/2019	24-22-3	Patrolled line and refused t-fuse	7:45 AM	2:42 PM							
	Maureen Owen										
11/14/2019	11-14-4	Blown line fuse	10:11 PM	11:50 PM							
	Christine Morgan										
11/19/2019	Victor Sub	ER had bad regulators & OCR @ sub	4:23 PM	5:09 PM			495	22770			
11/20/2019	52-34-1	Squirrel blew trans fuse - refused and held	6:34 PM	8:05 PM					1	91	
	Guy Mackner										
11/21/2019	11-28-3	Broken phase at this location - no known caus	12:43 AM	4:35 AM					6	1392	
	TEC										
11/21/2019	11-15-4	Hit pole - broke off floated phase	1:30 AM	3:30 AM					6	720	
	Kristopher Morgan										
11/25/2019	5-34-3	Blown transformer fuse	9:01 AM	10:35 AM					1	94	
	Keith Gerber										
11/26/2019	51-16-4B	Oien hit secondaries @ Charles Deegan Res	11:30 AM	2:30 PM					1	180	
11/25/2019	29-9-1B	Line fuse - squirrel	7:57 AM	8:57 AM					1	60	

**BOARD REPORT**  
**Safety and Compliance**  
**Traverse Electric Cooperative, Inc.**  
**November 2019**

**MANAGEMENT**

No items reported during this period.

	Not Started	In Progress	Completed
<b>AWAIR/SIP Goals</b>			
1. Implement a Plan to Appropriately Handle an Unannounced OSHA Visit		✓	
2. Provide De-escalation Training for Employees		✓	
3. Focus on Inspections		✓	

**EDUCATION**

<u>Topic</u>	<u>Audience</u>	<u>Date</u>	<u>Presenter</u>
Safety Playbooks	Operations	05-09/19	MREA
Safety Pallet and Download on Safety	All employees	09-11/19	MREA
Monthly Newsletter – Be Prepared for Winter Driving	All employees	10/10/19	STAR
Cooperative Connections – Electrical Safety Tips; Don't Shoot Near Lines	Members/Public	11/19	TEC
Monthly Poster – Eye Protection	All employees	11/01/19	STAR
Safety Bulletin Board Notice – Be Seen. Be Safe. Be Bright.	All employees	11/01/19	STAR
Be Safe – Safe Work Practices: Insulating Equipment	Operations	11/04/19	STAR
Lead On: Safety Leadership is Not Safety Management	Managers	11/04/19	STAR
Litigation Report: Critical Clients	Operations	11/04/19	Federated/TEC
Live Well: Improving Your Sleep	All employees	11/11/19	STAR

**INSPECTIONS**

- ✓ Monthly fire extinguisher and first aid inspections by TEC on 11/06/19
- ✓ Monthly forklift inspection by TEC on 11/06/19

**EVENTS (not including damage to poles/structures by public)**

1 new event reported during this period. See table below.

- ✓ Year-to-Date Injuries: 0 (includes no OSHA recordables)
- ✓ Year-to-Date Damage: 2 (includes no DOT reportable)
- ✓ Year-to-Date Near Miss: 1

Date	Type	Description	Actions
04/30/19	Near Miss	Wrench slipped and contacted energized transformer	In future, blanket to be placed against tank of pad-mounted transformer when connecting hot secondaries
08/27/19	Damage	Truck dropped into ditch	Reviewed; no further action
11/26/19	Damage/ Oil Spill	Cabinet damaged by electrician; transformer oil spilled	Spill cleanup completed; appropriate authorities notified

# **TRAVERSE ELECTRIC COOPERATIVE, INC.**

**Wheaton, Minnesota**

## **BOARD POLICY NO. 306**

### **WATER HEATER VALUE CERTIFICATE**

#### **I. OBJECTIVE**

To establish the rules and procedures to be followed regarding the Cooperative's water heater value certificate.

#### **II. POLICY**

The Cooperative will make a payment to its members based on installed capacity for any "lifetime" warranty electric water heater, 50 gallons or larger, installed after November 1, 1994. The following procedure will be followed before the payment is made.

1. All hot water heaters will be connected to East River's load management systems and must be connected for a minimum of four years. If the member requests removal of the receiver they will be required to repay a portion of the rebate based on the number of years installed. Example: If the receiver was installed for two years and the member wishes the receiver to be removed he would then pay the Cooperative back fifty percent (50%) of the value certificate.
2. Requires that before payment is made a Cooperative employee must inspect the installation to make sure the water heater is installed and the load management receiver is connected and functioning properly.
3. All water heaters that are installed under the value certificate program will be required to have a lifetime warranty that provides a no cost replacement (equipment only) in the case of tank leakage. **for at least 10 years.** A copy of the warranty must be presented to the Cooperative before payment is made to the member.
4. The rebate or value certificate will not be paid to members whose water heaters were replaced under warranty. An invoice showing the purchase must be submitted to the Cooperative before any payment is made.
5. Water heaters must be placed in a permanent residence. This could include dairy or hog facilities. Cabin accounts do not qualify for this program.
6. Water Heater Incentive level for lifetime warranty electric water heater size 50 gallons or larger:

East River Rebate -----	Traverse Electric Rebate -----	Total Rebate -----
\$3.00 per gallon	\$3.00 per gallon	\$6.00 per gallon

### III. RESPONSIBILITY

A. The Manager and department heads are responsible for the administration of this policy.

B. The Board of Directors is responsible for any change in or revision of this policy.

Date Adopted: 12-2-86

Date Reviewed: 11-26-01

Date Reviewed: 12-21-09

Date Revised: 01-29-13

Date Revised: 06-28-16

Date Revised: 12-31-19

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Mark Pearson, Secretary

## OPTION 1: Discontinue Appliance Rebates

### TRAVERSE ELECTRIC COOPERATIVE, INC.

Wheaton, Minnesota

#### BOARD POLICY NO. 307

#### Energy Efficiency, Conservation, and Generator Programs

##### I. OBJECTIVE

To establish an energy efficiency and conservation program with incentives that will encourage members of Traverse Electric to purchase and install Energy Star appliances, heating systems, lights, motors, and crop drying equipment. And to also promote the purchase of generators through our Generator Program.

##### II. ELECTRIC HEATING SYSTEMS-RESIDENTIAL (Single family, Condos, Townhomes, and Duplexes)

###### A. Traverse Electric will offer incentives and loans to install high efficient heating equipment in unattached single family homes.

- 1). Must be 2 ton or larger electric heat pump.
- 2). Must be new equipment.
- 3). The heat pump (outside unit only) must have a Heating Seasonal Performance Factor (HSPF) greater than or equal to 8.5
- 4). Only one electric heating incentive payment will be paid per structure every ten (10) years.
- 5). Electric Heat Incentive levels are:

East River Rebate	Traverse Electric Rebate	Total
\$400	\$200	\$600

- 6). Condos, townhomes, and duplexes will be considered as individual units if each living unit has its own heating system and meets the minimum qualifications above or the size of the building's system divided by the number of living units meets the qualifications above.

###### B. In conjunction with East River's marketing program, Traverse Electric will loan up to

\$10,000 to eligible members/consumers for the following:

- 1). Heating equipment, heat pumps and geothermal systems
- 2). Wiring costs
- 3). Duct work
- 4). Generators sold by Traverse Electric Cooperative through the Generator Program

C. All loans will carry an interest rate of five percent (5%) per annum and will be amortized for 84 months.

### III. ENERGY STAR APPLIANCE POLICY

Traverse Electric offers rebate only on appliances that are replacing existing appliances.

A). Rebate payments will be processed upon proof of disposal of the old appliance for refrigerators and freezers.

B). Only new Energy Star appliances will qualify for the rebate.

C). Payment will be processed from purchase receipts.

D). Seasonal accounts and farm shops do not qualify for this program.

E). Only one rebate per appliance will be paid on each location.

F). Energy Star Appliance rebate levels are:

	East River Rebate	Traverse Electric Rebate	Total
Refrigerators	\$50	\$50	\$100
Freezers	\$50	\$50	\$100
Dish Washers	\$25	\$25	\$50
Clothes Washers	\$25	\$25	\$50
Clothes Dryers	\$25	\$25	\$50

### III IV. ENERGY EFFICIENT LIGHTING INCENTIVES

Traverse Electric will offer incentives for the replacement of inefficient lighting systems in nonresidential settings.

A). The Member Services person will verify that new lights were installed.

B). The maximum incentive payment allowed is \$1000 (\$500 from East River & \$500

from Traverse Electric).

C). The incentives will be calculated based on the total watts reduced. The incentive is 20 cents per watt reduction (10 cents from East River and 10 cents from Traverse Electric).

#### **IV V. APARTMENT, COMMERCIAL, AGRICULTURAL, INSTITUTIONAL AND INDUSTRIAL ELECTRIC INCENTIVES**

Traverse Electric will offer the following incentives to address the needs of non-residential accounts: Apartment, Commercial, Institutional and Industrial Buildings.

A). Electric Heating Systems:

1. Resistance: \$20 (\$10 from East River, \$10 from Traverse Electric) per kW up to a max of 600 kW
2. Electric Heat Pump: \$50 per ton of heating capacity

B). Natural Air and Electric Crop Drying: A 5% interest rate loan for costs associated with installation of natural air or electric crop drying equipment.

C). Commercial/Industrial Process Equipment: A 5% interest loan for the cost of new electric equipment used to meet the process requirements of commercial and industrial customers. All applications under this section will require consultation and pre-approval from East River.

E). Third-Party Irrigation Management Systems: A one-time rebate of \$750 (\$500 from East River, \$250 from Traverse Electric) will be paid per device for a third-party remote managed irrigation system provided that it meets the following minimum requirements:

1. New system eliminates the need for an East River load control receiver (irrigation controller).
2. Ability to ingest automated notice from East River of shed and restore via email, text, or voice.
3. Provide less than 15-minute latency from East River email to load shed/restore.
4. Provide Traverse Electric notice of customer bypass.
5. If a consumer who received a rebate discontinues third-party control within five years and requests an East River control be re-installed, the consumer is required to pay for a new East River receiver up to \$500.

F). Third-Party Grain Dryer Management Systems: Traverse Electric will pay a onetime \$750 (\$500 from East River and \$250 from Traverse Electric) rebate per device for a third-party remote managed Grain Dryer Management system provided that it meets the following minimum requirements:

1. New system eliminates the need for an East River load control receiver.

2. Ability to ingest automated notice from East River of shed and restore via email, text, or voice.
3. Provide less than 15-minute latency from East River email to load shed/restore.
4. Provide distribution cooperative notice of customer bypass.
5. If a consumer who received a rebate discontinues third-party control within five years and requests an East River control be reinstalled, the consumer is required to pay for a new East River receiver up to \$500.

This rebate will expire on December 31, 2021 unless approved to continue by the East River Communications and Marketing committee. Retroactive rebates are up to the discretion of Traverse Electric.

#### **V ~~VI~~: ENERGY AUDIT INCENTIVES**

- A). Traverse Electric will perform energy audits for the members at a cost of \$50.
  - B). The energy audit shall provide a list of recommended energy efficiency improvements with estimated paybacks of 10 years or less.
  - C). East River will provide rebates of 10% of the cost of energy improvements, up to \$500. This rebate is only to homes that have had an energy audit and only one rebate payment will be made per structure.
  - D). 5% interest rate loans will be available for weatherization and energy efficiency improvements that are recommended in the energy audit. Traverse Electric employees are eligible for loans (but no rebates) under this program.
- 
- A. The General Manager and department heads are responsible for the administration of this policy.
  - B. The Board of Directors is responsible for any changes in or revisions of this policy.

Date Adopted 12-02-86  
Date Reviewed 12-31-07  
Date Reviewed 02-22-10  
Date Revised 04-30-19  
Date Revised 07-23-19  
**Date Revised: 12-31-19**

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Mark Pearson, Secretary

**OPTION 2: Continue Traverse Electric's share of appliance rebates**

**TRAVERSE ELECTRIC COOPERATIVE, INC.**

**Wheaton, Minnesota**

**BOARD POLICY NO. 307**

**Energy Efficiency, Conservation, and Generator Programs**

**I. OBJECTIVE**

To establish an energy efficiency and conservation program with incentives that will encourage members of Traverse Electric to purchase and install Energy Star appliances, heating systems, lights, motors, and crop drying equipment. And to also promote the purchase of generators through our Generator Program.

**II. ELECTRIC HEATING SYSTEMS-RESIDENTIAL (Single family, Condos, Townhomes, and Duplexes)**

**A. Traverse Electric will offer incentives and loans to install high efficient heating equipment in unattached single family homes.**

- 1). Must be 2 ton or larger electric heat pump.
- 2). Must be new equipment.
- 3). The heat pump (outside unit only) must have a Heating Seasonal Performance Factor (HSPF) greater than or equal to 8.5
- 4). Only one electric heating incentive payment will be paid per structure every ten (10) years.
- 5). Electric Heat Incentive levels are:

East River Rebate	Traverse Electric Rebate	Total
\$400	\$200	\$600

- 6). Condos, townhomes, and duplexes will be considered as individual units if each living unit has its own heating system and meets the minimum qualifications above or the size of the building's system divided by the number of living units meets the qualifications above.

**B. In conjunction with East River's marketing program, Traverse Electric will loan up to**

\$10,000 to eligible members/consumers for the following:

- 1). Heating equipment, heat pumps and geothermal systems
- 2). Wiring costs
- 3). Duct work
- 4). Generators sold by Traverse Electric Cooperative through the Generator Program

C. All loans will carry an interest rate of five percent (5%) per annum and will be amortized for 84 months.

### III. ENERGY STAR APPLIANCE POLICY

Traverse Electric offers rebate only on appliances that are replacing existing appliances.

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- B). Only new Energy Star appliances will qualify for the rebate.
- C). Payment will be processed from purchase receipts.
- D). Seasonal accounts and farm shops do not qualify for this program.
- E). Only one rebate per appliance will be paid on each location.
- F). Energy Star Appliance rebate levels are:

	East River Rebate	Traverse Electric Rebate	Total
Refrigerators	<del>\$50</del> \$0	\$50	<del>\$100</del> \$50
Freezers	<del>\$50</del> \$0	\$50	<del>\$100</del> \$50
Dish Washers	<del>\$25</del> \$0	\$25	<del>\$50</del> \$25
Clothes Washers	<del>\$25</del> \$0	\$25	<del>\$50</del> \$25
Clothes Dryers	<del>\$25</del> \$0	\$25	<del>\$50</del> \$25

### IV. ENERGY EFFICIENT LIGHTING INCENTIVES

Traverse Electric will offer incentives for the replacement of inefficient lighting systems in nonresidential settings.

- A). The Member Services person will verify that new lights were installed.
- B). The maximum incentive payment allowed is \$1000 (\$500 from East River & \$500

from Traverse Electric).

C). The incentives will be calculated based on the total watts reduced. The incentive is 20 cents per watt reduction (10 cents from East River and 10 cents from Traverse Electric).

## V. APARTMENT, COMMERCIAL, AGRICULTURAL, INSTITUTIONAL AND INDUSTRIAL ELECTRIC INCENTIVES

Traverse Electric will offer the following incentives to address the needs of non-residential accounts: Apartment, Commercial, Institutional and Industrial Buildings.

### A). Electric Heating Systems:

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2. Electric Heat Pump: \$50 per ton of heating capacity

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This rebate will expire on December 31, 2021 unless approved to continue by the East River Communications and Marketing committee. Retroactive rebates are up to the discretion of Traverse Electric.

## VI: ENERGY AUDIT INCENTIVES

- A). Traverse Electric will perform energy audits for the members at a cost of \$50.
  - B). The energy audit shall provide a list of recommended energy efficiency improvements with estimated paybacks of 10 years or less.
  - C). East River will provide rebates of 10% of the cost of energy improvements, up to \$500. This rebate is only to homes that have had an energy audit and only one rebate payment will be made per structure.
  - D). 5% interest rate loans will be available for weatherization and energy efficiency improvements that are recommended in the energy audit. Traverse Electric employees are eligible for loans (but no rebates) under this program.
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- A. The General Manager and department heads are responsible for the administration of this policy.
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Date Adopted 12-02-86  
Date Reviewed 12-31-07  
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Date Revised 04-30-19  
Date Revised 07-23-19  
Date Revised: 12-31-19

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Mark Pearson, Secretary