

**AGENDA**  
**REGULAR MONTHLY MEETING-BOARD OF DIRECTORS**  
**TRAVERSE ELECTRIC COOPERATIVE, INC.**  
**Tuesday, January 28, 2020**  
**9:00 AM**

- 1). Call to order – *Alan Veflin, President*
- 2). Approval of Agenda \*\*\*
- 3). Approval of Minutes and Bills \*\*\*
- 4). Basin & East River Video Reports
- 5). East River Monthly Board Report - *Pat Homan*
- 6). SDREA Annual Meeting - *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
  4. NRECA CEO Close-Up
- 8). Office Manager's Report – *Karen Lupkes*
  1. December 31, 2019 Accounts Receivable Balances review
  2. Review new members connected.
  3. Red Flags Policy review and member identity theft protection.
  4. Keep sharing info on Youth Tour and Scholarship.
- 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). 2020 CFC Annual Meeting Voting Delegate (March 2, 2020; New Orleans, Louisiana) \*\*\*
- 12). 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.

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**REGULAR MONTHLY MEETING-BOARD OF DIRECTORS**  
**TRAVERSE ELECTRIC COOPERATIVE, INC.**  
**Tuesday, January 28, 2020**  
**9:00 AM**

- 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.

**13). Other Business**

**14). Adjournment \*\*\***

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

*Future Directors Meetings*

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

*Future Managers Meetings*

*East River MAC Meeting – February 5, 2020 – Hilton Garden Inn, Sioux Falls, 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*  
*East River MAC Meeting – March 10, 2020 – Madison, SD*  
*MREA Annual Meeting - March 17-18, 2020 - St. Paul, MN*  
*TEC Annual Meeting - March 19, 2020 - Wheaton High School - Wheaton, MN*  
*East River MAC Meeting – March 31, 2020 – Madison, SD (TEC Board meeting)*  
*East River Joint Strategic Planning (W/Board) – April 1, 2020 – Madison, SD*  
*MREA REMA CEO Conference – April 8-9, 2020 – Waite Park, MN*

*Future Board Meeting Dates*

*February 25, 2020 – Scheduled for 9:00 am*  
*March 31, 2020 – Scheduled for 9:00 am*  
*April 28, 2020 – Scheduled for 8:00 am*  
*May 26, 2020 – Scheduled for 8:00 am*  
*June 30, 2020 – Scheduled for 8:00 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, January 7, 2020  
9:00 AM**

The December monthly meeting of the Board of Directors of Traverse Electric Cooperative, Inc. was held at the office of the Cooperative on Tuesday, January 7, 2020.

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
Mark Pearson	Terry Monson (attended via speaker phone)	
Tom Frisch (left the meeting at approx. 10 AM)		

Absent was: None.

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

Kath made a motion to approve the agenda as presented with the addition of selecting MREA 2020 voting delegates, discuss attendees for the MREA Annual Meeting and the East River Energize Forum, and the annual review of Labor and Service Charges Rates. Marks seconded the motion and upon vote, motion carried unanimously.

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

The Basin video was not viewed.

The East River video was not viewed.

Janorschke presented to the board proposed amendments to our bylaws to be voted on by our membership at our annual meeting on March 19, 2020. They were also reviewed by our attorney, Scott Dymoke. It was discussed whether to have the members vote on each change separately or as one vote on all changes. Frisch made a motion to approve a resolution to bring the following amendments to our bylaws to the membership for a vote at our annual meeting on March 19, 2020 as one vote on all changes.

**Traverse Electric Cooperative, Inc.**

**By-Laws as Amended to March ~~1998~~ 2020**

# BY-LAWS

## ARTICLE 1

### Member

**Section 1. Qualifications and Obligations.** Any person may become a member in the Cooperative by; (a) agreeing to purchase from the Association the amount of electric energy hereinafter in Section 3 of this article specified; and (b) agreeing to comply with and be bound by the Articles of Incorporation and By-Laws of the Association and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors of the Association. ~~; provided, however, that no person shall become a member unless and until his/her application for membership has been accepted for membership by the Board of Directors or the members.~~ At each meeting of the members held subsequent to the expiration of a period of six (6) months from the date of incorporation of the Cooperative, all applications for membership received more than ninety (90) days prior to such meeting and which have not been accepted by the Board of Directors shall be submitted by the Board of Directors to such by the applicant with the conditions set forth in subdivisions (a) and (b) of this section, such application for membership may be accepted by a vote of the members at such meeting. The Secretary shall give any such applicant at least ten (10) days prior notice of the date of the members' meeting to which his/her application will be submitted and such applicant may be present and heard at the meeting.

**Any two or more natural persons, each of whom qualifies to be a member, may hold a joint membership in the Cooperative for a location to which the Cooperative provides electric service by completing the application for joint membership, provided the persons qualify and** ~~A husband and wife may jointly become a member and their application for a joint membership may be accepted in accordance with the foregoing provisions of this section provided the husband and wife comply jointly with the provisions of the above subdivisions (a) and (b).~~

**Section 2. Membership.** ~~Acceptance of a person's application for membership by the Board of Directors or the members shall make the person a member eligible for service.~~ **All memberships shall be automatically effective upon receipt of electric service from the Cooperative. Receipt of electric service from the Cooperative constitutes agreement by the member to comply with and be bound by the Articles of Incorporation and By-Laws of the Association and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors of the Association.**

**Section 3. Purchase of Electric Energy.** Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy, unless a member shall qualify and engage in cogeneration and/or small power generation, used on the premises referred to in the application of such member for membership, and shall pay therefore at rates which shall from time to time be fixed by resolution of the board of directors; provided, however, that the electric energy which the cooperative shall furnish to any member may be limited to such an amount as the board of directors shall from time to time determine and that each member shall pay to the Cooperative such minimum amount per month as shall be fixed by the board of directors from time to time, regardless of the amount of electric energy consumed. Each member shall also pay all obligations which may from time to time become due and payable by such member to the Cooperative as and when the same shall become due and payable.

**Section 4. Non-liability for Debts of the Cooperative.** The private property of the members shall be exempt from execution for the debts of the Cooperative and no member shall be individually responsible for any debts or liabilities of the Cooperative.

**Section 5. Forfeiture of Membership.** The board of directors may, by the affirmative vote of not less than two-thirds (2/3) of the members thereof, expel any member if such members shall have violated or refused to comply with any of the provisions of the articles of incorporation of the Cooperative or these bylaws or any rules or regulations adopted from time to time by the Board of Directors. Such member shall thereafter have no rights, privileges or benefits in the Cooperative. Any member so expelled may be reinstated as a member by a vote of the members at any annual or special meeting by of the members. The action of the members with respect to any such reinstatement shall be final.

**Section 6. Withdrawal of Membership.** Any member may withdraw from membership upon payment in full of all liabilities of such member to the Cooperative and upon compliance with such terms and conditions as the board of directors may prescribe.

**Section 7. Transfer and Termination of Membership.**

(a) Membership in the Cooperative shall be transferable only with the approval and consent of the Board of Directors except as hereinafter otherwise provided. The Cooperative shall have the first right and privilege of purchasing the membership offered for sale by any member. Upon the death, cessation of existence, expulsion or withdrawal of membership of such member shall be terminated. Termination of membership in any manner shall operate as a release of all right, title and interest of the member in the property and assets of the Cooperative; provided, however, that such termination of membership shall not release the member from the debts or liabilities of such member to the Cooperative.

(b) A membership may be transferred by a member to himself or herself and ~~his or her spouse, as the case may be~~ **one or more natural persons**, jointly upon written request of such member and compliance by such **persons** ~~husband and wife~~ jointly with the provisions of subdivisions (b) and (c) of Section 1 of this article. Such transfer shall be made and recorded on the books of the Cooperative.

(c) When a membership is held jointly by a ~~husband and wife~~ **two or more natural persons**, upon death of either such membership shall be deemed to be held solely by the survivor with the same effects as though such membership had been originally obtained solely by him or her, as the case may be, upon the recording of the such death on the books of the Cooperative provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

**Section 8. Removal of Directors and Officers.** The members shall have the power to remove any director or officer for cause. Any member may bring charges against an officer or director by filing them in writing with the secretary together with a petition signed by twenty per centum (20%) of the members requesting the removal of the officer or director in question. The removal of a director shall be voted on at the next regular or special meeting of the members of the district in which said director resides, or at the annual meeting of the members by the members of said district, and any vacancy created by such removal may be filled by the members from said district ~~at said meeting~~ **as provided in Section 3 of Article III**. The removal of an officer shall be voted upon at the next regular or special meeting of the members of the cooperative and any vacancy created by such removal may be filled by the ~~members at such meeting~~ **Board of Directors as provided in Section 4 of Article V**. The director or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present

evidence; and the person or persons bringing the charges against such director or officer shall have the same opportunity.

## ARTICLE II

### Meeting of Members

**Section 1. Annual Meeting.** The annual meeting of the members shall be held within the first six months of each calendar year, at the principal place of business of the cooperative or at any other place conveniently located within the area served by the cooperative, said time and place to be determined by the board of directors, for the purpose of electing directors, passing upon reports covering the previous fiscal year and transacting such other business as may come before the meeting. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members soon thereafter as conveniently may be. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

**Section 2. Notice of Annual Meeting.** Notice of the annual meeting shall be given by the Secretary by publication in legal newspaper or newspapers or circulated in the counties where the Cooperative operates at least two (2) weeks previous to the date of such meeting, or by mailing notice thereof to each and every member personally no less than fifteen (15) days previous to the date of such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his/her address as it appears on the records of the Cooperative, with postage thereon prepaid. In case of a joint membership, notice given to ~~either husband or wife~~ **one joint member** shall be deemed notice to ~~both~~ **all** joint members.

**Section 3. Special Meetings.** Special meeting of the members may be called by a majority of the directors or upon a written petition signed by at least twenty per centum (20%) of all the members. Special meeting of the members may be held at any place within the County of Traverse in the State of Minnesota specified in the notice of the special meeting.

**Section 4. Notice of Special Meeting.** It shall be the duty of the President to cause the Secretary to give notice of the time, place and purpose of a special meeting, either by publication in a legal newspaper or newspapers published or circulated in the counties where the Cooperative operates at least two (2) weeks previous to the date of such meeting or by mailing notice thereof to each and every member personally not less than fifteen (15) days previous to the date of such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United State mail, addressed to the member at his/her address as it appears on the records of the Cooperative, with postage thereon prepaid. Such notice shall be issued within ten (10) days from and after the date of the presentation of the written petition mentioned in Section 3 of this Article II. And such special meeting shall be held within thirty (30) days from and after the date of the presentation of such petition. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such annual or special meeting. In case of joint membership, notice given to ~~husband or wife~~ **one joint member** shall be deemed notice to ~~both~~ **all** joint members.

**Section 5. Quorum.** As long as the total number of members does not exceed five hundred (500), ten percent (10%) of the total number of the members present in person shall constitute a quorum. In case the total number of members shall exceed five hundred (500), fifty (50) members shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may



adjourn the meeting from time to time without further notice. In case of a joint membership the presence at a meeting of ~~either husband or wife, or both,~~ **one or more of the joint members** shall be regarded as a presence of one (1) member.

**Section 6. Establishment of a Quorum.** The attendance of a sufficient number of members to constitute a quorum at any meeting of the members shall be established by a registration of the members present at such meeting, which registration shall be verified by the President and Secretary and shall be reported in the minutes of such meeting. In case of a joint membership, registration of ~~either husband or wife, or both,~~ **one or more of the joint members** shall be regarded as the registration of one member.

**Section 7. Voting.** Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present all questions shall be decided by a majority of the members voting thereon at such meeting in person or by mail, except as otherwise provided by law, the articles of incorporation of the Cooperative or these bylaws. If a ~~husband and wife~~ **two or more natural persons** hold joint membership, they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

**Section 8. Voting by Mail.** Any member who is absent from any meeting may vote by mail upon any motion, resolution, amendment, **or other matter** to be acted upon at such meeting, if so, provided by the Board of Directors, on a ballot containing the exact text of the proposed motion, resolution or amendment. Such member shall indicate his/her affirmative or negative vote thereon by marking an "X" in the appropriate space upon such ballot. Such ballot shall be signed by the member and **mailed or delivered to the Cooperative or to a location designated by the Cooperative in a plain, sealed envelope inside another envelope bearing the member's name or otherwise indicating the member's identity. A properly executed ballot shall be accepted by** the Secretary of the Cooperative shall be ~~accepted and~~ counted as the vote of such absent member at such meeting. If a ~~husband and wife~~ **two or more natural persons** hold a joint membership and are absent from any annual or special meeting of the members they shall jointly be entitled to vote by mail as provided in this Section. The failure of any such absent member to receive a copy of any such motion or resolution or ballot shall not invalidate any action which may be taken by the members at any such meeting.

**Section 9. Order of Business.** The order of business at the annual meeting of the members, and so far as possible, at all other meetings of the members, shall be essentially as follows:

1. Call of the roll.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and acting upon, reports and officers, directors and committees.

5. Election of Directors.

6. Unfinished Business.

7. New Business.

8. Adjournment.

**Section 10. Postponement of Meeting of the Members.** In the event of inclement weather or the occurrence of a catastrophic event, natural disaster, or other good cause, any annual, special, or district meeting of the members may be postponed and rescheduled by the President or in the President's absence by any other available officer of the Board. Notice of the postponement and rescheduling shall be given by the Cooperative in any media of general circulation or broadcast serving the area served by the Cooperative.

**Section 11. Electronic Voting.** A member shall also be entitled to vote by electronic means if an electronic vote is authorized by the Board of Directors and conducted in accordance with the laws of the State of Minnesota.

### **Article III**

#### **Directors**

**Section 1. General Powers.** The business and affairs of the Cooperative shall be managed by a board of nine (9) directors, which shall exercise all of the powers of the Cooperative except such as are by law or by the article of incorporation of the Cooperative or be these bylaws conferred upon or reserved to the members.

**Section 2. Districts: ~~Qualifications and Tenure of Directors.~~** The territory of the Cooperative shall be divided into nine (9) districts as follows:

District One shall comprise of the following territory: Croke, Dollymount, Leonardsville and Tara Townships in Traverse County, Minnesota, and Eldorado, Everglade and Baker Townships in Stevens County, Minnesota

District Two shall comprise of the following territory: Tintah, Redpath and Clifton Townships in Traverse County, Minnesota and North Ottawa, Elbow Lake, Gorton and Logan Townships in Grant County, Minnesota plus any area in Grant County located east of and adjacent to said Gorton and Logan Townships.

District Three shall comprise of the following territory: Breckenridge, Sunnyside, Brandrup, Bradford, Campbell and Champion Townships in Wilkin County, Minnesota, and Lawrence Township in Grant County, Minnesota. Also, any area served by the Cooperative and located in Richland County,



North Dakota, directly west of and adjacent to Breckenridge, Brandrup and Campbell Townships in Wilkin County.

District Four shall comprise of the following territory: Browns Valley, Toqua, Graceville, Moonshine, Foster, Prior and Almond Townships in Big Stone County, Minnesota.

District Five shall comprise of the following territory: Walls, Windsor, Folsom, Arthur and Parnell Townships in Traverse County, Minnesota.

District Six shall comprise of the following territory: Taylor, Monson, and Lake Valley Townships in Traverse County, Minnesota.

District Seven shall comprise of the following territory: White Rock, Victor and Harmon Townships in Roberts County, South Dakota, plus the area in Richland County, North Dakota, located adjacent to and due north of White Rock Township in Roberts County, South Dakota.

District Eight shall comprise of the following territory: Red Iron Lake Township in Marshall County, South Dakota, Long Hollow, Sisseton, Grant, Bryant, Hart, Enterprise, Drywood Lake, Goodwill and Easter Townships in Roberts County, South Dakota.

District Nine shall comprise of the following territory: Lien, Minnesota, Norway and Bossko Townships in Roberts County, South Dakota and Veblen and McKinley Townships in Marshall County, South Dakota plus the area in Richland County, North Dakota located adjacent to and north of Norway, Lien and Minnesota Townships in Roberts County, South Dakota.

The Board of Directors shall at all times consist of nine (9) members all of whom must be members of the Cooperative and consumers of electrical energy sold by the Cooperative through its own distribution system. After July 1, 1959, no more than one (1) director shall have his/her residence in each of the nine districts. Should any director change his/her residence from the district from which he/she was elected or move his/her residence from the territory served by the Cooperative, a vacancy shall automatically exist on the Board of Directors from the district from which he/she was elected. At the annual meeting of the members in 1959, the directors from Districts One, Four and Seven shall be elected for a term of one year; the directors from Districts Two, Five and Eight for a term of two years; the directors from Districts Three, Six and Nine for a term of three years. Thereafter at the expiration of each term, directors shall be elected for a term of three years and until their successors have been elected and qualified, subject to the provisions of these bylaws with respect to the removal of directors. In case of elections to fill any vacancies arising before a term ends, the election shall be for the balance of the term, so that the terms of the three directors shall expire each year. ~~No member shall be eligible to become or remain a director or to hold any position of trust in the Cooperative who is not a bonafide resident of the area served by the Cooperative, or who is in any way employed by or financially in a competing enterprise or a business selling electric energy or supplies to the cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative. When a membership is held jointly by a husband and wife, either one, but not both, may be elected a director, provided, however, that neither one shall be eligible to become or remain a director or to hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth. Nothing in the Section contained shall or shall be construed to affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.~~

~~In 1962, and every third year thereafter,~~ The Board of Directors shall review the boundaries of the districts and propose recommended by-law changes to reapportion the district if the Board determines that

the district boundaries should be changed. Any new territory shall be included in the closest adjoining district.

### **Section 3. Nominations and Election.**

(a) Each year and at least 30 days before the annual meeting of the members, a meeting of the members shall be held in each district which a vacancy will exist on the Board of Directors at the next annual meeting. Such a meeting shall be called at the time and place within the district as may be designated by the Board of Directors. Notice of the district meetings shall be given by the Secretary of the Cooperative by mailing a notice thereof to each and every member residing within the district not less than seven (7) days previous to the day of such meeting. At least ~~ten (10)~~ **five (5)** members, who reside within the district, present in person, shall constitute a quorum for the transaction of business. The Board of Directors shall appoint a director to act as temporary chairman of the meeting and until a chairman and secretary have been elected by the members present. The members from said district present at such meeting shall nominate one or more members from the district as candidates for the Board of Directors. Nominations may not be closed until all the members present have had an opportunity to nominate. A list of nominations for directors shall be immediately prepared, signed by the Chairman and Secretary, and posted at the principal place of business of the Cooperative.

(b) Nominations by petition. Any ~~fifteen (15)~~ **ten (10)** or more members from any district in which a vacancy will exist on the Board of Directors at the next annual meeting may make other nominations in writing over their signatures not later than 25 days before the annual meeting and the secretary shall post the same at the same place where the list of nominations made by the district meetings is posted.

(c) A ballot marked "Ballot for Directors, District Number \_\_\_\_" shall be prepared for each district in which a vacancy will exist on the Board of Directors at the next annual meeting, which ballot shall contain the number of the district, the names of all nominees from the district so posted, alphabetically arranged, and be distinctive from the ballots for the other districts ~~because of~~ **by** color ~~or mixup~~, which ballot shall be delivered to the members of said district, either by mailing or otherwise before the annual meeting or given to said members at the annual meeting. ~~Nominations by members of said district may also be made from the floor at the annual meeting. No member may vote by mail for directors. The members from a district may, at any meeting at which the director from that district be removed, as hereinbefore provided, elect a successor thereto, from the district in which the vacancy exists, without compliance with the foregoing provisions with respect to nominations.~~ In every election, the nominee from each district in which a vacancy exists receiving the largest number of votes shall be elected to the Board of Directors. In case of a tie vote for director, the incumbent shall remain on the board until the next annual meeting, and the procedure for nomination and election shall be repeated and a director elected at the following annual meeting for the balance of the three-year term. If there is a tie vote and no incumbent, the vacancy can be filled by the directors for the period until the next annual meeting. To notwithstanding anything in this Section contained, failure to comply with any of the provisions of this Section shall not affect in any manner whatsoever the validity of any election of directors.

**Members may not nominate from the floor of an annual or special meeting of the members an individual to run for election as a director candidate.**

**(D) Uncontested Elections. Notwithstanding anything in these bylaws or applicable procedural rules to the contrary, if for any director election there is only one nominee for a board position so that the nominee is running unopposed, ballots need not be provided by mail to the members in that district, and the election shall be made by the chairperson of the member meeting**

**entertaining a motion to elect the single candidate by a voice vote, show of hands, or other appropriate means.**

**Section 4. Vacancies.** Subject to the provisions of these bylaws with respect to the removal of directors, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining directors and directors thus elected shall serve for the remainder of the term in which the vacancy occurs and until their successors shall have been elected and shall have qualified.

**Section 5. Qualifications.** No person shall be eligible to become or remain a director of the Cooperative who:

- (a) is not a bona fide member of the Cooperative receiving electric service from the Cooperative in the district that the director represents or would represent if elected;
- (b) is not a bona fide resident of the district from which he or she is elected or for which he she is a candidate; (bona fide resident shall be defined as occupying and continuously and materially purchasing electric service at a location within any director district from which the director is elected or for which he or she is a candidate for at least nine (9) months each calendar year);
- (c) is in any way employed by or substantially financially interested in an enterprise Substantially competing with the Cooperative or any Cooperative-affiliated business;
- (d) within five (5) years preceding a director candidate's nomination was or during service on the Board of Directors is adjudged to be guilty of a felony;
- (e) within five (5) years preceding a director candidate's nomination was a full-time employee of the Cooperative;
- (f) within five (5) years preceding a director candidate's nomination was an employee of a statewide association of electric cooperatives, an electric generation and transmission cooperative, or any other entity in which an electric cooperative is a member.
- (g) within five (5) years preceding a director candidate's nomination or during his or her term if elected was or becomes employed by a labor union which represents, has represented or has endeavored to represent any employee of the cooperative;
- (h) is a close relative of an incumbent who is not up for reelection at that time;
- (i) is a close relative of an employee of the Cooperative;
- (j) is or becomes the full-time employee or agent or, who is or becomes the full-time employer or principal of, another director;
- (k) does not have the capacity to enter legally binding contracts;
- (l) is absent from three or more regular meetings ("Unexcused Absences") of the Board of Directors during any consecutive twelve-month period, unless excused for good cause (an "Excused Absence") by the Board. If a director participates in more than one regular meeting during any consecutive twelve-month period by electronic communication, that director shall be considered absent from that meeting for purposes of determining the number of the director's Unexcused Absences, unless the attendance by electronic communication is approved for good cause by the Board.

A "close relative" as used in these Bylaws is a person who:

- a. is by blood, law, or marriage (including half, step, foster, and adoptive relations) a child, grandchild, parent, grandparent, or sibling); or
- b. is a spouse or resides in the same residence.

With regard to the provisions in Paragraphs (h) and (i) above, no incumbent director shall lose eligibility to remain a director or to be reelected a director if, during a director's incumbency,

a director becomes a first kindred relative of another director or of a Cooperative employee because of a marriage or an adoption to which the director was not a party.

After the Board of Directors determines that a director or nominee for director lacks eligibility under the provisions of this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Board to promptly make a disqualification. After the Board of Directors determines that any director nominee or any existing director lacks eligibility under this Section, it shall be the duty of the Board to withhold such position from such director nominee or to cause a director to be removed from the Board of Directors, as the case may be.

Notwithstanding anything contained in this Section, failure to comply with any of the provisions of this Section shall not affect in any manner whatsoever the validity of any election of directors or any action taken by them.

A former director is ineligible to become an employee of the Cooperative for five (5) years following termination of the director's service on the Board of Directors.

**Section 5 6. Compensation.** Directors as such shall not receive any salary for their services, but by resolution of the board of directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the board of directors, and for attendance at any other meeting on behalf of the Cooperative which is authorized by the board of directors. Except in emergencies, no director shall receive compensation for service the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the members.

**Section 6 7. Rules and Regulations.** The board of directors shall have the power to make and adopt such rules and regulations, not inconsistent with law, the articles of incorporation of the Cooperative or these bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

**Section 7 8. Accounting System and Reports.** The Board of Directors shall cause to be established and maintained, a complete accounting system which, among other things, subject to applicable laws, and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the administrator of the Rural Utilities Service of the United States of America. The Board of Directors shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. **Such audit report shall be performed by a certified public accountant, and a summary of the report shall be submitted to the members at the following annual meeting. The audit report shall be provided to a member upon request.**

~~**Section 8. Change in Rate.** Written notice shall be given to the Administrator of the Rural Utilities Service of United States of America not less than ninety (90) days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.~~

#### **Section 9. Indemnification.**

(a) **General.** Every person (and the heirs and legal representatives of such person) who is or was a director or officer or employee of this Association, or any other Association which he/she serves or served at the request of this Association, and which was related to this Association, may be indemnified

by this Association against the liability and reasonable expense that may be incurred by him/her in connection with or resulting from any claim, action, suit, or other proceedings, civil, criminal, administrative or investigative (including any appeal relating thereto) in which he/she may become involved as a party or otherwise, by reason of his/her position with this Association, whether he/she occupies such position at the time such liability or expense incurred or not. The Board of Directors, acting by a quorum consisting of directors who are not parties to such claim, action, suit or proceeding, shall determine whether or not indemnification shall be available in any case, and their decision shall be final, unless they later determine to change it but without any right to appeal to any other forum. In the event more than two directors are parties to the claim, the entire Board of Directors shall make the determination regarding indemnification.

**(b) Rights not Exclusive.** The rights of indemnification provided in this Section 9 shall be in addition to any rights to which any person (or the heirs or legal representatives of such person) referred to in paragraph (a) may otherwise be entitled by contract or as a matter of law and shall be available whether or not the claim asserted against such person is based on matters which antedate the adoption of this Section 9.

**(c) Insurance.** The officers and directors of this Association are hereby authorized to purchase such insurance as they may deem appropriate to insure this Association against losses or expenditures it might have in making indemnification as provided in this Section 9.

## **ARTICLE IV**

### **Meetings of Directors**

**Section 1. Regular Meetings.** A regular meeting of the board of directors shall be held without notice other than by this by-law, immediately after, and at the same place as the annual meeting of the members. A regular meeting of the board of directors shall also be held monthly at such time and place in Traverse County, Minnesota, as the board of directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

**Section 2. Special Meetings.** Special meetings of the board of directors may be called by the President or any three (3) directors. The person or persons authorized to call special meetings of the board of directors may fix the time and place (which shall be in Traverse County, Minnesota), for the holding of any special meeting of the board of directors called by them.

**Section 3. Notice.** Notice of the time, place and purpose of any special meeting of the board of directors shall be given at least five (5) days previous thereto, by written notice, delivered personally or mailed to each director at his/her last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

**Section 4. Quorum.** A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board of directors, provided, that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

**Section 5. Manner of Acting.** The act of the majority of the directors' present at a meeting at which a quorum is present shall be the act of the board of directors.



## **ARTICLE V**

### **Officers**

**Section 1. Number.** The officers of the Cooperative shall be a President, Vice-President, Secretary, Treasurer, and such other officers as may be determined by the board of directors from time to time. The offices of Secretary and of Treasurer may be held by the same person.

**Section 2. Election and Term of Office.** The officers shall be elected, by ballot, annually by and from the board of directors at the first meeting of the board of directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the board of directors following the next succeeding annual meeting of the members or until his/her successor shall have been duly elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of officers.

**Section 3. Removal.** Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the Cooperative will be served thereby.

**Section 4. Vacancies.** Except as otherwise provided in these bylaws, a vacancy in any office may be filled by the board of directors for the unexpired portion of the term.

**Section 5. President.** The President shall:

- (a) be the principal executive officer of the Cooperative and shall preside at all meeting of the members and of the board of directors;
- (b) sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by resolution of the board of directors, and may sign any deeds, mortgages, deeds of trust notes, bonds, contracts or other instruments authorized by the board of directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board of directors or by these by-laws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

**Section 6. Vice-President.** In the absence of the President, or in the event of his/her inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President and shall perform such other duties as from time to time may be assigned to him/her by the board of directors.

**Section 7. Secretary.** The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the board in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws;
- (d) keeping a register of the names and post office addresses of all members;

- (e) signing, with the President, any deeds, mortgages deeds of trust notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these by-laws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed.
- (f) keeping on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto to any member upon request; and
- (g) in general, performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the board.

**Section 8. Treasurer.** The Treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- (c) the general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the board.

**Section 9. Manager.** The board of directors may appoint a manager who may be, but who shall not be required to be, a member of the Cooperative. The manager shall perform such duties as the board of directors may from time to time require of him/her and shall have such authority as the board of directors may from time to time vest in him/her.

**Section 10. Bonds of Officers.** The board of directors shall require the treasurer, or any other officer of the Cooperative charged with responsibility for the custody of any of its funds or property, to give bond in such sum and with such surety as the board of directors shall determine. The board of directors in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

**Section 11. Compensation.** The compensation, if any, of any officer, agent or employee who is also a director or close relative of a director, shall be determined by the members, as provided elsewhere in these bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed by the board of directors.

**Section 12. Reports.** The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

## **ARTICLE VI**

### **Contract, Checks and Deposits**

**Section 1. Contracts.** Except as otherwise provided in these bylaws, the board of directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general

or confined to specific instances.

**Section 2. Checks, Drafts, etc.** All checks, drafts or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or offices, agent or agents, or employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the board of directors.

**Section 3. Deposits.** All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the board of Directors may select.

## **ARTICLE VII**

### **Membership Certificates**

**Section 1. Certificates of Membership.** No membership certificate shall be issued, all memberships shall be automatically effective upon receipt of electric service from the Cooperative as evidenced from the books and records of the Cooperative. No member may hold more than one membership in the Cooperative.

## **ARTICLE VIII**

### **Non-Profit Operation**

**Section 1. Interest or Dividends on Capital Prohibited.** The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

**Section 2. Patronage Capital in Connection with Furnishing Electric Energy.** In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Cooperative. In order to induce Patronage to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all its patrons, members and non-members alike, for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons, members and non-members alike, as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his/her account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amount for capital.

All other amounts received by the Cooperative from its operation in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent non needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding

indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a prorate basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' account may be retired in full or in part.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board, acting under policies of general application, shall determine otherwise. In the event that a non-member patron shall elect to become a member of the Cooperative the capital credited to the account of such non-member patron may be applied by the Cooperative toward the payment of a membership fee on behalf of such non-member patron.

Notwithstanding any other provisions of these bylaws, the board at its discretion shall have the power at any time upon the death of any patron, if the legal representative of his/her estate shall request in writing that the capital credited to any patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided however, that the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provision of this article of the bylaws, shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

**Any and all disputes, claims or controversies ("disputes") between the Cooperative and each patron arising from or related in any way to the Cooperative's providing of electricity or other services, or in its furnishing of any goods, or in the conduct of its operations, shall be governed by and construed in accordance with the substantive and procedural laws of the State of Minnesota, without giving effect to the principals of conflict of laws. All proceedings related to disputes between the Cooperative and each patron shall be venued in the Minnesota District Court in Traverse County, Minnesota.**

**Section 3. Patronage Refunds in Connection with Furnishing Other Service.** In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons, from whom such amounts were obtained.

## **ARTICLE IX**

### **Waiver of Notice**

Any member or director may waive, in writing, any notice of meetings required to be given by law, the articles of incorporation or these bylaws. In case of a joint membership a waiver of notice signed by ~~either husband or wife~~ **any one joint member** shall be deemed a

waiver of notice of such meeting by ~~both~~ all joint members.

## **ARTICLE X**

### **Disposition of Property**

The Cooperative may at any meeting of its Board of Directors, sell, mortgage, lease or exchange all of its property, rights, privileges and franchises upon such terms and conditions as the Board of Directors deem expedient, and for the best interests of the Cooperative, when and as authorized by the affirmative vote of the holders of two-thirds (2/3) of the shares of stock issued and outstanding, given at a member's meeting duly called for that purpose, or when authorized by the written consent of the holders of two-thirds (2/3) of the shares of stock issued and outstanding; provided, however, that such affirmative vote or written consent of the stockholders shall also represent the affirmative vote or written consent of at least two-thirds (2/3) of the individual members, and that such sale, mortgage, lease or exchange shall be subject to the terms of any agreement between the Cooperative, the Cooperative's Generating Cooperative, the Cooperative's Transmitting Cooperative and the Member Cooperatives of said Generating and Transmitting Cooperatives, creating reciprocal rights of first refusal to purchase assets: and provided, further, however, that notwithstanding anything herein contained, the Board of Directors, without authorization by the members, shall have full power and authority to borrow money from United States of America, or any agency or instrumentality thereof or any other lender and in connection with such borrowing to authorize the making and issuance of bonds, notes or other evidences of indebtedness and, to secure the payment thereof, to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds of trust upon, or the pledging or encumbrancing of any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquire or to be acquired, and wherever situated, all upon such terms and conditions as the Board of Directors shall determine.

## **ARTICLE XI**

### **Fiscal Year**

The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the thirty-first day of December of the same year.

## **ARTICLE XII**

### **Membership in Other Organizations**

The Cooperative may become a member of other Cooperatives or other organizations, upon majority vote of the Board of Directors at any duly called meeting, provided said action does not violate the Articles of Incorporation or bylaws of the Cooperative, or any law of the State of Minnesota or of the United States of America.

## **ARTICLE XIII**

### **Seal**

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Minnesota."

## **ARTICLE XIV**

### **Amendments:**

These bylaws may be altered, amended or repealed by the members at any regular or



special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

Marks seconded the motion, and upon vote motion carried unanimously.

MREA's Annual Meeting will be held March 17-18, 2020. Frisch, Homan, Diekmann, Armstrong, and Marks will attend. Diekmann made a motion to name Frisch the MREA voting delegate and Homan the alternate. Marks seconded the motion and upon vote, motion carried unanimously.

The East River Energize Forum will be held Feb 5-6, 2020. Marks, Diekmann, and Janorschke will attend.

Janorschke presented the Labor and Service Charges Rates to the board for review and recommended no changes. After review, Marks made a motion to approve the Labor and Service Charges Rates with no changes. Kath seconded the motion and upon vote motion carried unanimously.

Homan reported on the East River board meeting:

- The REED Fund reached a record of \$12.8 million in loans.
- Basin's directors reorganized with no changes.
- CFC presented on East River's Key Performance Indicators.
- Reviewed the Mid-West Consumers Annual Meeting and WAPA.
- The strategic plan was reviewed with changes made.
- Plans are underway for the Energize Forum.
- Discussion was held on a lawsuit facing Basin.
- A NERC review presented one compliance issue that was corrected.
- Ethanol loads are down 12% year to date.
- Received a legislative update and the Rural Act passed that protects the tax exempt status of cooperatives accepting government grants.

Veflin, Monson, and Pearson reported on the Northeast Legislative Forum they attended. Only two state legislators attended this year.

Manager Janorschke presented the Manager's Report:

- East River MAC update: East River member managers are working on strategic planning and were assigned to committees focused on different areas. Janorschke is on the operations committee. His committee discussed bringing SCADA to small cooperatives' substations, and in the next ten years all of Traverse Electric's substations will be rebuilt beginning with the South Dakota subs due to the SPP. Also, East River is testing new load management receivers using AT&T service, but AT&T doesn't work well in our area. Basin's DGC loss was also discussed and Basin is redoing its financial forecast.
- Janorschke provided a MN legislative update. He is on the MREA Government Affairs Advisory Committee that is working on CIP reform, broadband easements, Clean Energy

First, diversity reporting, community solar gardens, 3<sup>rd</sup> party access to customer energy use data, and MN requiring wiring permits for the replacement of load control receivers.

- Provided a SD legislative update that included the ongoing territory issue.

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

- November 30, 2019 Accounts Receivable balances were reviewed.
- The Basin Scholarship and Washington DC Youth Tour are being advertised on our website, facebook, monthly newsletter, and information was sent to all area high school counselors.
- We included a bill insert with our monthly statements recently detailing the requirements and process of installing new sub meters. A letter detailing this was also mailed to area electricians.
- Updated the board on the member services/electrician department.

Lupkes presented the financial report. November sales and margins were discussed. The loss we are having for the electrician and generator program services was discussed. This loss can be attributed to the inventory adjustment made earlier this year and the period of transition between member services rep/master electricians where the services of STAR energy were utilized. After a discussion on the monthly comparisons and financial status of the Cooperative, Pearson made a motion to accept the report as given. Armstrong 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. Approximately 4,100 have been changed. Chapman metering is done and our employees will work on changing the remaining sub meters. Schwagel has been working on issues with the new meters.
- A list of projects was reviewed.
- Our crews have been working on pole changes and service upgrades.
- Our safety program was reviewed.

The board reviewed Board Policy 306 Water Heater Value Certificate. Homan made a motion to approve the following revisions to Board Policy 306:

## **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 **General** 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.

Diekmann seconded the motion, and upon vote motion carried unanimously.

East River will no longer offer appliance rebates after December 31, 2019. After discussion, the

board decided to continue to offer appliance rebates to our members, and to add a Third Party Grain Dryer Management System rebate. Pearson made a motion to approve the following revisions to Board Policy 307 Energy Efficiency, Conservation, and Generator Programs:

**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	<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:
  - 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.

## 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.

Armstrong seconded the motion and upon vote motion carried unanimously.

The January 2020 District Meeting dates were reviewed. 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.

District 3: January 27, 2020 at the Campbell Community Center, Campbell, MN  
Districts 1, 2, & 6: January 28, 2020 at Traverse Electric  
Districts 7, 8, & 9: January 29, 2020 at the Rosholt Community Center, Rosholt, SD  
Districts 4 & 5: January 30, 2020 at Big G's, Beardsley, MN

Other business:

Janorschke reported that Tom Boyko will speak briefly at our annual meeting.

Next board meeting will be on Tuesday, January 28, 2020 beginning at 9 AM.

Upcoming Board Member meetings:

SDREA Annual Meeting, Jan. 16-17, 2020, Pierre, SD – Veflin, Pearson,  
East River Energize Forum, Feb 6- Diekmann, Marks  
NRECA Annual Meeting, Feb 27-Mar 4, 2020, New Orleans – Frisch, Marks, Monson  
MREA Annual Meeting, Mar 17-18, 2020, St. Paul, MN – Frisch, Homan, Diekmann, Armstrong, Marks  
Traverse Electric Annual Meeting, March 19, 2020, Wheaton High School

Upcoming Managers Meetings:

NRECA CEO Close-Up, Jan 12-15, 2020, Palm Desert, CA  
SDREA Annual Meeting, Jan. 16-17, 2020, Pierre, SD –  
East River Energize Forum, Feb 6  
Basin Managers Conference – Feb 13-14, 2020 – Sioux Falls, 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, Marks made a motion to adjourn. Kath seconded the motion and upon vote motion carried unanimously. Meeting adjourned at 12:10 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	12/02/2019	116131	Star Energy Services	5,713.00	
			Status Light for Generator		30.00
			Generator Material		5,683.00
CK	12/02/2019	116132	Colonial Life	321.86	
			November Colonial Life		321.86
CK	12/02/2019	116133	AT&T	5.34	
			800 Service		5.34
CK	12/02/2019	116134	Dairyland Power Cooperative Inc	1,772.73	
			Oct Bill & PD Notice Printing & Mailing		1,772.73
CK	12/02/2019	116135	LeRoy Meyer Memorial	25.00	
			Memorial - Former Director		25.00
CK	12/02/2019	116136	Sisseton Area Chamber of Commerce	250.00	
			2020 Membership		250.00
CK	12/02/2019	116137	AT & T	43.81	
			800 Service		43.81
CK	12/02/2019	116138	Frontier	270.91	
			Office Phone & DSL Service		270.91
CK	12/02/2019	116139	FURTHER	974.78	
			December HSA Contributions		974.78
CK	12/02/2019	116140	East River Federal Cu	875.00	
			December Credit Union		875.00
CK	12/02/2019	116141	I.B.E.W. Lu 524	240.00	
			December Union Dues		240.00
WT	12/02/2019	8801509	Minnesota Dept Of Revenue	2,094.34	
			Nov 30, 2019 payroll SWH		2,094.34
WT	12/02/2019	8801510	Internal Revenue Service	11,698.71	
			Nov 30, 2019 payroll FICA & FWH		11,698.71
CK	12/03/2019	116156	NRECA	116.61	
			Admin Fee		116.61
CK	12/03/2019	116157	SD Electrical Commission	75.00	
			SD Wiring Permit - Dakota Electronics		75.00
CK	12/03/2019	116158	NRECA Group Benefits Trust	1,492.09	
			Group Insurance		1,492.09
CK	12/03/2019	116159	Mediacom LLC	256.90	
			December Internet Service		256.90
CK	12/03/2019	116160	NRECA	636.72	
			Admin Fee		636.72
WT	12/04/2019	8801508	Natl Rural Elec Assn	4,910.83	
			Nov 30, 2019 payroll 401K		4,797.02
			Nov 30, 2019 payroll 401K loan		113.81
WT	12/04/2019	8801511	Payment Service Network Inc	1,273.05	
			Nov Credit Card Pmt Fees & Annual Secur C		1,273.05
CK	12/09/2019	116161	Irby (Stuart C. Irby Company)	8,102.52	
			Shipping Charges - Ret'd Crimper Head to Us		6.52
			Milwaukee Battery - Extendable Pole Saw		411.47
			8 - 3 Phase Meters		2,992.50
			36 2SE Meters		4,692.03
CK	12/09/2019	116162	KMRS	130.00	
			Holiday Greetings		130.00

## 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	12/09/2019	116163	Basin Electric Power Coop	25.00	
			December Email Hosting		25.00
CK	12/09/2019	116164	Sturdevant's, Inc.	304.52	
			Batteries for Payloader, Headlight for #126		304.52
CK	12/09/2019	116165	Tri-County Coop	24.30	
			Fuel for Forklift		24.30
CK	12/09/2019	116166	LILLEGARD, INC.	406.80	
			Tie Rod Assembly & Align #130		406.80
CK	12/09/2019	116167	CS DIESEL INC.	70.00	
			Annual DOT Inspection #143		70.00
CK	12/09/2019	116168	Wesco Receivables Corp.	1,847.87	
			Crimping Tool		1,847.87
CK	12/09/2019	116169	City Of Wheaton	137.06	
			Utilities		137.06
CK	12/09/2019	116170	GOPHER THEATRE	125.00	
			Gift Certificates - Kids Santa Gifts (5@\$25)		125.00
CK	12/09/2019	116171	TWIN VALLEY TIRE OF WHEATON INC	1,497.16	
			2 New Tires - Rotate & Repair Tires #139		1,497.16
CK	12/09/2019	116172	Browns Valley Christmas Bingo	50.00	
			Christmas Bingo Donation		50.00
CK	12/09/2019	116173	USIC Locating Services LLC	496.04	
			Sales Tax Not Previously Billed on Locates		496.04
CK	12/09/2019	116174	State Bank Of Wheaton	3,250.00	
			Christmas Bonus - 13 Employees x \$250		3,250.00
CK	12/09/2019	116175	Xerox Corporation	366.56	
			Copier Lease		366.56
CK	12/09/2019	116176	Morris Electronics Inc	148.99	
			Check In & Service Labor		70.00
			7 Ft Patch Cable & ST, Update Cloud Keys &		78.99
CK	12/09/2019	116177	Lon Tekrony	24.72	
			Reimb 50% cost of work gloves from Mac's		24.72
CK	12/09/2019	116178	NRECA-Coop Benefit Adm	15.00	
			November Cafeteria Expense		15.00
CK	12/09/2019	116179	RC TECHNOLOGIES CORP	56.30	
			CREDIT REFUNDS - 3131 50 -27-1A		56.30
CK	12/09/2019	116180	RC TECHNOLOGIES CORP	227.60	
			CREDIT REFUNDS - 3132 45 -03-3A		227.60
CK	12/09/2019	116181	RC TECHNOLOGIES CORP	135.59	
			CREDIT REFUNDS - 3134 48 -11-02		135.59
CK	12/09/2019	116182	LAVONNE LARSON	36.58	
			CREDIT REFUNDS - 21469 44920 106TH S		36.58
WT	12/09/2019	8801514	EAST RIVER FCU	1,013.79	
			ER Credit Card Charges		1,013.79
CK	12/16/2019	116183	BJ's Parts Depot	662.98	
			Supplies		662.98
CK	12/16/2019	116184	Border States Electric	13,292.25	
			Materials		567.34
			Install 283 Single Phase Meters, Equip Rep &		5,932.50
			Materials		890.08



# 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>
			For Resale - D Geurts		23.44
			Install 258 Single Phase Meters, Rep & Supt		5,320.00
			Materials		53.50
			Materials		505.39
CK	12/16/2019	116185	Irby (Stuart C. Irby Company)	374.98	
			Glove Testing, Glove & Protector - Steve		129.17
			Milwaukee Band Saw		245.81
CK	12/16/2019	116186	East River Electric Coop	495.00	
			Annual Service Contract for Radios		495.00
CK	12/16/2019	116187	Gazette Publishing Co.	39.00	
			Co-Sponsor - Winter Sports & Education Wee		39.00
CK	12/16/2019	116188	Northern Star	70.00	
			2 Year Sub		70.00
CK	12/16/2019	116189	Resco	41.58	
			Credit for Labor to Replace Valley Pork Water		(100.00)
			Upper 50 Gallon Water Heater Element		53.62
			10 Lower Water Heater Thermostats		87.96
CK	12/16/2019	116190	SD Rural Electric Ass'n	7,478.10	
			2020 Dues		7,023.10
			Newsletter Labor & Insert		455.00
CK	12/16/2019	116191	Traverse County Dep. Reg.	143.25	
			License Renewal #137		143.25
CK	12/16/2019	116192	Valley Office Products	263.91	
			Printer Toner, Calculator Ribbon & Paper Tra		263.91
CK	12/16/2019	116193	KFGO - AM (Midwest Radio of Fargo-Moorhead)	280.00	
			Radio Ads		280.00
CK	12/16/2019	116194	Star Energy Services	9,808.93	
			URD Line Insp & Infrared Testing		1,176.76
			Safety Serv, Meters, Map Edits, IT, Gen, Oil &		8,606.17
			2 Remote Status Indicator Lights		26.00
CK	12/16/2019	116195	ND State Tax Commissioner	287.47	
			ND Elec Dist Tax		287.47
CK	12/16/2019	116196	Amaril Uniform Company	276.03	
			Double-Lined Reversible Sweatshirt		276.03
CK	12/16/2019	116197	Integrity Contracting Inc	1,120.00	
			Boring - WO#9827 - Progressive Farms		1,120.00
CK	12/16/2019	116198	HRExpertiseBP	735.00	
			November HR Services		735.00
CK	12/16/2019	116199	USIC Locating Services LLC	1,321.97	
			November SD Locates		491.97
			November MN Locates		830.00
CK	12/16/2019	116200	Todd Tritz	300.00	
			Water Heater Rebate		300.00
CK	12/16/2019	116201	Sag's Hardware Hank LLC	62.31	
			Hand Warmers, Trash Bags for Oil Spill (Oier		62.31
CK	12/16/2019	116202	Pemberton Law PLLP	740.00	
			Legal Services - Employee Issues		740.00
CK	12/16/2019	116203	Roberts County Landfill	87.05	
			Contaminated Soil Disposal - Billable to Oien		87.05

# CM - Check Register-Detail

## 1 Cash - General Fund

Type	Date	Chk Nbr	Name	Total Check Amount	Document Detail
CK	12/16/2019	116204	SD Electrical Commission	55.00	
			Wiring Permit - Russell Veflin Generator		55.00
CK	12/16/2019	116205	Cenex Fleetcard	5,365.66	
			November Fuel		5,365.66
CK	12/16/2019	116206	Mike's Cleaning Service	571.78	
			November Cleaning Services		571.78
CK	12/16/2019	116207	Bluecross Blueshield	17,599.42	
			January Premiums Due December		17,599.42
CK	12/16/2019	116208	Verizon Wireless	374.30	
			Linemen iPad Service		130.68
			iPad & Cell Service, Apple Watch Mo Fee & I		(213.21)
			iPad, Cell & Apple Watch Exp		321.15
			December Linemen iPads		135.68
CK	12/16/2019	Payroll Batch # PR000905		31,837.73	
WT	12/16/2019	8801516	Minnesota Dept Of Revenue	2,058.53	
			Dec 16, 2019 Payroll SWH		2,058.53
WT	12/17/2019	8801517	Internal Revenue Service	11,141.55	
			Dec 16, 2019 Payroll FICA & FWH		11,141.55
WT	12/18/2019	8801518	Natl Rural Elec Assn	5,045.43	
			Dec 16, 2019 Payroll 401K		4,931.62
			Dec 16, 2019 Payroll 401K Loan		113.81
WT	12/20/2019	8801512	CoBank ACB	22,525.80	
			CoBank Mo Princ & Int Pmt		22,525.80
WT	12/20/2019	8801513	SD DEPT OF REVENUE & REGULATION	19,736.67	
			November SD 4.5% ST		19,736.67
WT	12/20/2019	8801515	Minnesota Sales & Use Tax	48,075.00	
			MN Mo Sales Tax Return		48,075.00
CK	12/23/2019	116223	Aflac	13.70	
			December AFLAC		13.70
CK	12/23/2019	116224	Irby (Stuart C. Irby Company)	285.58	
			Materials		131.85
			Glove & Sleeve Testing		153.73
CK	12/23/2019	116225	Resco	368.07	
			Water Heater Thermostats & Elements		368.07
CK	12/23/2019	116226	LEGACY POWER LINE, INC.	42,000.00	
			Retirement for WO #9656, 9673 & 9672		20,000.00
			Retirement for WO #9732, 9733 & 9735		22,000.00
CK	12/23/2019	116227	Willy's Super Valu	127.13	
			Supplies, Board Snacks, Pop & Water		127.13
CK	12/23/2019	116228	Ditch Witch of Minnesota & Iowa	15,012.15	
			2019 Felling 14' Pole Trailer		15,012.15
CK	12/23/2019	116229	Mike Scharnowske	400.00	
			Self Defense/Active Shooter Training		400.00
CK	12/23/2019	116230	CRC Response Center Inc	1,191.34	
			November After Hours Service		1,191.34
CK	12/23/2019	116231	JOHN DEERE FINANCIAL	22.66	
			Shipping Charges		22.66
CK	12/23/2019	116232	South Dakota One Call	28.35	
			November SD Locates		28.35

# CM - Check Register-Detail

## 1 Cash - General Fund

Type	Date	Chk Nbr	Name	Total Check Amount	Document Detail
CK	12/23/2019	116233	Mn Dept Of Commerce 3rd Qtr FY 2020 Indirect Assessment	476.59	476.59
CK	12/23/2019	116234	Big Stone Radio Sisseton Sports, MN Vikes, Holiday & Gener	708.00	708.00
CK	12/23/2019	116235	Gopher State One-Call November MN Locates	62.10	62.10
CK	12/23/2019	116236	LegalShield December ID Theft Insurance	147.50	147.50
CK	12/30/2019	116237	PROFESSIONAL COMPUTER SOLUTIONS LLC 2020 Annual Maint & Supt December Hosting & User Fees November Mobile Customer Access Service	26,925.13	25,941.13 934.00 50.00
CK	12/30/2019	116238	Irby (Stuart C. Irby Company) Materials	2,724.95	43.95
CK	12/30/2019	116239	Traverse Elec-Petty Cash Materials	22.02	2,681.00
CK	12/30/2019	116240	MN DEPT OF LABOR & INDUSTRY Postage	98.00	22.02
CK	12/30/2019	116241	AT&T 7 - MN Unlicensed Indiv RE Electrician Licer	49.35	98.00
CK	12/30/2019	116242	800 Service Dairyland Power Cooperative Inc	49.35	49.35
CK	12/30/2019	116243	Nove Late Notices, Oct Billing & Postage SD Electrical Commission	1,856.25	1,856.25
CK	12/30/2019	116244	7 - SD Apprentice Licenses Wiring Permit for A Veflin's Generator	192.00	140.00 52.00
CK	12/30/2019	116245	AT & T 800 Service	43.81	43.81
CK	12/30/2019	116246	Frontier Office Phone Service & DSL	244.71	244.71
CK	12/30/2019	116246	Drivers & Vehicle Service 2020 IRP Reg	1,565.34	1,565.34
CK	12/31/2019	Payroll Batch # PR000912		42,176.95	
WT	12/31/2019	8801519	USDA, Rural Util. Service FFB & RUS Pmt	144,953.06	144,953.06
Total				\$535,499.50	

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, 12, 1) to Date(2019, 12, 31)) AND ( {CMDoc.BankAcctID} in ['1'])

Last Modified: 1/23/2020

December 31, 2019 Office Manager's Report:

1. Accounts Receivable balances as of 01/07/2020:

- a. Current (Dec 31<sup>st</sup> statement) \$850,569.93
- b. 1-30 Days (Nov 30<sup>th</sup> statement) \$25,504.09
- c. 31-60 Days (Oct 31<sup>st</sup> statement) \$4096.61
- d. 61-90 Days (Aug 31<sup>st</sup> statement) \$971.55
- e. Older than 91 days - \$8,319.28
- f. 39 disconnected notices were issued resulting in 2 disconnects.

2. I will begin to present you a listing of new members connected each month. Below is a listing of new members obtaining electric service from December 1, 2019-January 22, 2020 for your review:

<u>Name</u>	<u>C/O</u>	<u>City/State</u>	<u>Conn Dt</u>
FUGLIE, MARLIN L		FOREST LAKE MN	12/06/2019
BUCK, JONATHAN		BEARDSLEY MN	12/04/2019
LOLL, JOSIAH & LYDIA		BRECKENRIDGE M	12/11/2019
BROWN, CHRISTINA		SISSETON SD	12/31/2019
COLDWELL BANKER CROW		ALEXANDRIA MN	01/02/2020
WANNA, JAYCE		SISSETON SD	01/06/2020
ORTLEY, JEFF		WHEATON MN	01/09/2020
NEMMERS, REBECCA		CHOKIO MN	01/07/2020
LUPKES, MERLITA		WHEATON MN	12/31/2019
AT&T	C/O ENGIE IMPACT - MS 737	SPOKANE WA	01/07/2020
BUCHHOLZ, RICK		HORACE ND	01/20/2020
HOLTZ, PHYLLIS		ROSHOLT SD	12/31/2019
O'BRIEN, KATHLEEN M		NEW EFFINGTON S	12/31/2019

3. Joel and I will be reviewing our red flags board policy in the next few months and will be tightening up our procedures to protect customer information and prevent identity theft. Locking file cabinets for member files in the vault will be ordered. This will also include verifying the identity of all new members and of current members requesting changes to their accounts. Plans are also underway to update our new member forms to add more information regarding right-of-way tree clearing and granting access to our equipment as examples, and that by signing the form, members agree to follow established policies and bylaws. We will also explore the possibility of doing a soft credit check to verify the identity of new member applicants and base the amount of credit deposit required by the result of the credit check. Doing a credit check will help to satisfy the requirement of verifying identity when new members call to establish service. We will keep you updated on this process.

4. Please keep sharing the info on the Youth Tour and Scholarship with your neighbors and friends with high schoolers.

**Traverse Electric Cooperative Inc**  
**Financial and Operating Report Electric Distribution**

**Statement of Operations**

For the twelve months ending 12/31/2019

	2018 <u>YTD Actual</u>	2019 <u>YTD Actual</u>	2019 <u>YTD Budget</u>	2019 <u>December</u>
1. Operating Revenue and Patronage Capital	10,955,855.33	11,472,070.15	11,305,659.00	1,125,645.23
2. Power Production Expense	0.00	0.00	0.00	0.00
3. Cost of Purchased Power	6,740,699.90	7,065,799.57	6,822,200.00	663,713.41
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	554,370.10	519,178.22	635,560.00	43,964.24
7. Distribution Expense - Maintenance	535,780.69	662,422.53	688,080.00	44,883.49
8. Customer Accounts Expense	173,953.53	183,798.63	195,700.00	14,506.45
9. Customer Service and Informational Expense	74,526.27	75,286.75	97,050.00	3,569.24
10. Sales Expense	9,553.40	7,175.00	9,900.00	1,050.00
11. Administrative and General Expense	765,763.86	889,851.26	780,100.00	51,893.91
12. Total Operation & Main. Expense (2 thru 11)	8,854,647.75	9,403,511.96	9,228,590.00	823,580.74
13. Depreciation and Amortization Expense	944,932.78	969,732.95	1,013,800.00	81,525.63
14. Tax Expense - Property & Gross Receipts	0.00	0.00	0.00	0.00
15. Tax Expense - Other	470.98	584.00	0.00	211.17
16. Interest on Long-Term Debt	643,949.02	615,324.86	674,800.00	37,428.76
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00
18. Interest Expense - Other	460.42	678.53	500.00	78.83
19. Other Deductions	0.00	0.00	0.00	0.00
20. Total Cost of Electric Service (12 thru 19)	10,444,460.95	10,989,832.30	10,917,690.00	942,825.13
21. Patronage Capital & Operating Margins (1 - 20)	511,394.38	482,237.85	387,969.00	182,820.10
22. Non Operating Margins - Interest	241,484.08	222,733.89	233,000.00	7,889.84
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	27,320.43	(26,498.35)	15,000.00	5,667.99
26. Generation and Transmission Capital Credits	1,059,904.58	0.00	250,000.00	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)	1,868,241.64	699,733.95	909,969.00	196,377.93

**Income Statement Analysis Ratios**

For the twelve months ending 12/31/2019

**Times Interest Ratio**      =      **2 to 1**  
=      Line 29 +Line 16/Line 16  
=       $\frac{699,733.95 + 615,324.86}{615,324.86}$

**Modified Times Interest Earned Ratio**      =      **2 to 1**  
=      Line 29 - Line 26 - Line 27 - Line 28 + Line 16 / Line 16  
=       $\frac{699,733.95 - 0.00 - 21,260.56 - 0.00 + 615,324.86}{615,324.86}$

**Operating Times Interest Earned Ratio**      =      **2 to 1**  
=      Line 21 + Line 16 / Line 16  
=       $\frac{482,237.85 + 615,324.86}{615,324.86}$

DRAFT



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

For the period ending 12/31/2019

	-----2019-----		-----2018-----	
	<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>
	<u>Activity</u>	<u>Balance</u>	<u>Activity</u>	<u>Balance</u>
<b><u>Assets and Other Debits</u></b>				
1. Total Utility Plant in Service	(474,030.95)	25,586,769.46	(36,708.16)	25,264,905.60
2. Construction Work in Progress	(587,338.11)	753,883.82	66,044.06	498,324.32
3. Total Utility Plant (1+2)	(1,061,369.06)	26,340,653.28	29,335.90	25,763,229.92
4. Accum. Provision for Depreciation and Amort	1,091,144.89	(10,387,670.27)	165,290.29	(10,727,762.98)
5. Net Utility Plant (3-4)	29,775.83	15,952,983.01	194,626.19	15,035,466.94
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	(146,072.33)	5,434,335.16	915,737.92	5,603,888.29
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	(305.43)	70,983.35	(1,754.26)	87,496.82
13. Special Funds	0.00	0.00	0.00	0.00
14. Total Other Property & Investments(6 thru 13)	(146,377.76)	5,814,941.74	913,983.66	5,996,795.88
15. Cash-General Funds	369,375.98	620,992.43	(485,753.08)	745,132.26
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	(108,443.00)	3,241,487.24	363,328.05	4,078,971.53
19. Notes Receivable - Net	0.00	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	(569,944.66)	918,772.79	(321,808.76)	817,389.39
21. Accounts Receivable - Other (Net)	(97,609.88)	43,737.16	(93,250.06)	23,107.99
22. Renewable Energy Credits	0.00	0.00	0.00	0.00
23. Materials & Supplies - Electric and Other	(3,090.92)	292,672.33	(184,108.50)	294,377.30
24. Prepayments	17,006.87	56,163.01	14,365.37	53,222.10
25. Other Current & Accrued Assets	6,132.22	28,510.63	6,193.51	13,259.67
26. Total Current & Accrued Assets (15 thru 25)	(386,573.39)	5,202,336.59	(701,033.47)	6,026,461.24
27. Regulatory Assets	0.00	0.00	0.00	0.00
28. Other Deferred Debits	(5,397.89)	188,997.76	(5,397.89)	252,710.94
29. Total Assets & Other Debits (5+14+26 thru 28)	(508,573.21)	27,159,259.10	402,178.49	27,311,435.00
<b><u>Liabilities and Other Credits</u></b>				
30. Memberships	0.00	0.00	0.00	0.00
31. Patronage Capital	(406,834.52)	11,965,749.92	(351,487.20)	10,582,385.45
32. Operating Margins - Prior Years	0.00	0.00	0.00	0.00
33. Operating Margins - Current Year	182,820.10	482,237.85	77,752.75	511,394.38
34. Non Operating Margins	13,557.83	217,498.11	1,090,890.34	1,356,848.63
35. Other Margins and Equities	0.00	458,433.75	3,744.32	427,015.77
36. Total Margins & Equities (30 thru 35)	(210,456.59)	13,123,919.63	820,900.21	12,877,644.23
37. Long-Term Debt RUS (Net)	(18,284.44)	4,501,196.62	(15,216.85)	5,207,151.55
38. Long-Term Debt - FFB - RUS Guaranteed	(47,785.02)	7,742,676.01	(65,899.76)	9,947,214.34
39. Long Term Debt - Other - RUS Guaranteed	(21,866.60)	133,004.68	(20,866.64)	389,857.60
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	0.00	0.00	22,560.98	(2,711,323.79)
43. Total Long-Term Debt (37 thru 41-42)	(87,936.06)	12,984,134.18	(79,422.27)	13,482,459.99
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	(157,179.78)	808,409.65	(282,892.03)	729,579.02
49. Consumer Deposits	(1,200.00)	12,750.00	(250.00)	12,750.00
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	(52,838.15)	190,898.24	(59,996.05)	181,471.32
54. Total Current & Accrued Liab (47 thru 53)	(211,217.93)	1,012,057.89	(343,138.08)	923,800.34
55. Regulatory Liabilities	0.00	0.00	0.00	0.00
56. Other Deferred Credits	5,289.83	26,390.06	3,838.63	27,530.44
57. Total Liab & Other Credits(36+43+46+54 thru 56)	(504,320.75)	27,146,501.76	402,178.49	27,311,435.00

**Balance Sheet Analysis Ratios**

For the period ending 12/31/2019

**Equity as a Percent of Assets = 48.34 %****= Line 36 / Line 29**

$$= \frac{13,123,919.63}{27,146,501.76}$$

**General Funds as a Percent of Total Utility Plant = 14.9331 %****= Line 12 + Line 13 + Line 15 + Line 16 + Line 18 / Line 3**

$$= \frac{70,983.35 + 0.00 + 620,992.43 + 1.00 + 3,241,487.24}{26,340,653.28}$$

**Modified Equity as a Percent of Assets = 28.3129 %****= Line 36 - Line 8 / Line 29**

$$= \frac{13,123,919.63 - 5,434,335.16}{27,159,259.10}$$

**Current Assets to Current Liabilities Ratio = 5.1404 to 1****= Line 26 / Line 54**

$$= \frac{5,202,336.59}{1,012,057.89}$$

**Total Long-Term Debts as a Percentage of Total Utility Plant = 49.2931 %****= Line 43 / Line 3**

$$= \frac{12,984,134.18}{26,340,653.28}$$

## **OPERATIONS REPORT JANUARY 2020**

**As of January 23<sup>rd</sup> 2019, crews have been busy with the following:**

- Pole change outs, we are moving snow with our equipment to get to these, keeping 1 guy ahead of the crew with the skid loader.
- Dealt with numerous outages, with the weather we had at Christmas and new year, line breaks, trees with the heavy snow, etc., and lost 3 poles.
- They have had a handful of days in the shop, due to weather also:
  - Did inventory counts
  - Hot stick testing
  - Personal grounds testing
- Started line patrol, using a collector app with the Ipad, this will eliminate a lot of paper work, and help make our maps more accurate, all changes are being note in the app, STAR will make all line corrections and add in all fusing devices that may be missing from existing maps.

### **METER UPDATE:**

- We are changing sub meters by appointment; we need to get in the homes for the remaining meters. We are down to approx... 150 of these
- Demand meters: I have had to reprogram these meters, I should have the new meters that are still in the shop, programmed by the end of this week, I also have been going on site to the meters that had already been installed, and programming those as well, I am hoping to have these all done before the next billing cycle. We have approximately 80 to change out yet, I will be having Joe start on these change outs as soon as I have them programmed.
- We have a meeting with Landis/Gyr, in the afternoon of the 28<sup>th</sup>, to go through some of the issues we are having, and he will also go through the alerts we are getting in command center.

### **SAFETY:**

- MREA
  - Safety playbook (2 attached)
  - Safety Pallet (attached)
  - I sent 4 of our linemen to the winter workshop, held at Arrowwood in Alexandria
- Federated:
  - SAFE TALK (attached)
  - Litigation Report (attached)
- TEC:
  - 2020 safety meeting schedule is set.
  - We will be having RESAP observation sometime this year, we are doing this as unannounced, I won't know the date until a week or so before. The crews will not know until the day of.

### **Miscellaneous:**

- **Carrs Tree Service;** contract has been sent out for signing. We are targeting the MN side of Lake Traverse, and also allowing for spraying any areas that need it, from the 2019 cutting.
- **RUS O&M REVIEW**
  - Tom Jones was here the 21<sup>st</sup> and 22<sup>nd</sup>, he went over our processes and record keeping, and also went on a drive of part of our system, looked at installation practices of poles and underground. I also took him through the Bigstone lake area so he could see where Carrs had been last year, he also wanted to look at our area that is targeted for this year.

**Outage reports attached**

- Traverse
- East River

***Dale Schwagel***  
***Operations Manager***

December  
2019 Outages

					No. consumers affected	POWER SUPPLY	No. consumers affected	PRE-ARRANGED	Consumer-Hour Outage Time (in minutes)		No. consumers affected	OTHER
OUTAGE DATE	LOCATION	CAUSE OF OUTAGE	TIME OFF	TIME ON					No. consumers affected	STORM		
12/4/2019	18-2-2 Fred Hasbargen	Refuse Trans & Check Voltage	8:42 AM	11:40 AM							1	178
12/4/2019	18-2-2 Fred Hasbargen	Refuse Trans, Check Voltage & Amp	1:53 PM	3:05 PM							1	72
12/9/2019	47-25-2 Carol Nickolauson	Individual Fuse	1:51 AM	9:46 AM							1	475
12/9/2019	25-25-4 Steve Boehmlehner	Transformer Fuse Blown	4:54 AM	9:47 AM							1	3173
12/10/2019	35-14-1 Mark Lackey	Broken Cutout - Replace 2	6:20 PM	7:50 PM							4	360
12/12/2019	4-4-1A Rick Groenwold	Consumer Hit Secondary Wires	6:00 PM	7:27 PM							14	1218
12/13/2019	50-25-3	Shut down sub for ER - Switching Lines	1:15 PM	3:00 PM			703	73815				
12/13/2019	51-36-2B Randy Deitrich	Meter was open - showed closed in CC Had to send disc & reconnect thru com ctr	1:00 PM	8:40 PM							1	460
12/14/2019	2-10-2 Gary Brunkow	Riser Fuse Blown - Unknown Cause	7:46 AM	9:00 AM							1	74
12/18/2019	30-6-4C Terry Waletich	Planned for Pole Changes	12:45 PM	3:05 PM			1	140				
12/20/2019	51-22-L51 SW Housing	Hit Transformer Moving Snow									2	116
12/16/2019	14-33-4 Kevin Johnsrud	Bad Transformer - CC Showed Outage	12:33 PM	10:06 AM							1	9933
12/25/2019	47-6-3	Wire Break from Frost	8:43 PM	12:30 AM					4	908		
12/25/2019	44-26-4	Victor Sub - Frost	3:00 PM	3:45 PM	495	22275						
12/25/2019		Sisseton Sub Offline - Frost	3:00 PM	5:00 PM	559	67080						
12/25/2019		Victor Sub - Frost	1:01 AM	1:52 AM	495	25245						
12/25/2019		Sisseton Sub - Frost	1:01 AM	3:11 AM	559	72670						
12/25/2019	32-17-3 MN DOT	Broken Line - Frost	4:11 AM	8:15 AM					38	9272		
12/25/2019	42-36-1 Glenn Keifer	Line Down - Frost	7:30 AM	10:05 AM					10	1550		
12/25/2019	45-4-3 Richard Heesch	Wire Break from Frost	3:07 PM	7:05 PM					12	2856		
12/25/2019	38-2-3 Terry Miller	Tree in Line - Frost	4:30 PM	6:53 PM					27	3861		
12/25/2019	54-36-1 Dustin Bartnick	Wire Break from Frost	2:37 PM	10:22 PM					25	11625		
12/25/2019	35-30-3 Devon Hanson	Line Down - Frost	11:15 AM	1:20 PM					14	1750		

December  
2019 Outages

					No. consumers affected	POWER SUPPLY	No. consumers affected	PRE-ARRANGED	Consumer-Hour Outage Time			
									No. consumers affected	STORM	No. consumers affected	OTHER
OUTAGE DATE	LOCATION	CAUSE OF OUTAGE	TIME OFF	TIME ON								
12/25/2019	26-6-4 Paul Brown	Broken Pole - Frost	5:30 PM	9:15 PM				3	675			
12/26/2019	50-25-3 Ken Geesy	Lines Broken - Frost	7:30 AM	11:25 AM				13	3055			
12/26/2019	46-29-1 Dale Ostby	Broken Wires - Frost	5:30 AM	8:55 AM				6	1230			
12/26/2019	50-34-2 Ron Ceroll	Line Down - Frost	7:30 AM	1:07 PM				2	674			
12/26/2019	36-34-3 Red River Energy	Off During Pole Change	11:00 PM	1:00 PM		1	1560					
12/27/2019	38-1-L2 Dave Pederson	Planned Outage	9:45 AM	11:00 AM		15	2025					
12/28/2019	20-18-4 Adam Church	Ice Coming Off - Frost	3:11 PM	4:45 PM				2	94			
12/28/2019	38-22-1 Jerry Peterson	Ice Coming Off - Frost	1:33 PM	2:37 PM				9	576			
12/28/2019	23-17-3 Wayne Anderson	Ice Coming Off - Frost	12:59 PM	3:23 PM				5	720			
12/28/2019	35-8-3 Ronald Lick	Ice Coming Off - Frost	3:37 PM	6:03 PM				2	292			
12/28/2019	47-31-3A Cheryl Vellenga	Tree in Line - Frost	6:26 PM	7:35 PM				1	69			
12/28/2019	49-20-4 Curtis Curran	Lines Slapping - Frost	5:07 PM	6:09 PM				2	124			
12/28/2019	50-25-3 Ken Geesy	Lines Slapping - Frost	3:45 PM	4:48 PM				1	63			
12/28/2019	43-18-2A State of SD	Lines Slapping - Frost	1:30 PM	3:45 PM				4	540			
12/28/2019	49-30-1A Tim Gleason	Lines Slapping - Frost	2:00 PM	2:45 PM				3	135			
12/28/2019	46-32-1 Thomas Bisek	Lines Slapping - Frost	1:00 PM	2:15 PM				14	1050			
12/28/2019	46-34-2 Jeff Steffens	Lines Slapping - Frost	12:15 PM	1:25 PM				12	840			
12/28/2019	49-6-1 Aaron Kemnitz	Line Burned Down Because of Loose Hot Wire	11:25 AM	3:45 PM				94	24440			
12/28/2019	35-30-3 Devon Hanson	Lines Slapping - Frost	11:50 AM	12:45 PM				5	275			
12/29/2019	4-33-2 Laurel Ogg	Remove Tree From Line	8:00 AM	11:25 AM				8	1640			



## December 2019 Outages

[illegible]



## Outage Report

01-23-2020

Substation	Off Date	On Date	Outage Duration (Minutes)	Customer Count	Customer Hours Off	Coop	Codes	Comments
Ortley	01/23/2020 04:07	01/23/2020 04:07	0	196	0	Codington/Clark	Other	Breaker operated when breaking tie with Roberts County 5152, using line switch 720, no bottles and requires early morning switching
Grenville	01/23/2020 04:07	01/23/2020 04:07	0	948	0	Lake Region	Other	Breaker operated when breaking tie with Roberts County 5152, using line switch 720, no bottles and requires early morning switching
Sisseton	01/23/2020 04:07	01/23/2020 04:07	0	543	0	Traverse	Other	Breaker operated when breaking tie with Summit 1152, using line switch 720, no bottles and requires early morning switching
Victor	01/23/2020 04:07	01/23/2020 04:07	0	483	0	Traverse	Other	Breaker operated when breaking tie with Summit 1152, using line switch 720, no bottles and requires early morning switching
Peever	01/23/2020 04:07	01/23/2020 04:07	0	500	0	Whetstone	Other	Breaker operated when breaking tie with Summit 1152, using line switch 720, no bottles and requires early morning switching
Wilmot	01/23/2020 04:07	01/23/2020 04:07	0	544	0	Whetstone	Other	Breaker operated when breaking tie with Roberts County 5152, using line switch 720, no bottles and requires early morning switching

EVENT DETAILS

EVENT ID 186	START DATE 12-25-0019	END DATE 12-25-0019	DEVICE OPERATION COMMENTS Frost caused line burn down. (tree contact)
CREWS DISPATCHED Milbank	COMMENTS Outage, Roberts Co. 5152	HANDLER Chad N, Brad A	OUTAGE COMMENTS Frost caused burn down., Frost caused burn down., Frost caused burn down.

EVENT OCCURRENCES

DEVICE OPERATIONS Add +

OPERATION DATE 12-25-2019 01:01	NUMBER OF DEVICE OPERATIONS 5	SUBSTATION Roberts County 5152	TARGETS 21/51A/B, 69kv rly, 14.9 miles	COMMENTS Frost caused line burn down. (tree contact)	CODES Frost
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OUTAGES

SUBSTATION Sisseton		COMMENTS Frost caused burn down.		CODES Frost	
COOP Traverse	COUNT 543	OFF DATE 12-25-0019 01:01	ON DATE 12-25-0019 03:11	OUTAGE DURATION Minutes	CALCULATE HOURS Yes
SUBSTATION Victor		COMMENTS Frost caused burn down.		CODES Frost	
COOP Traverse	COUNT 483	OFF DATE 12-25-0019 01:01	ON DATE 12-25-0019 01:52	OUTAGE DURATION Minutes	CALCULATE HOURS Yes
SUBSTATION Peever		COMMENTS Frost caused burn down.		CODES Frost	
COOP Whetstone	COUNT 500	OFF DATE 12-25-0019 01:01	ON DATE 12-25-0019 01:25	OUTAGE DURATION Minutes	CALCULATE HOURS Yes

Event ID

# Outage Report

12-25-2019

Substation	Off Date	On Date	Outage Duration (Minutes)	Customer Count	Customer Hours Off	Coop	Codes	Comments
Ortley	12/25/2019 15:03	12/25/2019 15:03	0	196	0	Codington/Clark	Frost	Summit 1152, Frost
Ortley	12/25/2019 16:21	12/25/2019 16:21	0	196	0	Codington/Clark	Frost	Summit 1152, Frost
Grenville	12/25/2019 15:03	12/25/2019 15:03	0	948	0	Lake Region	Frost	Summit 1152, Frost
Grenville	12/25/2019 16:21	12/25/2019 16:21	0	948	0	Lake Region	Frost	Summit 1152, Frost
Hillhead	12/25/2019 14:51	12/25/2019 14:51	0	693	0	Lake Region	Frost	Frost, OTPC
Beardsley	12/25/2019 14:51	12/25/2019 14:51	0	630	0	Traverse	Frost	Frost, OTPC
Sisseton	12/25/2019 11:23	12/25/2019 11:23	0	543	0	Traverse	Frost	Frost falling from conductor
Sisseton	12/25/2019 14:36	12/25/2019 14:36	0	543	0	Traverse	Frost	Frost falling from conductor
Veblen	12/25/2019 14:51	12/25/2019 14:51	0	72	0	Traverse, Lake Region	Frost	Frost, OTPC
Victor	12/25/2019 11:23	12/25/2019 11:23	0	483	0	Traverse	Frost	Frost falling from conductor
Victor	12/25/2019 14:36	12/25/2019 14:36	0	483	0	Traverse	Frost	Frost falling from conductor
Victor	12/25/2019 19:41	12/25/2019 19:42	1	483	8.05	Traverse	Unknown	Unknown / Weather in the area
Big Stone	12/25/2019 15:43	12/25/2019 15:43	0	943	0	Whetstone	Rain, Frost	Breaker Op. Summit 1252, Frost
Marvin	12/25/2019 15:43	12/25/2019 15:43	0	342	0	Whetstone	Rain, Frost	Breaker Op. Summit 1252, Frost
Peever	12/25/2019 15:03	12/25/2019 15:03	0	500	0	Whetstone	Frost	Summit 1152, Frost
Peever	12/25/2019 16:21	12/25/2019 16:21	0	500	0	Whetstone	Frost	Summit 1152, Frost
Peever	12/25/2019 11:23	12/25/2019 11:23	0	500	0	Whetstone	Frost	Frost falling from conductor
Peever	12/25/2019 14:36	12/25/2019 14:36	0	500	0	Whetstone	Frost	Frost falling from conductor
Wilmot	12/25/2019 15:03	12/25/2019 15:03	0	544	0	Whetstone	Frost	Summit 1152, Frost
Wilmot	12/25/2019 16:21	12/25/2019 16:21	0	544	0	Whetstone	Frost	Summit 1152, Frost

12/30/2019

Substation	Off Date	On Date	Outage Duration (Minutes)	Customer Count	Customer Hours Off	Coop	Codes	Comments
Colman City	12/29/2019 20:36	12/29/2019 20:36	0	281	0	Municipal	Weather, Snow Storm, Wind	Snow storm, high winds
Colman City	12/29/2019 20:53	12/29/2019 20:53	0	281	0	Municipal	Weather, Snow Storm, Wind	Snow storm, high winds
Volga City	12/29/2019 21:57	12/29/2019 21:57	0	772	0	Municipal	Weather, Snow Storm, Wind	Snow storm, high winds
Volga Soy	12/29/2019 21:57	12/29/2019 21:57	0	1	0	Municipal	Weather, Snow Storm, Wind	Snow storm, high winds
Bushnell	12/29/2019 21:57	12/29/2019 21:57	0	643	0	Sioux Valley Energy, Municipal	Weather, Snow Storm, Wind	Snow storm, high winds
Egan	12/29/2019 20:01	12/29/2019 20:01	0	486	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Egan	12/29/2019 20:36	12/29/2019 20:36	0	486	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Egan	12/29/2019 20:53	12/29/2019 20:53	0	486	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Elkton	12/29/2019 21:57	12/29/2019 21:57	0	141	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Rutland	12/29/2019 20:01	12/29/2019 20:01	0	532	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Rutland	12/29/2019 20:36	12/29/2019 20:36	0	532	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Rutland	12/29/2019 20:53	12/29/2019 20:53	0	532	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Sunnyview	12/29/2019 21:57	12/29/2019 21:57	0	400	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Volga	12/29/2019 21:57	12/29/2019 21:57	0	596	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Ward	12/29/2019 20:01	12/29/2019 20:01	0	296	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Ward	12/29/2019 20:36	12/29/2019 20:36	0	296	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Ward	12/29/2019 20:53	12/29/2019 20:53	0	296	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Wentworth (KZ1A)	12/29/2019 20:01	12/29/2019 20:01	0	483	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Wentworth (KZ1A)	12/29/2019 20:36	12/29/2019 20:36	0	483	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Wentworth (KZ1A)	12/29/2019 20:53	12/29/2019 20:53	0	483	0	Sioux Valley Energy	Weather, Snow Storm, Wind	Snow storm, high winds
Veblen	12/29/2019 18:51	12/29/2019 18:51	0	72	0	Traverse, Lake Region	Weather, Snow Storm, Wind	Weather in the area
Veblen	12/29/2019 19:02	12/29/2019 19:02	0	72	0	Traverse, Lake Region	Weather, Snow Storm, Wind	Weather in the area
Wilmot	12/29/2019 10:13	12/29/2019 10:13	0	544	0	Whetstone	Snow Storm, Ice, Wind	Ice, wind and snow.
Wilmot	12/29/2019 10:25	12/29/2019 10:25	0	544	0	Whetstone	Weather, Snow Storm, Wind	Snow storm, Wind
Wilmot	12/29/2019 10:38	12/29/2019 10:38	0	544	0	Whetstone	Weather, Snow Storm, Wind	Snow Storm, high winds
Wilmot	12/29/2019 13:59	12/29/2019 13:59	0	544	0	Whetstone	Weather, Snow Storm, Wind	Snow Storm, high winds
Wilmot	12/29/2019 14:37	12/29/2019 14:37	0	544	0	Whetstone	Weather, Snow Storm, Wind	Snow storm, high winds
Wilmot	12/29/2019 15:03	12/29/2019 15:03	0	544	0	Whetstone	Weather, Snow Storm, Wind	Snow storm, high winds



# SAFE TALK

## TOPIC - 03:

### Vehicle Maintenance – Jack Stands

#### Incident Summary:

A co-op mechanic was looking for the cause of an oil leak on a half-ton truck. He raised the truck up with a hydraulic jack and then went under the vehicle. After a few minutes, he determined that the oil plug was not properly tightened. He came out from underneath the truck to get a wrench to tighten the oil plug. Then another employee came into the shop and started talking to the mechanic. During the conversation, the employee leaned on the hydraulic jack handle and the truck fell off the jack. Luckily, the mechanic was not under the truck at that time. While examining this incident, the mechanic was asked why he didn't apply jack stands, he replied, "The job wasn't going to take very long".



#### Discussion Points:

1. What steps should be taken while working under a lifted vehicle?
2. Have you ever witnessed or heard of a vehicle falling off a jack?
3. Would jack stands have prevented the vehicle from falling?
4. Why would a person put themselves in a position where a load could fall on them?

#### Recommendations:

1. The National Highway Traffic Safety Administration reports that an estimated 10,000 people are seriously injured each year when using a jack or other type of hoist. A full 74,000 are injured by a falling vehicle or vehicle part.
2. **NEVER** (*we can't stress this enough*) **Ever** put any part of your body under a vehicle supported only by a jack! If you're going to do anything under a lifted vehicle, it must be supported by jack stands. Otherwise, the results could be disastrous.
3. When working under a vehicle, there are only three options: ramps, jack stands and, of course, a hydraulic lift. You normally don't have access to a hydraulic lift. Ramps are great if you just need to change the oil. But for work that involves the tires to be removed you will need jack stands.



## 4. Proper use of jack stands:

- Always park the vehicle on level ground. Jacks and jack stands only function vertically, and the same gravity that keeps your vehicle firmly planted on the pavement will just as easily pull your vehicle off a jack or jack stand on a slope.
- Read the manuals for both your vehicle and your lifting and supporting equipment. Every vehicle has suggested jack points, also solid suspension and frame points.
- Lift your vehicle with a jack and use stands that are rated for the weight of your vehicle. On soft earth, such as asphalt or grass, use thick plywood under the jack and stands to prevent them from sinking.
- Put the transmission in gear or in park, and chock the wheel opposite where you are lifting. Use two wheel chocks, in front and behind the wheel, to keep the vehicle from moving forward or backward.
- Jack up the vehicle using a solid jacking point, leaving enough room for the jack stand to support the vehicle.
- Support the vehicle with jack stands. If supporting one corner of the vehicle, place the jack stand under the jacking point and adjust the height, locking it in place with the pin or pawl, as applicable. If supporting the whole front or rear of the vehicle, use jack stands in pairs, preferably set and locked to equal height. Do not use wood blocks to gain more height, as a wood block may slip or split – buy taller jack stands. Lower the jack slowly until the full weight of the vehicle rests on the jack stands.
- Check that each jack stand is supporting the vehicle – it shouldn't move if you wiggle it. If there is movement, jack up that corner again and move the jack stand up a notch. Double-check that all jack stand locks are set properly.

## 5. Never neglect safe work procedures due to “the job won't take very long”. A shortcut is thought to speed up the time to complete a task, it is also a quicker way to get seriously injured or killed.

- Don't trust the parking brake or the parking pawl in the transmission when you're working under a vehicle.
- If you're going to be under the vehicle, the only appropriate place to jack it up is on pavement. Asphalt and dirt can move causing the vehicle to fall off the jack or jack stands.



FEDERATED RURAL ELECTRIC  
INSURANCE EXCHANGE

Bulletin

# Litigation Report

Federated's Litigation Report provides you and your staff with an opportunity to review actual claims and their outcomes. Due to the personal nature of the information contained in these reports, we request that they not be disbursed beyond your organization and are shared only with appropriate personnel. The names of the cooperative, staff, and members have been changed.

We hope that these examples provide you with information you can use to eliminate or minimize serious safety events and that it becomes an important tool in educating your employees and promoting safety throughout your system.

*We suggest you review this claim as an educational topic for management and supervisory personnel as well as during safety meetings.*

## The Situation:

John Doe was an employee of Good Enough Tree Trimming (GETT). GETT had been hired by ABC Electric to trim a portion of its lines along an easement. ABC had recently terminated its other contractor and wanted to get work started as soon as possible so it did not yet have a signed contract with GETT. As Doe was trimming, a portion of a branch fell onto the line causing the cross-arm to break. The line then fell on Doe causing severe burns as well as the amputation of Doe's right arm. Doe filed a lawsuit against ABC claiming its cross-arm was in poor condition and that the recloser failed to operate properly. GETT did not indemnify ABC since there was no written contract and it also had not added ABC as an additional insured to its policy. The case was ultimately settled short of trial.

## Lessons Learned:

This case illustrates several issues that can arise with contract documentation or the lack thereof. One of the most common issues that arise is a lack of contract documentation which would force the contractor to indemnify the insured. A related issue is not following up on the contractor adding the insured as an additional insured under the contractor's policy. Both of these issues increase the cost of defending the claims. It is important to check periodically to ensure that written contracts are in place for work being done by contractors and that those contracts contain indemnity and additional insured clauses. Another important consideration is the amount of insurance to require from contractors. While \$1 million is still the most common limit, in cases with serious injuries, the potential exposure will be well above that. By requiring higher limits, the cooperative can

eliminate more claims in which Federated (and its membership) play a significant financial role, which can save both the Federated membership and cooperative membership money.

Click [here](#) to access a PDF of this report from Federated's website (password required).



# Safety Playbook 2020

For the game of life



Date Used \_\_\_\_\_ Co-op/Company \_\_\_\_\_

Coach \_\_\_\_\_ Title \_\_\_\_\_

January 3, 2020



**Play of the Week:** We are launching a platform to recognize employees who demonstrate their commitment to safety. Look for details soon; here is a hint.



## Safety pays!

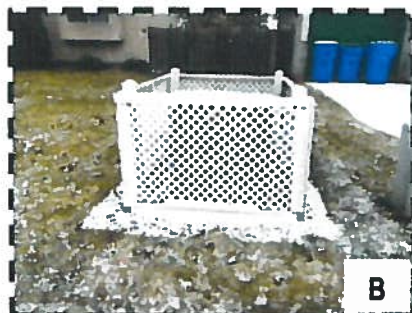
Indeed, sharing your stories does pay! Our 4<sup>th</sup> quarter winner of \$75 came from McLeod Cooperative. And, our overall cooperative winner for 2019 is Stearns Electric Association. The co-op will be receiving a check for \$500.

### What happened?

From MN Co-op – Both keepers on pins had fallen out of this rock barrel. Lineman noticed the pins were about ready to fall out as they started to lift barrel out of truck. Barrel was set back down before any incident occurred. Nice save! [see pic A]

From MN Co-op – While doing some line switching, we came across this camouflaged transformer and junction box. Fortunately for us, the consumer made the panels removable, so we could park an elbow in the j-box. [see pic B-D]

From MN Co-op – Table that was built to hide a transformer; 4 posts are dug into the ground so it can't be moved. [see pic E]



## Safety Suggestions

Do you need to change your safe work practices today from the stories shared?



**JANUARY 15 – 17, 2020**



You only have a few more days to register for the 2020 Lineworker Conference at the Arrowwood Resort near Alexandria, MN. It's early this year so we don't conflict with SD's conference.



# Safety Playbook 2020

For the game of life



Date Used \_\_\_\_\_ Co-op/Company \_\_\_\_\_

Coach \_\_\_\_\_ Title \_\_\_\_\_

January 17, 2020



**Play of the Week:** We crossed the threshold into 2020 and with that came some new FMCSA regulations. Have you heard about the Drug and Alcohol Clearinghouse, and are you clear on the actions you do (and do not) need to take? If you want to learn more, then check out the website at <https://clearinghouse.fmcsa.dot.gov/>

## Safety Pays!

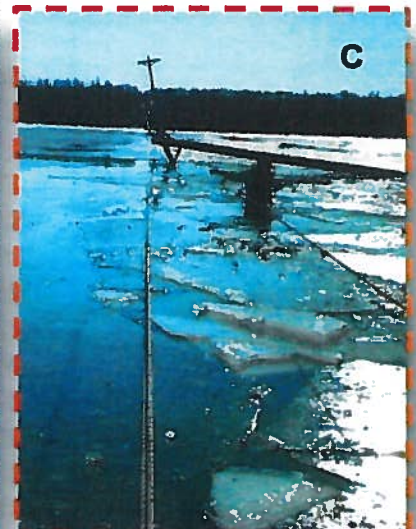
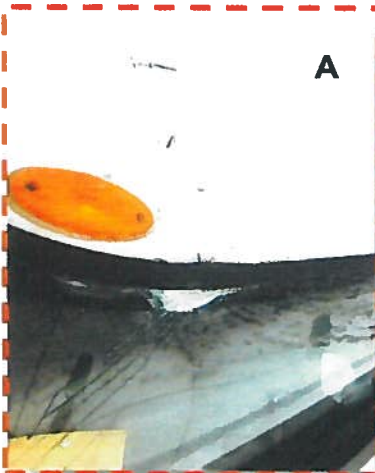
Stories shape our lives and remind us to think safety and act safely. Send your stories or pics today to any SLC crew member today!

### What happened?

From MN Co-op – The crew was retiring lines and untying A-1 poles. Employee was using a digger derrick truck with bucket. Left bucket down when stowing. Retracted extension all the way in and bringing boom down to cradle when hit top of truck cab, denting it and cracking windshield. [see pic A]

From MN Co-op – A broken cutout found during OH Line Patrol in a back yard. No calls for an outage, upper half of cutout broke and got hung up on bottom side of cutout keeping the transformer energized. [see pic B]

From MN Co-op – When mother nature makes it hard to do the job . . . [see pic C, D]



### Safety Suggestions

Do you need to change your safe work practices today from the stories shared?

