

AGENDA
REGULAR MONTHLY MEETING-BOARD OF DIRECTORS
TRAVERSE ELECTRIC COOPERATIVE, INC.
Tuesday, June 25, 2019
8:00 AM

- 1). Call to order – *Alan Veflin*
- 2). Approval of Agenda ***
- 3). Approval of Minutes and Bills ***
- 4). Basin & East River Video Reports
- 5). East River Monthly Board Report – *Pat Homan*
- 6). CFC Director Candidate, Anthony Larson, Slope Electric, ND (8:30 am)
- 7). Auditor (9:00 am)
- 8). Scott Dymoke – Attorney; RUS Construction Loan Documents (10:00am)

10 Minute Break

- 7). General Manager's Report – *Joel Janorschke*
 1. East River MAC Meeting
 2. MN Legislation Update
 3. SD Legislation Update
 4. MREA Conference Call
 5. NRECA – Will be launching a new online community focused on the role of the distribution cooperative director
 6. Quarter 1 - Budget Analysis Report
 7. Quarter 1 - Capital Budget Analysis Report
 8. By-Law Changes for 2020 TEC Annual Meeting
 9. Joint Defense and Common Interest Agreement (Basin/East River)
- 8). Office Manager's Report – *Karen Lupkes*
 1. \$13,590.00 write off. (Electrician Department)
 2. CoC withdrawal for prepayment on RUS direct or guaranteed loans with out penalty
 3. May 31, 2019 Accounts Receivable Balances
 4. Board policies on the board portal in progress
- 9). Financial Report – *Karen Lupkes*
 - a. Profit & Loss Statement & Form 7***
 - b. Comparison

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- 10). Operation Manager's Report – *Joel Janorschke*
 1. Operations update
 2. Outage update
 3. AMI update
- 11). Joint Defense and Common Interest Agreement***
- 12). Review Board Policy # 501 Equal Employment Opportunity***
- 13). Review Board Policy # 502 Equal Employment opportunity and Affirmative action Plan for Handicapped Individuals, Disabled Veterans, and Veterans of the Viet Nam Era***
- 14). Review Board Policy # 503 Employment Practices ***
- 15). Review Board Policy # 505 Employee Benefits***
- 16). Review Board Policy # 506 Termination of Employment and Retirement***
- 17). Certificate of Delegates - Annual Meeting of East River Annual Meeting***
- 18). July Board Meeting rescheduled for July 23rd.
- 19). Executive Session
- 20). Other Business
- 21). Adjournment ***

*** Indicates Board Action needed

Future Directors Meetings

District III Meeting – July 11, 2019 – Arrowwood Resort, Alexandria, MN (**Michael, Russell**)
MREA – New Director Orientation – July 29-30, 2019 – St. Cloud, MN (**Tom**)
NRECA 781.2 Technology Planning, Decision Making & Leadership – July 29-30, 2019 – St. Cloud, MN
MREA – Board Chair Round Table – July 30, 2019 – St. Cloud, MN (**Alan**)
MREA Energy Issues Summit – July 31 – August 1, 2019 – St. Cloud, MN (**Michael, Russell**)
East River Annual Meeting – September 4, 2019 – Sioux Falls, SD
Basin Annual Meeting – November 5-7, 2019 – Bismarck, ND
Mid-West Annual Meeting – Dec 10-12, 2019 – Denver, CO

Future Managers Meetings

East River MAC Meeting – July 8, 2019 – Madison, SD
District III Meeting – July 11, 2019 – Arrowwood Resort, Alexandria, MN
Basin MAC Meeting – July 16-17, 2019 – Deadwood, SD

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East River MAC – July 30, 2019 – SDSU Campus, SD
MREA – Board Chair Round Table – July 30, 2019 – St. Cloud, MN
East River Annual Meeting - September 4, 2019 - Sioux Falls, SD
REMA CEO Meeting - September 4 - 6, 2019 - Ottertail, MN
NRECA Region 5 & 6 Meeting – Sept. 10-11, 2019 – Milwaukee, WI
Basin Annual Meeting – November 5-7, 2019 – Bismarck, ND

Future Board Meeting Dates

July 23, 2019 – Scheduled for 8:00 am
August 27, 2019 – Scheduled for 8:00 am
September 24, 2019 - Scheduled for 8:00 am
October 29, 2019 – Scheduled for 9:00 am
November 26, 2019 – Scheduled for 9:00 am
December 31, 2019 – Scheduled for 9:00 am

Future NRECA Annual Meeting Dates

2020 - New Orleans - February 27 – March 4-Marks, Veflin, Vacant
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, May 28, 2019

8:00 AM

The May monthly meeting of the Board of Directors of Traverse Electric Cooperative, Inc. was held at the office of the Cooperative on Tuesday, May 28, 2019.

President Veflin called the meeting to order.

The Secretary reported the following directors present:

Alan Veflin	Karen Kath	Pat Homan
Mark Pearson	Michael Marks	Russ Armstrong
Doug Diekmann	Tom Frisch	

Absent was: Terry Monson.

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

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

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

The Basin Electric video was not viewed.

The East River video was viewed.

Homan reported on the East River board meeting:

- Last East River board meeting was a conference call meeting.

Manager Janorschke presented the Manager's Report:

- Updated the board on the East River MAC meeting. Topics included discussion on the possibility of Basin's new rate for Class C members with battery storage, which will be a topic at the Basin MAC meeting in July. Also discussed were territory issues, the business development update, biddable loads opportunity, East River looking at creating a policy penalizing co-ops for power factor, cost of storage batteries still too high for co-ops, and East River is looking at providing scholarships to students attending MTI instead of an endowment to the school.
- MN legislative update included approval of a 2- year general fund budget, no gas tax increase, the Diversity measure did pass, Co-ops are exempt from reporting parcels for property taxes, and CenturyLink is under fire for not completing locates.
- SD legislative issues were reviewed.

Lupkes presented the Office Manager's Report:

- Our audit was May 13-17. The auditors will present at the June 25th board meeting.
- The RUS AH48 \$5,006,000 loan documents will be ready for completion at the June 25th board meeting.
- April 30, 2019 Accounts Receivable balances were reviewed.
- In the process of uploading all board policies to the board portal. Employee policies and safety plans are on the employee portal.
- Requested the write-off of \$161.46 for Adam Jorschumb. This is the portion of the amount owed that the credit agency takes in commission fees. Jorschumb paid the full amount owed to us to the collection agency. Homan made a motion to write off \$161.46 for Adam Jorschumb. Frisch seconded the motion and upon vote motion carried unanimously.

Lupkes presented the financial report. April sales and margins were discussed. After a discussion on the monthly comparisons and financial status of the Cooperative, Marks made a motion to accept the report as given. Armstrong seconded the motion, and upon vote motion carried unanimously.

Schwagel gave the Operations Report.

- Outages were reviewed.
- Crews have been doing service upgrades, pole change outs, and installing routers.
- There have been a few hit poles recently.
- The number of locates in SD is high due to fiber.
- Contractors started on the 3-phase to the dairy.
- Pole inspections began. We are planning on testing 2,300 poles this year.
- Carr's Tree Service will start tree trimming soon in the Big Stone Lake area.
- Gave a safety program update.
- Two lineman attended Hot Line School.
- Austin Reinke is our new lineman hired to replace Calvin Anderson.
- Chapman will start changing out our meters in June.

The board reviewed revisions to board policy 521 Use of Hand-Held Cellular Phones. Pearson made a motion to approve the following revisions to Policy 521:

TRAVERSE ELECTRIC COOPERATIVE, INC.

Wheaton, Minnesota

BOARD POLICY NO. 521

USE OF HAND-HELD CELLULAR PHONES

I. OBJECTIVE

To establish guidelines for employee use of hand-held mobile telephones.

II. POLICY

A. DOT Drivers:

1. The Cooperative restricts the use of hand-held cellular phones according to the FMCSA ruling published in the Federal Register on December 2, 2011. This ruling prohibits drivers from holding, dialing, or reaching for a hand-held cellular phone. The ruling does not restrict the use of GPS or fleet management systems. This ruling does not restrict or prohibit the use of hands-free devices.
 2. Since both the driver and the Cooperative face penalties should a violation occur, Management will be responsible to educate and monitor the action of the employees. Any driver disqualified from driving for a violation, could be subject to dismissal.
- B. Non-DOT Drivers:
1. The Cooperative restricts the use of hand-held cellular phones while driving unless it's handsfree except if there is an immediate threat to life and safety to get emergency assistance. This prohibits the driver from holding, dialing, texting, or reaching for a hand-held cellular phone. Also, a driver may not use their phone at any time for video calling, video live-streaming, Snapchat, gaming, looking at video or photos stored on the phone, using non-navigation apps, reading texts and scrolling or typing on the phone. Drivers can use cell phones to call, text, listen to music or podcasts and get directions, but only by voice commands or single-touch activation without holding the phone.

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 or revision of this policy.

Armstrong seconded the motion and upon vote motion carried unanimously.

The Board reviewed revisions to Policy 504 Personnel Information. Diekmann made a motion to approve Policy 504:

TRAVERSE ELECTRIC COOPERATIVE, INC.

Wheaton, Minnesota

BOARD POLICY NO. 504

PERSONNEL INFORMATION

I. OBJECTIVE

Recognizing the importance of accurate, up-to-date personnel information for the efficient and effective operation of Traverse Electric, it shall be the policy to expect each employee to be responsible for the maintenance of current information relating to his/her employment status.

II. POLICY

A. Changes in Information

1. Each employee shall report immediately all changes of information which affect his working relationships, including:

- (a) Telephone Number
- (b) Address
- (c) Name
- (d) Birth or death in family

B. Photograph

1. Each Director and each employee is to have on file in Traverse Electric's office a current photograph, either one submitted by him or one taken by a Traverse Electric photographer, for Traverse Electric's use or for public relation purposes.

C. Employee Service Record

1. Traverse Electric maintains an Employee's Service Record of all its employees showing each employee's term of service with Traverse Electric dating from the time of his/her latest employment.

III. RESPONSIBILITY

A. The General Manager and Office Manager is are responsible for the administration of this policy.

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

Marks seconded the motion and upon vote motion carried unanimously.

The Board reviewed Policy 508 Traffic Violations. Homan made a motion to approve Policy 508:

TRAVERSE ELECTRIC COOPERATIVE, INC.

Wheaton, Minnesota

BOARD POLICY NO. 508

TRAFFIC VIOLATIONS

I. OBJECTIVE

To establish policy regarding payment of traffic violations.

II. POLICY

- A. The Cooperative requires all employees to observe all traffic laws while driving Cooperative vehicles.
- B. Traffic violations on the part of employees at any time shall be the personal responsibility of the employees involved. Any fines or cost involved in these violations, including parking, speeding, failure to stop at traffic lights or stop signs, cell phone use and distracted driving, etc., will be the responsibility of the employee involved.

III. RESPONSIBILITY

- A. The General Manager shall be responsible for the administration of this policy.
- B. The Board of Directors is responsible for any change in or revision of this policy.

Kath seconded the motion and upon vote motion carried unanimously.

The board reviewed the new Schedule REC-Renewable Energy Credit. Marks made a motion to approve Schedule REC:

TRAVERSE ELECTRIC COOPERATIVE, INC.

WHEATON,

SCHEDULE REC

RENEWABLE ENERGY CREDIT RATE

The purpose of this rate is to implement a rate for members to purchase Renewable Energy Certificates (RECs) and establish the qualification criteria and rate for the sale of RECs. RECS

represent the property rights to the environment, social, and other nonpower qualities of renewable electricity generation (source EPA).

A. Eligibility: All Traverse Electric Cooperative customers are eligible for purchasing RECs.

1. Basin Electric will provide certificate(s), identifying the purchased RECs representing the generation of electrical energy from renewable resources to the nation's electrical grid from which the customer's draw their power. Such delivery to the electrical grid shall constitute delivery for the purposes of the RECs.
2. All RECs purchased under this rate shall include the environmental attributes associated with the environmental character of the generation and the Customer shall receive ownership of those attributes.
3. Exhibit 1 must be completed and executed for each REC purchase.

B. Availability: This rate shall be available to each customer until discontinued by Traverse Electric Cooperative.

C. Rate:

Participation Level = 100% @ \$0.0010 per kWh used
Participation Level = 75% @ \$0.0075 per kWh used
Participation Level = 50% @ \$0.0005 per kWh used
Participation Level = 25% @ \$0.00025 per kWh used

\$1.00 per REC and shall represent the equivalent of 1 MWh of green energy attributes.

D. Billing: Customers will be billed monthly based on kWh used.

F. Review: This Rate shall be reviewed at least annually.

Kath seconded the motion and upon vote motion carried unanimously.

CFC Directory candidate, Anthony Larson, from Slope Electric, ND requested permission to come to our June board meeting for a brief visit. The board agreed to have him come.

The July 30th board meeting conflicts with the Board Chair Round Table & new director training with MREA. The board meeting was moved to July 23, 2019,

Other business:

Janorschke reported that he is working on updating job descriptions.

Next board meeting will be on Tuesday, June 25, 2019 beginning at 8AM.

Upcoming Board Member meetings:

District III Meeting, July 11, 2019, Arrowwood Resort, Alexandria, MN- Armstrong, Marks
NRECA 781.2 Technology Planning, Decision Making & Leadership, July 29-30, 2019, St. Cloud, MN
MREA New Director Orientation, July 29-30, 2019, St. Cloud – Frisch
Board Chair Roundtable, July 30, 2019, St. Cloud - Veflin
MREA Energy Issues Summit, July 31-Aug. 1, 2019, St. Cloud, MN – Armstrong, Marks
Basin Annual Meeting, Nov 5-7, 2019, Bismarck, ND
Mid-West Annual Meeting, Dec 10-12, 2019 – Denver, CO

Upcoming Managers Meetings:

East River MAC meeting, June 4, 2019, Madison, SD
District III meeting, July 11, 2019, Arrowwood Resort, Alexandria, MN
Basin MAC meeting, July 16-17, 2019, Deadwood, SD
NRECA Region 5 & 6 meeting, Sept. 10-11, 2019, Milwaukee, WI
Basin Annual Meeting, Nov. 5-7, 2019, Bismarck, ND

As there was no further business, Diekmann made a motion to adjourn. Marks seconded the motion and upon vote motion carried unanimously. Meeting adjourned at 9:40 AM

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	05/01/2019	115238	FURTHER	3,775.02	
			HSA		3,775.02
CK	05/01/2019	115239	East River Federal Cu	1,375.00	
			May Credit Union		1,375.00
CK	05/01/2019	115240	I.B.E.W. Lu 524	200.00	
			May Union Dues - 5 Linemen		200.00
WT	05/01/2019	8801422	Minnesota Dept Of Revenue	3,196.05	
			April 30, 2019 payroll SWH		3,196.05
WT	05/02/2019	8801420	Internal Revenue Service	15,124.98	
			April 30, 2019 payroll FWH & FICA		15,124.98
CK	05/03/2019	115241	U.S. Postmaster	998.14	
			Billing Postage		998.14
WT	05/03/2019	8801421	Natl Rural Elec Assn	5,575.53	
			April 30, 2019 payroll 401K		5,461.72
			April 30, 2019 payroll 401K Loan		113.81
CK	05/06/2019	115242	NRECA	104.08	
			Admin Fee		104.08
CK	05/06/2019	115243	East River Electric Coop	560.00	
			ER Energize Forum		560.00
CK	05/06/2019	115244	NRECA	26,389.74	
			Trust Contricutions		26,389.74
CK	05/06/2019	115245	Sturdevant's, Inc.	663.12	
			Supplies		663.12
CK	05/06/2019	115246	Traverse County Treasurer	7,959.00	
			1st 1/2 RE Tax		1,645.00
			1st 1/2 RE Taxes		6,314.00
CK	05/06/2019	115247	City Of Wheaton	137.82	
			Utilities		137.82
CK	05/06/2019	115248	MEI ENGINEERING INC	780.50	
			N Ottawa Dairy, Engineering-CHS, Map Upd:		780.50
CK	05/06/2019	115249	Locators & Supplies	264.02	
			36 Pairs Cowhide Gloves PPE		264.02
CK	05/06/2019	115250	Colonial Life	464.14	
			April Colonial Life		464.14
CK	05/06/2019	115251	Amaril Uniform Company	294.65	
			Moisture Wicking Henley & 2 Cotton SS		294.65
CK	05/06/2019	115252	B&B Transformer Inc	2,382.00	
			Regulator Repair		2,382.00
CK	05/06/2019	115253	All American Publishing	409.00	
			Wheaton FB Tshirt Ad		409.00
CK	05/06/2019	115254	Morris Electronics Inc	513.89	
			Wireless Router		169.99
			WiFi Not Working - Darren Service		35.00
			Darren - Service (Weekly Check In)		35.00
			Replace Router - Cody		273.90
CK	05/06/2019	115255	NRECA Group Benefits Trust	1,358.28	
			Group Insurance		1,358.28
CK	05/06/2019	115256	Mike's Cleaning Service	454.22	
			April Janitorial Services		454.22

CM - Check Register-Detail

1 Cash - General Fund

Type	Date	Chk Nbr	Name	Total Check Amount	Document Detail
CK	05/06/2019	115257	Mediacom LLC	246.90	
			May Internet Service		246.90
CK	05/06/2019	115258	Dacotah Paper Company	17.32	
			2 Boxes Lens Cleaning Wipes		17.32
CK	05/06/2019	115259	NRECA	731.49	
			Admin Fee		731.49
WT	05/06/2019	8801423	Payment Service Network Inc	1,037.66	
			April Credit Card Payment Fees		1,037.66
WT	05/09/2019	8801425	EAST RIVER FCU	2,402.43	
			ER Credit Card Charges		2,402.43
CK	05/13/2019	115260	BJ's Parts Depot	818.96	
			Filters for all units		818.96
CK	05/13/2019	115261	FURTHER	8.00	
			2019 HSA Admin Fee - J Shoutz		8.00
CK	05/13/2019	115262	Border States Electric	1,120.87	
			Router Material & Electric Tape		1,120.87
CK	05/13/2019	115263	Irby (Stuart C. Irby Company)	74,218.17	
			4/0 URD Cable		74,218.17
CK	05/13/2019	115264	Dakota Supply Group	261.94	
			Materials		161.33
			Supplies		100.61
CK	05/13/2019	115265	Home Bakery	30.00	
			Rolls for Employee Meeting		30.00
CK	05/13/2019	115266	KMRS	62.00	
			State FFA		62.00
CK	05/13/2019	115267	Basin Electric Power Coop	24.00	
			May Email Hosting		24.00
CK	05/13/2019	115268	Schultz Welding	48.78	
			Labor on Support Plate #143		48.78
CK	05/13/2019	115269	SD Rural Electric Ass'n	455.00	
			Newsletter Labor & Insert		455.00
CK	05/13/2019	115270	SD DEPT OF REVENUE & REGULATION	98.40	
			SD Bi-Monthly Excise Tax (Mar-Apr)		98.40
CK	05/13/2019	115271	Tri-County Coop	23.57	
			fuel for skidloader		23.57
CK	05/13/2019	115272	Traverse County Dep. Reg.	447.00	
			License Renewal #141		447.00
CK	05/13/2019	115273	Traverse Elec-Petty Cash	29.90	
			Replenish Petty Cash		29.90
CK	05/13/2019	115274	Locators & Supplies	364.19	
			PPE for Josh		351.36
			Raingear Bag		12.83
CK	05/13/2019	115275	Landis & Gyr Technology Inc fka Cellnet Technology	750.00	
			April Meter Hosting		750.00
CK	05/13/2019	115276	S.N.O.W. Pod	40.00	
			Proud & Alive BBQ & Chili Cook-Off Doanti		40.00
CK	05/13/2019	115277	Altec Industries, Inc.	3,728.06	
			Digger Gear Box & Pole Guide Repairs #130		2,141.35
			Boom Repairs #120		1,586.71

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	05/13/2019	115278	Xerox Corporation May Copier Lease	417.48	417.48
CK	05/13/2019	115279	Cenex Fleetcard April Fuel	3,012.10	3,012.10
CK	05/13/2019	115280	BIRAK SHRINE CLUB Shrine Circus Donation	60.00	60.00
CK	05/13/2019	115281	Bluecross Blueshield June Premiums Due in May	16,357.25	16,357.25
CK	05/13/2019	115282	Jerrel Olson Reimb Basin Key Accts Trng Reg	200.00	200.00
CK	05/13/2019	115283	NRECA-Coop Benefit Adm April Cafeterial Exp	15.00	15.00
CK	05/13/2019	115284	Dacotah Paper Company 2 Boxes Lens Cleaning Towelettes	17.32	17.32
CK	05/13/2019	115285	Verizon Wireless Cell & iPad Service May Linemen iPad Service & New iPad for Jc	946.23	302.60 643.63
CK	05/16/2019	Payroll Batch # PR000841		30,990.77	
WT	05/16/2019	8801428	Minnesota Dept Of Revenue May 16, 2019 payroll SWH	2,187.59	2,187.59
WT	05/17/2019	8801430	Internal Revenue Service May 16, 2019 payroll FICA & FWH	11,085.33	11,085.33
CK	05/20/2019	115286	PROFESSIONAL COMPUTER SOLUTIONS LLC May Hosting & User Fees Mobile Customer Access Service for April	984.00	934.00 50.00
CK	05/20/2019	115287	Irby (Stuart C. Irby Company) 60,039 Ft 4/0 URD Cable Glove & Sleeve Testing	141,434.41	141,331.81 102.60
CK	05/20/2019	115288	East River Electric Coop Sitehawk Safety Data Sheets	386.59	386.59
CK	05/20/2019	115289	Valley Office Products Toner Xerox B400, Stand (Missy), Folders &	349.69	349.69
CK	05/20/2019	115290	Willy's Super Valu Terry's Ret, Lineman Appr, Supplies, Board F	329.02	329.02
CK	05/20/2019	115291	Star Energy Services Safety Prog, New Hire, Drivers Cks, IT - A Sc GIS Mapping	23,223.30	2,410.80 20,812.50
CK	05/20/2019	115292	Landis & Gyr Technology Inc fka Cellnet Technology 7 Router Kits	11,483.72	11,483.72
CK	05/20/2019	115293	Sag's Hardware Hank LLC Materials & Supplies	566.74	566.74
CK	05/20/2019	115294	CRC Response Center Inc April After Hours Service	1,087.18	1,087.18
CK	05/20/2019	115295	South Dakota One Call April SD Locates	46.20	46.20
CK	05/20/2019	115296	Gopher State One-Call April MN Locates	58.05	58.05
CK	05/20/2019	115297	Star Energy Services IT Services - A Schmitz	3,896.88	3,896.88

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	05/20/2019	115311	Aflac May AFLAC	13.70	13.70
CK	05/20/2019	115312	NRECA C Anderson - Admin Fee	8.78	8.78
CK	05/20/2019	115313	Wheaton Area Schools Community Calendar Ad 2019 Summer Rec Sponsor	250.00	50.00 200.00
CK	05/20/2019	115314	Tom Leverson Dishwasher Rebate	50.00	50.00
CK	05/20/2019	115315	Sisseton-Wahpeton Oyate 2018 SWO Utility Excise Tax	349.83	349.83
CK	05/20/2019	115316	Amaril Uniform Company J Shoutz - 4 Shirts, 3 Khakis, 3 Denim J Olson - Khaki Pant	876.24	795.73 80.51
CK	05/20/2019	115317	Bryan Hauschild Clothes Washer & Dryer Rebates	100.00	100.00
CK	05/20/2019	115318	Traverse County Ag Association Bronze Level Traverse Cty Fair Donation	100.00	100.00
CK	05/20/2019	115319	Integrity Contracting Inc Bore Charges - N Ottawa Dairy	13,000.00	13,000.00
CK	05/20/2019	115320	Cory Amborn Water Heater Rebate	510.00	510.00
CK	05/20/2019	115321	Dennis Carlson Heat Pump Rebate	600.00	600.00
CK	05/20/2019	115322	Jeff Krump Refrigerator Rebate	100.00	100.00
CK	05/20/2019	115323	Michael Vangness Water Heater Rebate	510.00	510.00
CK	05/20/2019	115324	State Bank Of Wheaton March, April & May ACH Pmt Processing	255.70	255.70
CK	05/20/2019	115325	NRECA Group Benefits Trust C Anderson - May Life/Disability	74.82	74.82
CK	05/20/2019	115326	LegalShield May ID Theft Insurance	147.50	147.50
WT	05/20/2019	8801426	CoBank ACB CoBank Mo Princ & Int	22,529.87	22,529.87
WT	05/20/2019	8801427	Minnesota Sales & Use Tax MN April ST Return	25,557.00	25,557.00
WT	05/20/2019	8801429	Natl Rural Elec Assn May 16, 2019 payroll 401K May 16, 2019 payroll 401K Loan	4,945.52	4,831.71 113.81
CK	05/28/2019	115327	PROFESSIONAL COMPUTER SOLUTIONS LLC Connect Implementation Integrated Messaging Bill'g Request - Import New Meters & Meter t	737.00	187.50 549.50
CK	05/28/2019	115328	Irby (Stuart C. Irby Company) 3 Transformer Box Pads	3,142.13	3,142.13
CK	05/28/2019	115329	Resco Credit for Warranty Upper Element Squirrel Guard	1,278.02	(32.73) 1,310.75

CM - Check Register-Detail

1 Cash - General Fund

Type	Date	Chk Nbr	Name	Total Check Amount	Document Detail
CK	05/28/2019	115330	Wesco Receivables Corp. Materials	20,971.83	3,980.24
			Materials		16,991.59
CK	05/28/2019	115331	Delta Dental of Minnesota June Premiums	1,322.00	1,322.00
CK	05/28/2019	115332	Traverse County Recorder Easement Recording Fees	414.00	414.00
CK	05/28/2019	115333	S.N.O.W. Pod Proud & Alive Car Show Donation	50.00	50.00
CK	05/28/2019	115334	Integrity Contracting Inc Plowing & boring WO#9756 - N Ottawa Dair	31,300.00	31,300.00
CK	05/28/2019	115335	Nobles Cooperative Electric Jay A York Scholarship Fund Donation	100.00	100.00
CK	05/28/2019	115336	AT & T 800 Service - Long Distance	41.63	41.63
CK	05/28/2019	115337	JOHN DEERE FINANCIAL Rubber Gloves Shipping	13.50	13.50
CK	05/28/2019	115338	Frontier Office Phone Service	336.99	336.99
CK	05/28/2019	115339	TOM FRISCH Board Check	256.96	256.96
CK	05/28/2019	115340	Russell Armstrong Board Check	250.00	250.00
CK	05/28/2019	115341	Michael Marks M Marks - Board Check	278.42	278.42
CK	05/28/2019	115342	Alan Veflin A Veflin - Board Check	284.80	284.80
CK	05/28/2019	115343	Douglas Diekmann D Diekmann - Board Check	258.70	258.70
CK	05/28/2019	115344	Mark Pearson M Pearson - Board Check	267.40	267.40
CK	05/28/2019	115345	Pat Homan	273.20	
VC		115345	Pat Homan	(273.20)	
CK	05/28/2019	115346	Karen Kath K Kath - Board Check	321.92	321.92
VC	05/31/2019	Payroll Batch # PR000844		0.00	
CK	05/31/2019	Payroll Batch # PR000845		34,721.08	
Total				\$575,404.01	

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, 5, 1) to Date(2019, 5, 31)) AND
({CMDoc.BankAcctID} in ['1']) Last Modified: 6/20/2019

RESOLUTIONS

1. RESOLVED that the Corporation borrow from the Federal Financing Bank (“FFB”) an amount not to exceed \$5,006,000.00, to be guaranteed by the United States of America (the “Government”), acting through the Administrator of the Rural Utilities Service (“RUS”); and
2. RESOLVED that the Corporation accept the terms and conditions which the Administrator of RUS has established for obtaining its guarantee of the FFB loan, as such terms and conditions are set forth; and
3. RESOLVED that the President is authorized on behalf of the Corporation to execute and deliver under its corporate seal, which the secretary is direct to affix and attest:
 - (a) as many counterparts respectively as shall be deemed advisable of an agreement with the Government, in the form of the RUS Loan Contract submitted to this meeting; and
 - (b) a note payable to FFB and guaranteed by RUS in the principal amount of \$5,006,000.00, substantially in the form of the FFB note submitted to this meeting and
 - (c) the note payable to the Government, acting through the Administrator of RUS, substantially in the form of the Reimbursement Note submitted to this meeting; and
 - (d) as many counterparts as shall be deemed advisable of a Supplemental Mortgage by and among the Borrower, the Government, National Rural Utilities Cooperative Finance Corporation and CoBank, ACB, which, among other things, pledges all of the Corporation’s property to secure notes payable to the Government in the aggregate principal amount not to exceed \$50,000,000.00 at any one time, and a financing statement, substantially in the form of the security instruments presented to this meeting; and
4. RESOLVED that the officers of the Corporation be, and each of them is authorized in the name and on behalf of the Corporation, to execute all such instruments, make all such payments and do all such other acts as in the opinion of the officer or officers acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions; and
5. RESOLVED that the General Manager of the Corporation, and any official authorized to act in such corporate position and to perform the functions of such position is authorized on behalf of the Borrower (a) to execute and deliver from time to time advance requests, maturity extension election notices, prepayment election notices and refinancing election notices, in the form of such instruments attached to the note payable to FFB, and (b) to specify information and select options as provided in such instruments.

Traverse Electric Cooperative, Inc.
Quarterly Budget Analysis - 2019

For the Quarter Ending: 03/31/19

	This Quarter				Year-to-Date			
	Budget	Actual	Variance	% of Budget	Budget	Actual	Variance	% of Budget
Revenue	\$ 2,789,371.00	\$ 2,916,966.88	\$ 127,595.88	105%	\$ 2,789,371.00	\$ 2,916,966.88	\$ 127,595.88	105%
Purchased Power	\$ 1,611,549.00	\$ 1,784,192.96	\$ 172,643.96	111%	\$ 1,611,549.00	\$ 1,784,192.96	\$ 172,643.96	111%
Gross Operating Margin	\$ 1,177,822.00	\$ 1,132,773.92	\$ (45,048.08)	96%	\$ 1,177,822.00	\$ 1,132,773.92	\$ (45,048.08)	96%
Operations Expense	\$ 168,870.00	\$ 156,941.55	\$ (11,928.45)	93%	\$ 168,870.00	\$ 156,941.55	\$ (11,928.45)	93%
Maintenance Expense	\$ 162,685.00	\$ 130,818.61	\$ (31,866.39)	80%	\$ 162,685.00	\$ 130,818.61	\$ (31,866.39)	80%
Customer Accounts Expense	\$ 48,675.00	\$ 44,308.42	\$ (4,366.58)	91%	\$ 48,675.00	\$ 44,308.42	\$ (4,366.58)	91%
Customer Service & Information Expense	\$ 27,600.00	\$ 11,591.19	\$ (16,008.81)	42%	\$ 27,600.00	\$ 11,591.19	\$ (16,008.81)	42%
Sales Expense	\$ 2,565.00	\$ 515.00	\$ (2,050.00)	20%	\$ 2,565.00	\$ 515.00	\$ (2,050.00)	20%
Administrative & General Expense	\$ 214,443.00	\$ 261,513.64	\$ 47,070.64	122%	\$ 214,443.00	\$ 261,513.64	\$ 47,070.64	122%
Total Operating Expenses	\$ 2,236,387.00	\$ 2,389,881.37	\$ 153,494.37	107%	\$ 2,236,387.00	\$ 2,389,881.37	\$ 153,494.37	107%
Depreciation & Amortization Expense	\$ 239,600.00	\$ 239,653.69	\$ 53.69	100%	\$ 239,600.00	\$ 239,653.69	\$ 53.69	100%
Interest on Long-Term Debt	\$ 168,690.00	\$ 159,664.52	\$ (9,025.48)	95%	\$ 168,690.00	\$ 159,664.52	\$ (9,025.48)	95%
Interest Expense Other	\$ 500.00	\$ 130.70	\$ (369.30)	26%	\$ 500.00	\$ 130.70	\$ (369.30)	26%
Total Fixed Expenses	\$ 408,790.00	\$ 399,448.91	\$ (9,341.09)	98%	\$ 408,790.00	\$ 399,448.91	\$ (9,341.09)	98%
Total Cost Of Service	\$ 2,645,177.00	\$ 2,789,330.28	\$ 144,153.28	105%	\$ 2,645,177.00	\$ 2,789,330.28	\$ 144,153.28	105%
Operating Margins	\$ 144,194.00	\$ 127,636.60	\$ (16,557.40)	89%	\$ 144,194.00	\$ 127,636.60	\$ (16,557.40)	89%
Non-Operating Margins - Interest	\$ 58,248.00	\$ 64,096.58	\$ 5,848.58	110%	\$ 58,248.00	\$ 64,096.58	\$ 5,848.58	110%
Non-Operating Margins - Other	\$ (183.00)	\$ (6,276.00)	\$ (6,093.00)		\$ (183.00)	\$ (6,276.00)	\$ (6,093.00)	3430%
Generating & Transmission CC	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Other CC - CFC - Resco	\$ -	\$ 11,398.23	\$ 11,398.23		\$ -	\$ 11,398.23	\$ 11,398.23	
Total Non-Operating Margins	\$ 58,065.00	\$ 69,218.81	\$ 11,153.81	119%	\$ 58,065.00	\$ 69,218.81	\$ 11,153.81	119%
Total Patronage Capital or Margins	\$ 202,259.00	\$ 196,855.41	\$ (5,403.59)	97%	\$ 202,259.00	\$ 196,855.41	\$ (5,403.59)	97%

Traverse Electric Cooperative, Inc.

Quarterly Capital Budget Analysis - 2019

For the Quarter Ending: 03/31/19

	This Quarter							Year-to-Date			
	Quantity	Quantity Purchased	Unit Amount	Budgeted	Actual	Variance	% of Budget	Budgeted	Actual	Variance	% of Budget
Operations & Maintenance											
Pole Trailer	1	0	\$ 20,000.00	\$ 20,000.00	\$ -	\$ (20,000.00)	0%	\$ 20,000.00	\$ -	\$ (20,000.00)	0%
Electric Pole Saw/Battery	1	0	\$ 450.00	\$ 450.00	\$ -	\$ (450.00)	0%	\$ 450.00	\$ -	\$ (450.00)	0%
Chainsaw - Battery	1	0	\$ 450.00	\$ 450.00	\$ -	\$ (450.00)	0%	\$ 450.00	\$ -	\$ (450.00)	0%
Pro-Stihl 026 Chainsaw (Replacement)	2	1	\$ 600.00	\$ 1,200.00	\$ 619.00	\$ (581.00)	52%	\$ 1,200.00	\$ 619.00	\$ (581.00)	52%
Crimping Tool - Battery Operated	1	0	\$ 2,400.00	\$ 2,400.00	\$ -	\$ (2,400.00)	0%	\$ 2,400.00	\$ -	\$ (2,400.00)	0%
Guy Wire Dispenser	2	0	\$ 950.00	\$ 1,900.00	\$ -	\$ (1,900.00)	0%	\$ 1,900.00	\$ -	\$ (1,900.00)	0%
Bolt Cutter (24")	1	0	\$ 200.00	\$ 200.00	\$ -	\$ (200.00)	0%	\$ 200.00	\$ -	\$ (200.00)	0%
Binoculars	4	0	\$ 170.00	\$ 680.00	\$ -	\$ (680.00)	0%	\$ 680.00	\$ -	\$ (680.00)	0%
PMI Meter	1	0	\$ 11,000.00	\$ 11,000.00	\$ -	\$ (11,000.00)	0%	\$ 11,000.00	\$ -	\$ (11,000.00)	0%
Information Technology											
Desktop Computers	1	2	\$ 1,600.00	\$ 1,600.00	\$ 3,485.89	\$ 1,885.89	218%	\$ 1,600.00	\$ 3,485.89	\$ 1,885.89	218%
Laptop Computers	1	2	\$ 2,500.00	\$ 2,500.00	\$ 2,303.03	\$ (196.97)	92%	\$ 2,500.00	\$ 2,303.03	\$ (196.97)	92%
iPads - Directors	5	8	\$ 450.00	\$ 2,250.00	\$ 2,232.38	\$ (17.62)	99%	\$ 2,250.00	\$ 2,232.38	\$ (17.62)	99%
iPads with Verizon card	6	1	\$ 400.00	\$ 2,400.00	\$ 384.74	\$ (2,015.26)	16%	\$ 2,400.00	\$ 384.74	\$ (2,015.26)	16%
East River AVL	1	1	\$ 5,000.00	\$ 5,000.00	\$ -	\$ (5,000.00)	0%	\$ 5,000.00	\$ -	\$ (5,000.00)	0%
Computer Monitors	4	6	\$ 262.15	\$ 1,000.00	\$ 1,572.91	\$ 572.91	157%	\$ 1,000.00	\$ 1,572.91	\$ 572.91	157%
Administrative & General											
PCS - Mobile Customer Access (MCA)	1		\$ 4,500.00	\$ 4,500.00	\$ 112.50	\$ (4,387.50)	3%	\$ 4,500.00	\$ 112.50	\$ (4,387.50)	3%
PCS - Mobile Service Orders (MSO)	1		\$ 12,600.00	\$ 12,600.00	\$ -	\$ (12,600.00)	0%	\$ 12,600.00	\$ -	\$ (12,600.00)	0%
GIS System Mapping	1	1	\$ 25,000.00	\$ 25,000.00	\$ 3,500.00	\$ (21,500.00)	14%	\$ 25,000.00	\$ 3,500.00	\$ (21,500.00)	14%
Safety											
AED	3	0	\$ 1,070.00	\$ 3,210.00	\$ -	\$ (3,210.00)	0%	\$ 3,210.00	\$ -	\$ (3,210.00)	0%

Desktop Computer

Karen - \$1802.32

Missy - \$ 1683.57

Director Ipad

8 @ \$267.18 = \$2,137.43

Screen Protectors & Cases = \$94.95

Lineman Ipad

Calvin - March \$384.74

Josh - May - \$384.74

June 25, 2019 Office Manager's Report:

1. Electrician inventory physical count complete. This resulted in decreasing the value of inventory by \$13,590, which is a loss. This is due to junking inventory items no longer used, scrapping junk wire, taking used material items off of inventory, and due to a complete inventory count of every resale electrician item being done.
2. The 2018 Farm bill passed with provisions eliminating the RUS Cushion of Credit 5% interest program. We will continue to earn 5% on our COC until 9-30-2020. After that the interest rate goes down to 4% until 9-30-2021. After that date, the interest rate goes to the variable 1 year Treasury Rate. No new deposits to the cushion of credit are allowed. With the change, we do have the ability to use our remaining cushion of credit balance to prepay any existing higher interest RUS and FFB loans without penalty. We have many existing RUS and FFB loans that have an interest rate higher than 5%. We have until 9-30-2020 to use our COC to pay off existing loans. By doing that our interest income will reduce substantially, but our interest expense will go down even more due to the fact that we are paying more than 5% in interest while only earning 5%.

As of 5/31/2019 our cushion of credit balance is \$2.869 million.

We will be evaluating this new option to pay off higher interest rate loans.

3. Accounts Receivable balances as of the 5/31/2019 billing statement:
 - Current \$838,010.35
 - 1-30 Days (April 30th statement) \$26,478.42
 - 31-60 Days (March 31st statement) \$10,067.58 (61 Disconnect notices sent out)
 - 61-90 Days (Feb 28th statement) \$1,451.42
 - Older than 91 days - \$8,716.34
4. Still working on getting all board policies on the board portal. Right now I have all the employee policies (500s) & our rates (400s) on the website. I hope to have the Director policies (100s) uploaded before your board meeting.

USDA - RUS			BORROWER DESIGNATION		
FINANCIAL AND STATISTICAL REPORT			MN 84 Traverse		
INSTRUCTIONS - See RUS Bulletin 1717B-2			PERIOD ENDED		
			May 2019		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	12	10	5. Miles Transmission		
2. Services Retired	5	4	6. Miles Distribution- Overhead	1,175	1,170
3. Total Services in Place	3,192	3,185	7. Miles Distribution- Underground	522	532
4. Idle Services (Exclude Seasonal)	0	0	8. Total Miles Energized (5 + 6 + 7)	1,697	1,702
PART E. KWH AND KW STATISTICS					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	THIS MONTH (a)	YTD (b)		THIS MONTH (a)	YTD (b)
1. Net kWh Generated			6. Office Use	9,126	216,557
2. kWh Purchased	9,094,998	50,942,481	7. Total Unaccounted For (4 Less 5 & 6)	466,074	2,181,800
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	5	4
4. Total kWh (1 thru 3)	9,094,998	50,942,481	9. Maximum Demand (kW)	13,062	
5. Total kWh Sold	8,619,798	48,544,124	10. Mo When Max Demand Occurred	January	20628

PART D. CONSUMER SALES AND REVENUE DATA

Class Of Service	THIS MONTH				YEAR-TO-DATE		
	# Rec'g Service a	kWh Sold b	Amount c	# Min Bills d	Avg # Rec'g Serv e	kWh Sold Cumulative f	Amount Cumulative g
1. Residential Sales	2,509	3,567,225	453,911		2,508	27,072,063	2,837,373
2. Seasonal Sales	414	130,289	30,018		413	929,274	157,896
3. Irrigation Sales	12	164	1,213		12	461	5,174
4. Comm - 50 kVA or less	2	894,457	82,942		2	4,323,481	404,264
5. Comm - over 50 kVA	106	5,830	609		105	10,114	1,973
6. Kinder Morgan	1	821,140	59,432		1	2,831,260	222,765
7. Veblen Dairy	1	1,617,532	116,759		1	6,580,848	484,985
8. WDCE - Graceville Loc	1	202,486	19,371		1	909,981	80,227
9. Dollymount Dairy	3	1,233,672	88,082		3	5,054,303	364,417
10. Campbell Dairy	1	147,003	14,092		1	832,339	77,842
11. Total Sale of Electric	3,050	8,619,798	866,429		3,047	48,544,124	4,636,916
12. Other Elec Revenue			2,213				12,387
13. Total (11 + 12)			868,642				4,649,303

1. $10033+2509=12542/5=2508$
2. $1654+414=2068/5=413$
3. $48+12=60/5=12$
4. $11+2=13/5=2$
5. $421+106=527/5=105$
9. $3+12=15/5=3$

Traverse Electric Cooperative, Inc.
Financial and Operating Report Electric Distribution
Statement of Operations
For the five months ending 5/31/2019

	2018 <u>YTD Actual</u>	2019 <u>YTD Actual</u>	2019 <u>YTD Budget</u>	2019 <u>May</u>
1. Operating Revenue and Patronage Capital	4,319,239.00	4,649,303.04	4,444,235.00	868,642.11
2. Power Production Expense	0.00	0.00	0.00	0.00
3. Cost of Purchased Power	2,595,195.72	2,857,834.74	2,611,915.00	541,932.97
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	292,639.28	255,213.37	278,730.00	53,602.99
7. Distribution Expense - Maintenance	248,386.08	211,163.77	287,475.00	45,349.81
8. Customer Accounts Expense	76,108.05	76,598.78	81,125.00	16,885.63
9. Customer Service and Informational Expense	40,804.86	28,125.51	43,700.00	8,210.04
10. Sales Expense	1,480.00	3,405.00	4,195.00	2,990.00
11. Administrative and General Expense	319,903.85	427,062.47	346,277.00	87,974.58
12. Total Operation & Main. Expense (2 thru 11)	3,574,517.84	3,859,403.64	3,653,417.00	756,946.02
13. Depreciation and Amortization Expense	390,427.38	400,683.43	401,800.00	80,616.92
14. Tax Expense - Property & Gross Receipts	0.00	0.00	0.00	0.00
15. Tax Expense - Other	140.00	349.83	0.00	349.83
16. Interest on Long-Term Debt	248,460.99	265,748.30	281,150.00	53,672.51
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00
18. Interest Expense - Other	285.48	180.88	500.00	15.15
19. Other Deductions	0.00	0.00	0.00	0.00
20. Total Cost of Electric Service (12 thru 19)	4,213,831.69	4,526,366.08	4,336,867.00	891,600.43
21. Patronage Capital & Operating Margins (1 - 20)	105,407.31	124,136.96	107,368.00	(21,758.32)
22. Non Operating Margins - Interest	89,724.08	106,314.50	97,081.00	21,207.23
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	1,764.83	(18,815.41)	3,249.00	(11,025.33)
26. Generation and Transmission Capital Credits	0.00	0.00	0.00	0.00
27. Other Capital Credits and Patronage Dividends	18,795.55	11,398.23	0.00	0.00
28. Extraordinary Items	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	215,691.77	223,034.28	207,698.00	(11,576.42)

Income Statement Analysis Ratios

For the five months ending 5/31/2019

$$\begin{aligned}\text{Times Interest Ratio} &= 2 \text{ to } 1 \\ &= \text{Line 29} + \text{Line 16} / \text{Line 16} \\ &= \frac{223,034.28 + 265,748.30}{265,748.30}\end{aligned}$$

$$\begin{aligned}\text{Modified Times Interest Earned Ratio} &= 2 \text{ to } 1 \\ &= \text{Line 29} - \text{Line 26} - \text{Line 27} - \text{Line 28} + \text{Line 16} / \text{Line 16} \\ &= \frac{223,034.28 - 0.00 - 11,398.23 - 0.00 + 265,748.30}{265,748.30}\end{aligned}$$

$$\begin{aligned}\text{Operating Times Interest Earned Ratio} &= 1 \text{ to } 1 \\ &= \text{Line 21} + \text{Line 16} / \text{Line 16} \\ &= \frac{124,136.96 + 265,748.30}{265,748.30}\end{aligned}$$

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

For the period ending 05/31/2019

	-----2019-----		-----2018-----	
	May	May	May	May
	<u>Activity</u>	<u>Balance</u>	<u>Activity</u>	<u>Balance</u>
<u>Assets and Other Debits</u>				
1. Total Utility Plant in Service	14,918.01	25,338,278.59	82,508.08	24,710,539.60
2. Construction Work in Progress	98,009.12	1,275,664.87	(56,541.55)	239,981.15
3. Total Utility Plant (1+2)	112,927.13	26,613,943.46	25,966.53	24,950,520.75
4. Accum. Provision for Depreciation and Amort	(83,120.49)	(11,106,492.45)	(52,743.05)	(10,517,251.29)
5. Net Utility Plant (3-4)	29,806.64	15,507,451.01	(26,776.52)	14,433,269.46
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	(27,430.49)	5,579,452.32	(30,693.27)	4,686,426.63
9. Invest in Assoc. Org.-Other-General Funds	0.00	23,276.57	0.00	21,634.57
10. Invest in Assoc. Org.-Other-Nongeneral Funds	0.00	283,435.36	0.00	282,029.19
11. Investments in Economic Development Projects	0.00	0.00	0.00	0.00
12. Other Investments	(1,615.76)	75,666.08	(1,619.72)	90,157.78
13. Special Funds	0.00	0.00	0.00	0.00
14. Total Other Property & Investments(6 thru 13)	(29,046.25)	5,961,830.33	(32,312.99)	5,080,248.17
15. Cash-General Funds	(2,278,102.64)	597,659.64	(2,181,161.21)	397,599.43
16. Cash-Construction Funds-Trustee	0.00	1.00	0.00	1.00
17. Special Deposits	0.00	1,000.00	0.00	1,000.00
18. Temporary Investments	2,122,265.10	3,744,330.07	2,229,262.99	4,760,584.66
19. Notes Receivable - Net	0.00	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	844.61	919,508.75	(39,476.42)	850,360.97
21. Accounts Receivable - Other (Net)	17,922.78	(136,157.26)	39,401.31	43,016.18
22. Renewable Energy Credits	0.00	0.00	0.00	0.00
23. Materials & Supplies - Electric and Other	93,920.39	615,928.41	111,108.58	455,995.91
24. Prepayments	(8,918.69)	26,356.40	(8,654.00)	25,491.11
25. Other Current & Accrued Assets	6,488.93	7,361.68	5,980.16	6,852.74
26. Total Current & Accrued Assets (15 thru 25)	(45,579.52)	5,775,988.69	156,461.41	6,540,902.00
27. Regulatory Assets	0.00	0.00	0.00	0.00
28. Other Deferred Debits	(5,397.89)	225,721.49	(4,045.72)	222,514.22
29. Total Assets & Other Debits (5+14+26 thru 28)	(50,217.02)	27,470,991.52	93,326.18	26,276,933.85
<u>Liabilities and Other Credits</u>				
30. Memberships	0.00	0.00	0.00	0.00
31. Patronage Capital	(14,980.67)	12,408,013.48	(1,703.80)	10,969,993.00
32. Operating Margins - Prior Years	0.00	0.00	0.00	0.00
33. Operating Margins - Current Year	(22,958.32)	122,936.96	(5,289.60)	105,407.31
34. Non Operating Margins	10,181.90	98,899.33	24,252.13	110,285.83
35. Other Margins and Equities	6,281.31	444,138.80	418.49	408,440.14
36. Total Margins & Equities (30 thru 35)	(21,475.78)	13,073,988.57	17,677.22	11,594,126.28
37. Long-Term Debt RUS (Net)	(15,496.85)	5,127,781.34	(14,839.06)	5,314,396.30
38. Long-Term Debt - FFB - RUS Guaranteed	0.00	9,880,692.31	0.00	10,130,676.46
39. Long Term Debt - Other - RUS Guaranteed	(21,277.61)	284,294.70	(20,304.58)	534,229.14
40. Long-Term Debt - Other (Net)	0.00	627,231.96	0.00	671,434.92
41. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00	0.00	0.00	0.00
42. Payments - Unapplied	23,436.52	(2,594,160.42)	22,275.65	(2,869,810.49)
43. Total Long-Term Debt (37 thru 41-42)	(13,337.94)	13,325,839.89	(12,867.99)	13,780,926.33
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	(87,704.46)	754,550.54	34,778.37	608,312.10
49. Consumer Deposits	750.00	12,350.00	(200.00)	12,600.00
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	71,551.16	276,732.08	53,938.58	255,387.42
54. Total Current & Accrued Liab (47 thru 53)	(15,403.30)	1,043,632.62	88,516.95	876,299.52
55. Regulatory Liabilities	0.00	0.00	0.00	0.00
56. Other Deferred Credits	0.00	27,530.44	0.00	25,581.72
57. Total Liab & Other Credits(36+43+46+54 thru 56)	(50,217.02)	27,470,991.52	93,326.18	26,276,933.85

Balance Sheet Analysis Ratios

For the period ending 05/31/2019

Equity as a Percent of Assets = 47.59 %**= Line 36 / Line 29**

$$= \frac{13,073,988.57}{27,470,991.52}$$

General Funds as a Percent of Total Utility Plant = 16.5990 %**= Line 12 + Line 13 + Line 15 + Line 16 + Line 18 / Line 3**

$$= \frac{75,666.08 + 0.00 + 597,659.64 + 1.00 + 3,744,330.07}{26,613,943.46}$$

Modified Equity as a Percent of Assets = 27.2816 %**= Line 36 - Line 8 / Line 29**

$$= \frac{13,073,988.57 - 5,579,452.32}{27,470,991.52}$$

Current Assets to Current Liabilities Ratio = 5.5345 to 1**= Line 26 / Line 54**

$$= \frac{5,775,988.69}{1,043,632.62}$$

Total Long-Term Debts as a Percentage of Total Utility Plant = 50.0709 %**= Line 43 / Line 3**

$$= \frac{13,325,839.89}{26,613,943.46}$$

May Comparison 2019

	18-May	YTD 18	YTD 19	19-May
Revenue	\$ 790,815.00	\$ 4,319,239.00	\$ 4,649,303.04	\$ 868,642.11
Cost of Power	\$ 496,714.21	\$ 2,595,195.72	\$ 2,857,834.74	\$ 541,932.97
Distribution Exp - Oper.	\$ 31,503.73	\$ 292,639.28	\$ 255,213.37	\$ 53,602.99
Distribution Exp. - Maint.	\$ 52,132.82	\$ 248,386.08	\$ 211,163.77	\$ 45,349.81
Interest Paid	\$ 48,124.00	\$ 248,746.47	\$ 265,929.18	\$ 53,687.66
Total Cost of Service	\$ 796,105.20	\$ 4,213,831.69	\$ 4,526,366.08	\$ 891,600.43
Margin Operation	\$ (5,289.60)	\$ 105,407.31	\$ 124,136.96	\$ (21,758.32)
Other Income	\$ 24,252.13	\$ 110,284.46	\$ 98,897.32	\$ 10,025.33
Total Margins	\$ 18,962.53	\$ 215,691.77	\$ 223,034.28	\$ (11,576.42)
Total kWh Sold	7,345,630	44,084,123	48,544,124	8,619,798
Line Loss	5%	4%	4%	5%

OPERATIONS REPORT JUNE 2019

As of June 19th 2019, Crews have been busy with the following:

- Outages
- Pole change outs
- New services
- Service upgrades
- 2 underground faults
- Cut in cabinet and finished plowing the new service in for the WAPA sub. 1650 ft
- plowed 4000 ft/ move due to new elevator by tintah
- plowed 650 ft/ new service, dryer/bins: Curran
- Plowed 1400 ft/ new service/house: Krueger
- Plowed 350ft/ new service/house: Heesch
- Cut in cabinet and plow 350 ft/ new service/house: Bunkers
- Plowed 1400 ft/ new service pump: Morgan
- Crews have also been terminating on the dairy project, cable is installed up to the first transformer on site, and is ready to energize, for them to utilize for construction power. The dairy still has dirt work to do before we can finish up plowing the last 2400 ft.
- Crews have also been working on the project East of Campbell for the ditch move. Contractors have most of the cable plowed already on these 2 ditch projects, our crews have started terminating on this project as well.
- We have also continued to install routers for the meter system

Miscellaneous

- As mentioned, our underground contractors are finishing up the install east of Campbell, for the ditch project, from here, they are moving south of Dumont to plow in 3 miles of 3 phase, from there moving west for 3/4 mile of 3 phase. Once these are done, they will either head back to the dairy to finish, if the dirt work is done, or they will move back into SD to work on the East River projects, Approximately 7 miles left to plow there.
- Pole inspections have been finished up for the year. Inspected 2138 poles, with 318 rejects.(%14.9) this is also an area that has not been tested on a 10 year rotation, I expected the higher reject rate in this area.
- **GIS MAPPING**, I have been working with Brian from STAR energy to get through our mapping and make the corrections needed to get this completed.
- I also attended a meeting at star, getting started with GIS, and what it can do for us.

Meter update:

- Currently, we have roughly 20 routers left to install yet.

- A few meters have been installed for testing and also used for remote disconnect already.
- Chapman metering is in the process of getting everything set up, to be able to start with the mass meter changeouts. Hoping they will be starting these next week.
- Meter shipments are scheduled to ship in a timely matter, so Chapman does not run out once they start the change out process.

Safety:

- **STAR**
 - Conducted a safety meeting on the 13th. Switching and tagging procedures, Rubber goods care and maintenance.
 - Safety committee meeting in the afternoon
 - Safety news letters and BE Safe topics
- **MREA**
 - Safety playbook
- **East River**
 - Sent Austin to East River to complete Switchman certification training. This is to certify Austin, to do switching inside the substations.
- **TEC**
 - I conducted 3 crew observations at the job sites

Outage Report Attached:

- Traverse
- East River

Dale Schwagel

Operations Manager

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

MANAGEMENT

- ✓ Key dates for CDL drivers updated on 05/21/19
- ✓ Safety Recommendation – Direct Contacts for MREA Trust In Us Drug Testing Program on 05/22/19

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

EDUCATION

<u>Topic</u>	<u>Audience</u>	<u>Date</u>	<u>Presenter</u>
Monthly Newsletter – Don't Landscape Around the Big Green Box	All employees	04/08/19	STAR
Cooperative Connections – High Water, High Stakes	Employees/Members	05/19	TEC/STAR
Monthly Poster – Poisonous Plants	All employees	05/01/19	STAR
Safety Bulletin Board Notice – ATV and Boat Safety	All employees	05/01/19	STAR
Live Well: Sun Protection and the ABCs of Skin Cancer	All employees	05/01/19	STAR
Lead On: The Importance of Visible Safety Leadership	Staff	05/01/19	STAR
Be Safe – Traffic Control: Flagger Signals and Traffic Cones	Operations, Technical	05/01/19	STAR
New Employee Orientation, Core Safety Rules, Safe Work Practices	New employee	05/09/19	STAR
Arc Flash and Electrical Burns	New employee	05/09/19	STAR
Minimum Approach Distances	New employee	05/09/19	STAR
FR Clothing Wear and Care	New employee	05/09/19	STAR
Rubber Gloving	New employee	05/09/19	STAR
Job Site Hazards and Work Area Protection	New employee	05/09/19	STAR
Forklift Operator	New employee	05/09/19	STAR
Skid Steer Loader Operator	New employee	05/09/19	STAR
Be Safe – Traffic Control Layouts	Operations, Technical	05/13/19	STAR
Download on Safety: Hazard Awareness and Safety Participation	Office	05/22/19	MREA
Be Safe – Traffic Control: High Visibility PPE	Operations, Technical	05/24/19	STAR
New Employee Orientation, Core Safety Rules, Safe Work Practices	New employee	05/30/19	STAR
Arc Flash and Electrical Burns	New employee	05/30/19	STAR
Minimum Approach Distances	New employee	05/30/19	STAR
FR Clothing Wear and Care	New employee	05/30/19	STAR
Rubber Gloving	New employee	05/30/19	STAR
Job Site Hazards and Work Area Protection	New employee	05/30/19	STAR
Forklift Operator	New employee	05/30/19	STAR
Skid Steer Loader Operator	New employee	05/30/19	STAR
Excavation Competent Person	New employee	05/30/19	STAR

INSPECTIONS

- ✓ Crew observations (3) by TEC on 05/29/19

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

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

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

Date	Type	Description	Actions
04/30/19	Near Miss	Wrench slipped and contacted energized transformer	In future, blanket to be placed against tank of pad-mounted transformer when connecting hot secondaries

May 2019 Outages

OUTAGE DATE	LOCATION	CAUSE OF OUTAGE	TIME OFF	TIME ON	No. consumers affected	POWER SUPPLY	No. consumers affected	PRE-ARRANGED	No. consumers affected	STORM	Consumer-Hour Outage Time (in minutes)	
											No. consumers affected	OTHER
5/1/2019	37-14-3 City of Browns Valley	Blown take off fuse	2:10 PM	3:10 PM	1				1		60	
5/1/2019	18-14-3 Chester Raguse	Changed out CSP transformer	8:46 AM	11:30 PM	1						1	164
5/3/2019	21-30-4 Christenson Farms	Patrolled line & refused cutout, changed cut out on take off pole	12:00 AM	1:30 AM	2						2	180
5/3/2019	17-30-2 Leif Erickson	Member disconnect switch partially closed--bllable	6:23 PM	6:45 PM	1						1	22
5/5/2019	39-20-4 Dale Kaufmann	Broken cut out took line fuse	5:30 AM	6:40 AM	19						19	1900
5/11/2019	14-16-2B Michael O'Neill	Hot line clamp burnt off our OCR at 14-3-1	3:20 PM	4:35 PM	23						23	1725
5/13/2019	23-18-4 Gregory Wohlers	Broken cut out	8:30 AM	9:55 AM	1						1	85
5/13/2019	7-2-4 Lyle Pederson	Line torn down at 8-34-1-don't know who tore it down	6:00 PM	8:55 PM	13						13	2275
5/13/2019	33-31-1 Rick Simonson	Fuse out of fuse cabinet	1:46 PM	3:20 PM	43						43	4042
5/14/2019	47-18-4 Lavonne Grimsrud	Caused by trees, trimmed trees	7:06 AM	9:15 PM	4						4	516
5/19/2019	35-30-4 Jon Roeder	Broken cut out at 41-36-3	10:06 AM	11:15 AM	4						4	276
5/20/2019	08-21-4 Craig Lichtsinn	Refused cut out	9:44 AM	10:44 AM	1						1	60
5/20/2019	51-15-4X Kenyon & Sarina Budack	Broken cut out	11:45 AM	2:30 PM	1						1	165
5/22/2019	01-32-1 Roger Hill	Refused cut out	10:02 PM	12:24 AM	11						11	1562
5/23/2019	18-26-4 Rick & Brenda Schultz	Whaley's hit wire-bllable	2:29 PM	3:45 PM	1						1	76
5/23/2019	32-12-4 Dale Zych	Refused riser pole	9:30 AM	10:45 AM	1						1	75
5/26/2019	53-27-2 William Koeppe	Bad cut out	9:00 AM	10:35 AM	1						1	95
5/26/2019	53-27-2 William Koeppe	Blown take off fuse- bird	8:17 PM	9:10 PM	1						1	53
5/28/2019	16-02-2 Bill Schmidt	Bad secondary between transformer & meter socket	12:29 PM	1:30 PM	1						1	61
5/29/2019	05-36-2 arrestor	Re-terminate riser, replaced cut out &	8:45 AM	1:00 PM	1						1	255

May 2019 Outages

OUTAGE DATE	LOCATION	CAUSE OF OUTAGE	TIME OFF 6:40 AM	TIME ON 8:20 AM	No. consumers affected	POWER SUPPLY	No. consumers affected	PRE-ARRANGED	No. consumers affected	STORM	No. consumers affected	OTHER
5/31/2019	44-11-3	Refused cut out										
	Neil Fritz											
TOTALS					0	0	0	0	0	0	132	13747
YTD Totals					2571	87908	0	0	98	18740	498	61533



Date of Report

Load Control: **No**

Breaker:

Reason Code Legend:

TR	Trees
TS	Thunderstorm
UN	Unknown
VA	Vehicle Accident
WA	Whealing Agent
WI	Wind

High MW Today: 456.8

No

No

Completed By: **Brad Arnoldus**



6/4/2019
Date of Report

Load Control: **No**

Breaker:

Reason Code Legend:

TR	Trans
TG	Thunderstorm
UN	Unknown
VA	Vehicle Accident
WA	Wheeling Agent
WI	Wind

Completed By: Chad Nowstrup

TRAVERSE ELECTRIC COOPERATIVE, INC.

Wheaton, Minnesota

BOARD POLICY NO. 501

EQUAL EMPLOYMENT OPPORTUNITY

I. OBJECTIVE

To establish and maintain a continuing policy of non-discrimination in employment and other personnel decisions of all kinds which will ensure compliance with the rules and regulations of ~~the various civil rights compliance agencies, including the Office of Federal Contract Compliance Programs and the Rural Utilities Service rules.~~ **and to direct the establishment of an affirmative action plan to comply with Executive Order 11246, as amended by Executive Order 11375.**

II. POLICY

- A. Traverse Electric will recruit, employ, and promote employees in all job classifications without regard to race, color, ~~sex~~ **gender, sexual orientation**, age, religion, or national origin; except where ~~sex~~ **gender**, religion or age is a bona fide occupational qualification.
- B. Traverse Electric will base employment and promotional decisions solely upon an individual's qualifications for the position to be filled.
- C. Traverse Electric will continue to ensure that all terms and conditions of employment and all personnel actions such as compensation, benefits, transfers, layoffs, recalls, social and recreational programs, training programs, educational programs, tuition aids, (to the extent that any of the foregoing currently exist or will in the future be adopted) will be administered without regard to race, color, ~~sex~~ **gender, sexual orientation**, age, religion or national origin.
- D. Traverse Electric will establish hiring practices and programs that will afford all applicants equal employment opportunities. ~~Traverse Electric will establish a central program to evaluate objectively the utilization of qualified female and minority group personnel in all occupational categories in compliance with the letter and spirit of the law.~~
- E. Traverse Electric will **enforce the intent of this policy and follow an Affirmative Action program which ensures that the above policy is being implemented. Programs involve such activities as: special effort recruiting of minority group members, Viet Nam**

Veterans and the handicapped; and auditing the work force to insure equal employment is adhered to and Coop participation in community efforts directed toward promoting better understanding and implementing of Equal Employment Opportunity. ~~not tolerate any instances of racial or sexual harassment; any such examples should be reported immediately to the employee's immediate supervisor or the Manager.~~

III. RESPONSIBILITY

- A. The Board of Directors shall review and approve any changes in this policy statement. ~~and shall review and approve the written affirmative action plan hereinafter described.~~
- B. The **General** Manager shall be responsible for the administration of this policy. ~~He shall cause to be developed a written affirmative action plan to further implement this policy, which shall be reviewed and approved by the Board of Directors and shall report at least annually to the Board of Directors on progress achieved under this policy.~~

Date Adopted _____ 12-2-86 _____

Date Reviewed _____ 06-25-19 _____

~~Lyle Raguse~~ **Mark Pearson**, Secretary

TRAVERSE ELECTRIC COOPERATIVE, INC.
Wheaton, Minnesota
BOARD POLICY NO. 502

**EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION PLAN FOR
HANDICAPPED INDIVIDUALS, DISABLED VETERANS, AND VETERANS OF
THE VIET NAM ERA**

I. OBJECTIVE

To establish and maintain a continuing policy of non-discrimination ~~and affirmative action~~ in employment and other personnel decisions of all kinds. ~~which will ensure compliance with Section 503 of the Rehabilitation Act of 1973 and Section 402 of the Viet Nam Era Veterans Readjustment Assistance Act of 1974.~~

II. POLICY

- A. Traverse Electric will not discriminate against any employee or applicant for employment because of any physical or mental handicap or veteran status, in regard to any position for which the employee or applicant for employment is qualified.
- B. Traverse Electric will ~~take affirmative action to~~ employ, advance in employment and otherwise treat qualified handicapped individuals, qualified disabled veterans, and qualified veterans of the Viet Nam Era without discrimination based upon their physical or mental handicap or their veteran's status.
- C. Traverse Electric will base employment and promotional decisions solely upon an individual's qualifications for the position to be filled.
- D. Traverse Electric will continue to ensure that all terms and conditions of employment and all personnel actions, including but not limited to: compensation, benefits, transfers, layoffs, recalls, training programs, educational programs, tuition aids, and social and recreational programs (to the extent that any of the foregoing currently exist or will in the future be adopted) will be administered equally for any qualified handicapped employee, qualified disabled veteran and qualified veteran of the Viet Nam Era.

III. RESPONSIBILITY

- A. The Board of Directors shall review and approve any changes in this policy statement;
~~and shall review and approve the written affirmative action plan hereinafter described.~~
- B. The Manager shall be responsible for the administration of this policy. ~~He shall cause to be developed a written affirmative action plan to further implement this policy, which shall be reviewed and approved by the Board of Directors and shall report at least annually to the Board on progress achieved under this policy.~~

Date Adopted: 12-2-86

Date Revised: 06-25-19

~~Lyle Raguse~~ Mark Pearson, Secretary

TRAVERSE ELECTRIC COOPERATIVE, INC.

Wheaton, Minnesota

BOARD POLICY NO. 503

EMPLOYMENT PRACTICES

I. OBJECTIVE

- A. To maintain a staff of efficient, loyal, and well-trained employees, who are aware of their responsibilities and interested in the welfare of the Cooperative.
- B. To establish clearly defined employment practices which consider the welfare and security of the employees and the well being of the Cooperative.
- C. To provide for the Board of Directors an understanding and assurance that employees will be treated fairly and uniformly.
- D. To help management carry out these intentions by providing an equitable basis for the settlement of grievances and complaints.

II. POLICY

A. Probation

~~Persons hired by the Cooperative shall be considered probationary employees during the first twelve months of their employment. The Cooperative reserves the right to dismiss such employees at any time during this period with or without notice. Following the probationary period, employees will be automatically placed on the seniority list, with seniority being accrued from date of hiring.~~

Employment at Will:

1. All employees at Traverse Electric Cooperative, Inc. (TEC) are employed at-will. Employees who are employed at-will may resign at any time, for any reason and may be discharged at any time, with or without cause, as long as the termination is not due to unlawful discrimination.
2. Policies set forth by TEC are not intended to create a contract, express or implied, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between TEC and any of its employees, nor are they to be construed to constitute any type of guarantee of any benefits.
3. No statements made in pre-hire interviews or discussions, or in recruiting material of any kind, are to alter the at-will nature of employment or otherwise imply that termination will occur only for cause.

4. The most recent and in effect version of this policy is located/accessed via the employee portal on the TEC website.

B. Termination

- ~~Employees past the probationary stage of employment are expected to give the Cooperative the customary two weeks advance notice in the event they decide to terminate their employment with the Cooperative. Permanent employees are subject to discharge only for cause and with two weeks notice or the cash equivalent. Causes for which an employee may be dismissed include the following:~~
- ~~1. Inadequate performance of work.~~
 - ~~2. Habitual disregard for the established hours of attendance.~~
 - ~~3. Refusal to obey the policies of the Cooperative, or the reasonable instructions of the Supervisor.~~
 - ~~4. Disruption of employee moral by the initiation and circulation of false rumors, or working against the basic philosophy and objectives of the Cooperative.~~
 - ~~5. Unjustified absence without leave.~~
 - ~~6. The unauthorized communication of vital information to those outside the Cooperative.~~
 - ~~7. Intoxication during working hours.~~
 - ~~8. Behavior during or after working hours prejudicial to the best interests of the Cooperative.~~
 - ~~9. Committing the Cooperative to expenses not falling within authority of the employee.~~
 - ~~10. Any fraudulent or dishonest act or acts committed by any employee acting alone or in collusion with others.~~
 - ~~11. Violation of any other Cooperative rules.~~
- ~~Other causes for termination of employment may arise from time to time as circumstances dictate. Among these is the reduction in or change or elimination of a position in the Cooperative. Where this is the reason of termination of employment, every effort will be made to relocate the employee within the organization to his satisfaction. In any case, the provisions of the Fair Labor Standards Act, Board Policy, Labor Agreement, and local ordinances, if any, are to be adhered to.~~

Employees are expected to give the Traverse Electric Cooperative two weeks advance

notice in the event they decide to terminate their employment with the Cooperative.

C. Grievances Problem Resolution and Open Communication

~~All grievances shall be submitted in writing. In the event an employee believes himself unfairly treated, it shall be his duty to take his grievance to his immediate supervisor. Every effort should be made to settle this grievance or complaint at this level. If it cannot be resolved at this level, he can request, through his immediate supervisor, a conference with his department head. If it cannot be resolved with his department head, such grievance or complaint can be presented to the Manager, provided all affected parties are present when it is discussed. If the grievance is still not settled the matter shall be referred at the request of either party to the Board of Arbitration. Within three (3) working days of notice of the desire to arbitrate a grievance, each party shall appoint two representatives to an arbitration panel. This arbitration panel shall make an earnest effort to resolve the grievance. If it cannot be settled within three working days, the panel shall appoint an impartial umpire who shall hear both sides of the case and make a final and binding decision. If the parties cannot mutually agree on an impartial umpire within three days the parties shall request the Judge of the District Court of the State of Minnesota to make such appointment. All complaints or grievances must be submitted within thirty (30) days of their occurrences. The provisions of this section shall in no way preclude discussions between the Cooperative and employees relative to the problem arising out of the ordinary conduct of its business.~~

~~Each party shall bear the expense, if any, of preparing and presenting its own case. The expenses of any impartial arbitrator that may be used shall be paid by the Cooperative.~~

1. Traverse Electric Cooperative is committed to providing the best possible working conditions for its employees. Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from Traverse Electric Cooperative supervisors and management.
2. Traverse Electric Cooperative strives to ensure fair and honest treatment of all employees. Supervisors, managers, and employees are expected to treat each other with mutual respect.
3. If employees disagree with established rules of conduct, policies, or practices, they can express their concern through the problem resolution procedure. No employee will be penalized, formally or informally, for voicing a complaint with Traverse Electric Cooperative in a reasonable, business-like manner, or for using the problem resolution procedure.
4. If a situation occurs where employees believe that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to make use of the following steps. The employee may discontinue the procedure at any step.

- Employee presents problem to immediate supervisor after incident occurs. If supervisor is unavailable or employee believes it would be inappropriate to contact that person, employee may present problem to the General Manager or HR designate.

D. Reporting Violations/Complaints or Grievances (Non-Union employees):

1. If you are asked to violate or witness a violation of any Cooperative policy, including, but not limited to, any violation of any standard of conduct, applicable safety regulation or any other applicable law, it is your obligation to report it.
2. Any employee who feels that he or she is being subjected to discrimination, harassment, offensive, abusive, or other inappropriate conduct in the workplace, whether sexually related or otherwise, should immediately report it.
3. If you wish to submit any of the foregoing types of reports, or to submit any other type of complaint or grievance, regardless to what it applies, you should submit it to your supervisor. If the matter is not resolved at that level, submit it to the General Manager or HR designate.
4. Any employee with a question or concern about any kind of discrimination, harassment, offensive, abusive or other inappropriate conduct in the workplace, or anything relating to policies or procedures, is encouraged to bring the question or concern to the attention of their supervisor. If they feel they did not receive a sufficient response they should submit their question to the General Manager or HR designate.
5. If an employee feels that the supervisor is participating in the subject of the report, complaint, grievance, question or concern, the submission can be made directly to the General Manager or HR designate.
6. Union employees will refer to the current union contract.

D E. General Working Rules

1. ~~The normal working day of all salaried and hourly rate personnel will be eight hours. The Office Manager will insure that two (2) people will be available at the front office to serve the consumers entering the building and to answer the telephone.~~ Regular office hours begin at 8:00 am and end at 4:30 pm daily during our regular work- week which begins at 12:01 am Monday morning and terminating 12:00 Midnight Sunday evening. The Office Manager will ensure that adequate staffing will be available at the front office to serve the consumers entering the building and to answer the telephone. (The Cooperative may, at its own discretion, implement temporary hours as appropriate when approved by the General Manager...for example: summer hours.)

- ~~2. Five (5) days, falling in sequence, shall constitute a work week for all employees covered by this agreement. Eight (8) hours shall constitute a regular day's work and forty (40) hours or five (5) days beginning Monday morning and terminating Friday evening shall constitute a regular week's work.~~ The normal working day of all salaried and hourly rate personnel will be at least eight hours. All work done outside of regular hours by hourly employees will be paid at the rate of time and one-half. Hours worked on Sunday and Holidays are paid at two times normal rate of pay for hourly employees.
- ~~3. All work done outside of regular hours by hourly employees will be paid for at the rate of time and one-half.~~
The Cooperative expects that employees will pursue their work with confidence and respect, and will go about every job in an efficient manner, exerting all the energy and tact required to complete the job properly.
4. Traverse Electric will pay its employees on the first (1) day and the sixteenth (16) day of each month, except if the pay day falls on Saturday, Sunday, or a Holiday. Then the pay day will be on the following working day.
5. Transportation while on Cooperative business shall be in Cooperative vehicles whenever possible and practical. The use of personal vehicles is subject to management approval. When such vehicles are used, a standard mileage rate of the current IRS rate per mile shall be paid by the Cooperative.
- ~~6. The Cooperative expects that employees will pursue their work with confidence and respect, and will go about every job in an efficient manner, exerting all the energy and tact required to complete the job properly.~~
- ~~7. It is agreed between the parties of this policy that not employee covered in this policy shall suffer a reduction in present basic hourly wages on account of any provision contained herein. It is understood, however, that in demotion to a lower classification in accordance with seniority, the lower rate will apply.~~
- ~~8. The Cooperative will not require persons covered in this policy to work out of doors during inclement weather, unless such work is necessary to protect life or property or maintain service to the public.~~
- ~~E. Stand by~~
1. It is agreed that the Cooperative desires that twenty four (24) hour service shall be provided for its members, and this makes it desirable to have men available at all times to handle outages on the lines, emergencies, and such reasonable duties as may be required by the Manager. When men are on "stand by" to handle these matters, they shall be available for duty at all times. The names of the men on stand by shall be posted at the Cooperative each week, and the names shall be rotated so as to divide the weeks in a fair

~~manner as practical. No man shall be placed on stand by while he is on vacation. During the week that a man is on stand by he shall engage in no activities that would unreasonably interfere with his availability and responsibility to promptly attend to outages on the lines, or such other duties as may be assigned while on stand by. He shall be readily reached by telephone, and shall be ready to attend to his duties with a minimum of delay. For each week that a man is on stand by he will be paid for six hours of regular pay in addition to his regular wages. In addition he will be paid the overtime rate for all time worked outside regular working hours. A week of stand by duty for this purpose means seven (7) consecutive twenty four (24) hour days. It is contemplated that one man will be on stand by at all times, but the Cooperative has the right to determine how many men will be on stand by, or that no stand by is necessary. The Cooperative will also furnish a cell phone for employees who are on stand by duty.~~

~~2. A minimum of two (2) hours pay will be allowed to all men called back to work after having been released from the regular day's work.~~

~~3. Scheduled stand by begins Thursday at 8:00 a.m.~~

~~4. If an employee works four (4) or more consecutive hours overtime and if he is then released from work, eight (8) hours shall elapse before he returns to work without loss of a regular scheduled day's pay. If an employee works overtime during the hours of 11:00 pm and 3:00 am, the employee shall receive paid time off the following day hour for hour for all hours actually worked during that time period. A break in consecutive hours shall be defined as the lapse of two (2) or more hours after an employee is released from work. This rest period will not apply if the overtime arrangement is made prior to regular quitting time of the previous day and work so scheduled does not start prior to 3:00 a.m. All work done in the rest period shall be paid for at the rate of time and one half.~~

~~5. The Cooperative will pay each of its employees double time for all hours actually worked on Sundays and the following holidays: New Year's Day, Good Friday, Memorial Day, 4th of July, Labor Day, Veteran's Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve Day, and Christmas Day.~~

F. Holidays

Traverse Electric Cooperative provides pay to all full-time regular employees for the following holidays: New Year's Day, Good Friday, Memorial Day, 4th of July, Labor Day, Veteran's Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve Day, and Christmas Day.

F G. Out-of-Pocket Expenses

1. Employees who attend meetings or make trips on Cooperative business which have been

approved in advance shall be reimbursed for all legitimate out-of-pocket expenses including lodging and meals upon submission of an itemized expense account to be approved by his department head or in the case of a department head, the Manager. (All employees who have a company credit card are still required to provide an itemized receipt and an expense report form for documentation.)

2. During emergencies, after regular working hours, the Cooperative will pay for all meals and lodging that are required for employees working during such emergencies.

3. An emergency for cooperative provided meals is defined as an unscheduled event that requires an employee to work at least two consecutive ~~actual~~ hours before or after the regular scheduled work day and that those hours worked occurred over a normal meal time causing the employee to miss a meal. The meal should be taken immediately on the same day after returning and punching out from the emergency. In cases, where the emergency requires the employee to be away from the shop for an extended period of time of more than 2 hours, the employee may obtain an emergency meal (s) in order to continue working on the emergency. Time for meals will be unpaid. Receipts for provided meals should be turned in the following work day. The Manager may at times approve a cooperative provided meal for employees at his discretion. Prior approval from the Manager is required.

2. The Cooperative will pay for the cost of the CDL physical for those employees required to have a CDL license to fulfill their job description. The cost of the license itself will be paid by the employee.

~~G~~-H. Job Training and Safety Program

1. Regularly scheduled employee meetings with a common safety subject presentation will be held for the purpose of maintaining a safe work place and increase safety awareness with all employees.

a. Cooperative employees will be encouraged to attend special training courses whenever practical to do so. The employee will be paid his/her regular rate of pay and his/her expenses accordance with the policies of the Cooperative dealing with travel and expenses incurred by Cooperative employees.

b. The Cooperative's Safety Training Program will consist of required curriculum dictated by the Cooperative's compliance with safety standards (such as the MN AWAIR Program), required training through the Rural Electric Safety Achievement Program (RESAP), and training based on needs of the Cooperative. The Operations Manager/Safety Coordinator will oversee the training program with input from the Safety Committee.

c. Traverse Electric shall provide each employee with a set of core safety rules and safe work practices. (A list is available on TEC's Website on the employee portal.)

d. Traverse Electric will follow all Core Safety Rules and Safe Work Practices currently in place and will be used by all Cooperative personnel. All exceptions and additions to the rules and work practices shall be submitted in writing to the Safety Committee and approved by the General Manager.

e. Refusal to comply with the safety rules of Traverse Electric or misuse or abuse of company property may be cause for discharge.

2. ~~Scheduled safety/training meetings will be held in conjunction with the Minnesota Rural Electric Association Job Training and Safety Program which shall be attended by the outside employees~~

To ensure maximum safety protection to all employees and in line with the practices of Traverse Electric to provide safe working conditions for its employees, it shall be the policy of Traverse Electric to carry out a complete and comprehensive safety and job training program and to furnish such safety equipment as is deemed necessary for the protection of personnel.

3. ~~Traverse Electric shall participate in the Minnesota Rural Electric Association's Job Training and Safety Program.~~

The Safety Program shall include all plans and programs as required by State and Federal OSHA standards.

4. ~~Traverse Electric shall provide a safety manual to all employees.~~

~~A. Traverse Electric shall adopt the Minnesota Rural Electric Association's operating policies and procedures Safety Manual as amended and revised which will be used by all Cooperative personnel with all exceptions and additions approved in writing by the Manager and department heads.~~

~~B. Refusal to comply with the safety rules of Traverse Electric or misuse or abuse of company property may be cause for discharge.~~

In the event there is a conflict between any policy and the collective bargaining agreement, the collective bargaining agreement will prevail over the Cooperative's policy for those employees covered by the collective bargaining agreement.

5. ~~To insure maximum safety protection to all employees and in line with the practices of Traverse Electric to provide safe working conditions for its employees, it shall be the policy of Traverse Electric to carry out a complete and comprehensive safety and job training program and to furnish such safety equipment as is deemed necessary for the protection of personnel.~~

~~6. The Safety Program shall include all plans and programs as required by State and
— Federal OSHA standards.~~

~~7. In the event there is a conflict between any policy and the collective bargaining
— agreement, the collective bargaining agreement will prevail over the Cooperative's
— policy.~~

8 5. Management has an open-door policy regarding safety. If there is reason to think that a job is unsafe, any employee can stop working and ask their supervisor to determine whether the job is safe without fear of sanctions. Job demands should not be the cause of employees short-cutting the appropriate policies and procedures specifically designed to ensure their safety.

III. RESPONSIBILITY

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

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

Date Adopted _____ 12-2-86 _____

Date Reviewed _____ 06-27-05 _____

Date Reviewed _____ 02-22-10 _____

Date Revised _____ 10-28-14 _____

Date Revised _____ 11-25-14 _____

Date Revised _____ 2-25-15 _____

Date Revised _____ 4-28-15 _____

Date Revised _____ 3-28-17 _____

Date Revised _____ 9-25-18 _____

Date Revised: 06-25-19

Mark Pearson, Secretary

TRAVERSE ELECTRIC COOPERATIVE, INC.**Wheaton, Minnesota****BOARD POLICY NO. 505****EMPLOYEE BENEFITS****I. OBJECTIVE**

To provide for the Board of Directors an understanding and assurance that its employees will be treated fairly and uniformly in respect to vacations, holidays, sick leave, and other fringe benefit programs; and in accordance with the above objective, the Board of Directors has established the following policy.

II. POLICY**A. Holidays**

1. The Cooperative will observe the following holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve Day, and Christmas Day.
2. On holidays or days celebrated for them, each full-time ~~permanent~~ regular employee will ~~accrue~~ receive eight hours regular time pay, the same as if the holiday had been a regular day worked. Whenever an hourly employee is required to work on a holiday, ~~he~~ they shall be paid double-time in addition to ~~his~~ the holiday pay at the regular rate of pay.
3. If and when any of these days occur on Saturday, the preceding Friday will be observed as the holiday. If the holidays occur on Sunday, the following Monday shall be observed.
4. The General Manager shall determine if the office should remain open on any of the observed holidays.

B. Personal Day (Floating Holiday)

1. Each employee will be allowed two (2) paid personal leave days during the year. One Day must be taken between October 1 and May 1. The employee must have prior Approval from their supervisor when scheduling these days.

C. Vacations

1. All regular employees ~~covered by this Agreement~~ shall be entitled to vacation and sick leave with regular pay each calendar year in accordance with the following rules and schedules:
2. Vacation leave credits will be granted for ~~permanent and probationary~~ regular employees and shall be determined by the anniversary date of employment.
3. Employees will receive vacation leave credits as follows:
 - (a) Beginning with the first year of continuous employment at Traverse Electric ~~probationary and permanent~~ regular employees will receive ~~one week~~ 40 hours of paid vacation.
 - (b) Beginning with the second year of continuous service to Traverse Electric, ~~permanent~~ regular employees will receive ~~two weeks~~ 80 hours per year of paid vacation.
 - (c) Beginning with the fifth year of continuous service to Traverse Electric, ~~permanent~~ regular employees will receive ~~three weeks~~ 120 hours per year of paid vacation.
 - (d) Beginning with the tenth year of continuous service to Traverse Electric, ~~permanent~~ regular employees will receive ~~four weeks~~ 160 hours per year of paid vacation.
 - (e) Beginning with the fifteenth year of continuous service to Traverse Electric, ~~Permanent~~ regular employees will receive ~~five weeks~~ 200 hours per year of paid vacation.
 - (f) Beginning with the twentieth year of continuous service to Traverse Electric and continuing to retirement, ~~permanent~~ regular employees will receive ~~one an~~ additional day 8 hours for every two years of additional service of paid vacation until a maximum of ~~six weeks~~ 240 hours is reached.
 - (g) ~~Each employee will be allowed two (2) paid personal leave days during the year. One day must be taken between October 1 and May 1. The employee must have prior approval from their supervisor when scheduling these days.~~
3. On the anniversary date of hire, the maximum vacation hours that may be carried over is eighty (80) hours.
4. In the event of a holiday or a day celebrated as a holiday falls on a working day within an employee's vacation period, the employee is entitled to one extra day vacation. This additional day will be given at a time mutually agreeable to the Coop and the employee.

5. Cash payment in lieu of vacation privileges is not allowed.
6. Once during the months of January, February, and March, employees taking forty (40) consecutive vacation hours will only be charge for thirty-two (32) hours.
7. Requests for vacation shall be made a reasonable time before the vacation is to begin and leave may be granted only if it does not impair the work of the department.
8. Employees are not allowed to trade vacation periods once the vacation schedule has been determined unless it is with the permission of the department heads.
9. ~~When an employee is laid off because of the needs of the service of the Co-op, resigns after giving two (2) weeks notice to the Co-op, is called to military service, or is retired, he shall receive payment of such vacation time as is due him, computed on a pro rata basis according to the time worked during the current year.~~

C. Sick Leave

1. Accrual of sick leave

- ~~a. Sick leave starts accumulating for full time permanent employees upon employment date, but may not be used until after six (6) months employment.~~
- b. Full time permanent regular employees will accrue sick leave at the rate of ten days (80 hours) per year to a total maximum accumulation 120 working days (960 hours).
- c. In the event one of the regularly scheduled holidays falls during a time when the employee is ill or otherwise entitled to sick leave, the employee will be paid for the holiday and no charge will be made against his sick leave accrued.
- d. The amount of sick leave allowed will be limited to the amount of sick leave that has been accumulated. Any additional time required beyond the amount accumulated will be charged to earned vacation.
- e. Upon the retirement, death, or separation on good terms of said employee the Cooperative will pay each employee at the rate of eight dollars (\$8.00) per hour, up to and including a maximum of seven thousand six hundred and eighty dollars (\$7,680.00) as compensation for unused, accumulated sick leave.

2. Use of sick leave

An employee may use sick leave to cover absences from work for the following reasons:

- a. Illness or injury sustained by the employee.

- b. Serious illness or injury in the immediate family (children, husband, wife), where the employee's presence is needed.
- c. Out-patient treatment or examination by or under the ~~prescription~~ supervision of a physician or dentist.
- d. Actual hours will be charged to accrued sick leave when attending a physician, dentist, etc., for a partial day. ~~Any unused portion of an hour will be considered the entire hour used in determining the amount of whole hours to be charged to the individual's accumulated sick leave.~~
- f. Illness caused by consumption of alcoholic liquor or drugs shall not be classified as sick leave. The Cooperative will grant sick leave for employees seeking professional help to cure chronic alcoholism or drug addiction.
- g. In case any regular employee is injured while on duty, the Cooperative agrees to pay the injured employee an amount equal to the difference between his regular monthly wage and the amount received by said employee as Workmen's Compensation for a period not to exceed one hundred twenty (120) days. Accidents resulting in a personal injury must be reported when they occur or the employee may be required to prove that the injury occurred while on duty. If the injury is such that the employee actually collects Workmen's Compensation for the period ~~he is laid up of~~ ~~time~~ because of the injury, this will not be charged against his sick leave ~~accrued~~. ~~That is, while he is collecting Workmen's Compensation he shall not be using up sick leave.~~

If said employee does not collect Workmen's Compensation ~~for the sole reason that the period during which he was laid up~~ as a result of an injury arising from his ~~their~~ work is ~~being~~ less than the minimum required time under Workmen's Compensation laws said short period during ~~which he is laid up~~ shall not be charged against his sick leave.

3. Medical Certificates and Examinations

- a. Employees shall submit medical certificates or other acceptable evidence of illness for sick leave after three (3) consecutive days or whenever requested to do so by the immediate supervisor.
- b. As a condition of continued employment, employees returning to work after a ~~major~~ ~~serious~~ accident or after a leave of absence because of a ~~major~~ ~~serious~~ illness ~~may~~ ~~will~~ be required to pass a medical examination conducted by a physician designated and paid by the Cooperative, or a written statement from employee's attending physician stating employee is physically capable of working.

D. Leave of Absence and Military Leave

1. Leaves of absence and renewals of leaves of absence may be granted by the Cooperative for up to three (3) months to employees who have **completed** one year of continuous service with the Cooperative.
2. Leaves of absence may be granted for the following reasons only:
 - a. Personal illness (including members of the immediate family.)
 - b. Military service.
 - c. Industrial injuries and diseases covered by the Worker's Compensation Act.
 - d. Maternity leave: treated as a medical leave due to personal illness above. Sick Leave may be used up to 6 weeks (240 hours) for the birth of a biological child, except where a medical certification from the supervising physician extends leave beyond the six weeks due to a medical need.
 - e. Spousal leave: The spouse of the birth parent may request leave up to 80 hours without pay upon the birth of a child. Vacation time must be used during the leave prior to taking the time off without pay. Sick leave may not be used for spousal leave.
 - ~~e~~ f. For other reasons that the Cooperative may deem necessary upon request of the employee.
 - ~~f~~ g. Necessary time to go to the polls to vote in any municipal, school, county, state, or national election if circumstances are such that this is necessary.
2. In no case will leave without pay be permitted until such time that the employee has exhausted all accumulated vacation leave. An employee may request leave without pay to conduct personal business if the employee can be released without impairing the Cooperative's ability to serve its consumers. Department Heads shall make such determination.
3. Employees may take leave of absence without pay (if vacation leave is unavailable) for up to 16 hours during any school year to attend school conferences or classroom activities related to employee's child, provided the conferences or classroom activities cannot be scheduled during non-work hours. The employee must provide reasonable notice of the need to be absent for this purpose and must make every effort to schedule such activities so as to not unduly disrupt normal operations.
4. Should an employee on leave of absence ~~be employed by~~ **perform work** for another employer, ~~his~~ **their** employment and seniority with the Cooperative shall be terminated.
5. An employee who is a member of an active reserve or National Guard Training Unit who must serve a two week's tour of active duty, will be granted, if requested, two

(2) weeks military leave each calendar year. ~~He~~ The employee must use ~~his~~ earned vacation for such leave. If ~~he~~ the employee elects to use vacation leave, he/she will be entitled to ~~his~~ regular pay and will also retain the pay ~~he receives~~ received from the branch of the service in which he/she is a member. If he desires, ~~he~~ the employee may go on a leave without pay and not use ~~his~~-vacation for military leave.

5. An employee who is granted leaves of absence or renewals of leaves of absence shall accumulate seniority during these periods.

E. Workmen's Compensation Insurance

The Cooperative will maintain Workmen's Compensation Insurance for all its employees which will provide weekly payments and accidental death and dismemberment coverage.

F. NRECA Retirement Plan

1. This program will provide a normal retirement benefit at 30 years of service or age 62. The retirement benefit will be paid in addition to benefits provided by Social Security. Participation is mandatory for all employees who have completed one full year of service.
2. The Cooperative will contribute One Hundred percent the total cost of the program, which will provide a graduated benefit level. The benefit level effective October 1, 1996 is 1.7.

G. NRECA Savings Plan

1. The Coop agrees to adopt for the employees of Traverse Electric Cooperative, Inc., the savings plan with the 401(K) option now in operation for employees of the NRECA and for the employees of member systems such as Traverse Electric Coop., Inc., and the trust under which it is administered sponsored by the NRECA. The Coop shall contribute to each participant's account an amount of Employer Contribution equal to 100% of Employee Matchable amounts of any participant employed by ~~it~~ Traverse Electric. Beginning October 1, 2018 each employee becoming a participant who contributes an employee contribution amount from 1% to 2 ½ % of ~~his~~ their compensation shall receive Employer Matching Contribution. Beginning October 1, 2019 each employee becoming a participant who contributes an employee contribution amount from 1% to 3% of ~~his~~ their compensation shall receive Employer Matching Contribution.

2. The employee will have the option to contribute up to the maximum amount allowed by the IRS of his/her base reported annual earnings.

H. Long Term Disability Insurance

1. The Cooperative provides employees with coverage under the NRECA Long Term Disability policy. The Cooperative shall contribute up to Twenty-Three dollars and Forty cents each month per employee enrolled in the plan. Any costs above that amount shall be paid by the employee.
2. There is a thirteen (13) week waiting period prior to LTD taking effect. Employees will use sick leave and vacation hours to carry them to the point where LTD benefits begin.

Those employees without sufficient vacation and sick leave will have to take the time off without pay.

3. Vacation, holiday, and sick leave no longer accrue for employees once they begin receiving LTD payments.
4. After an employee begins to receive LTD payments, Traverse Electric will continue to cover cobra health insurance benefits at the same level as active employees based on years of service. Up to five years of service, Traverse Electric will contribute to two months of health insurance. From five to 10 years of service, Traverse Electric will contribute to four months of health insurance. Over 10 years of service, the maximum contribution to health insurance is for six months. After that time, the employees may pay the cobra cost of their insurance or obtain a new policy on their own.
5. When LTD payments begin, participation will continue and years accrued will continue to grow for the Retirement & Security Program per the NRECA option form. Participation in other insurance and savings plans will be dictated by NRECA rules and procedures.
6. All remaining benefits not specifically mentioned in this LTD policy will end when LTD payments begin.

I. Group Term Life Insurance

1. Employee life insurance is twice salary annual base pay and the premium is paid 100% by the Cooperative.

J. Medical and Dental Coverage

1. ~~It is agreed by the parties hereto that with reference to coverage for major medical and dental insurance~~ The employee will pay 20 % of the monthly premium for major medical and dental insurance.
2. The employee may accept a payment of \$400 per month in lieu of receiving medical coverage from the cooperative. This payment will be added to the employee's base salary.
3. If an employee is not covered under the medical coverage, but desires to have dental coverage, the employee will pay 20% of that premium.
4. Coverage for a retired employee and his or her spouse. Cobra coverage can continue at the former employee's expense until he or she and their spouse reaches the age of sixty five (65).
5. In the event there is a change in providers or plans, whether voluntary or involuntary, the cooperative will try to secure a plan with like or similar benefits.
6. The annual employer contribution to the HSA deductible is \$2250 Single/\$4500 Family.
7. The cooperative may offer Vision Insurance if employees meet the plan's enrollment requirements. The employee will pay 100% of the vision insurance premium.

K. Accident Insurance

1. The Cooperative shall maintain and pay all premiums for accident insurance designed to protect is Directors, Legal Counsel, and employees while on Cooperative business. The types of policies include:
 - a. 24-Hour Accident - This coverage sponsored through NRECA, provides 24 hour a day coverage for Directors, Legal Counsel, and employees, classified as "exempt" under provisions of the Federal Wage and Hour Law
 - b. Business Travel Accident - This coverage, sponsored through NRECA, provides benefits within certain limitations for Directors, Legal Counsel, and all employees while traveling on Cooperative business. Protection includes payment for accidental death or dismemberment and limited medical expense.

L. Jury Duty

In the event an employee is required by law to serve on a Court jury, he the employee

will be paid his full salary or wages while a member of the jury. However, to receive full salary pay, individuals must return to the Cooperative all compensation he receives received as a juror. In all cases when an employee who is serving on a jury is excused from jury service for a day, the employee will report to work for his regular duties.

M. Employee Coffee Breaks

1. The Cooperative recognizes the right of all employees to take a periodic rest break.
2. The Cooperative shall provide a rest period for each employee no less nor no more than two times each day. Each time break being no more than 15 minutes in length.
3. Employees shall observe time limits set by the Cooperative for such coffee breaks. Failure to observe such time limits may be grounds for revocation of such privileges by the Cooperative result in discipline up to and including termination for multiple violations.
4. 30-minute lunch break is provided whenever working 6 or more hours consecutively in a single work day.

N. Emergency Leave

1. The Coop shall grant employees a leave of absence with pay in the event of death or serious illness in the employee's immediate family, such as husband, wife, son, daughter, father, mother, sister, brother, mother-in-law, father-in-law, brother-in-law, sister-in-law and grandparents on both sides of the family.
2. The time allowed with pay shall be three (3) days leave of absence. A maximum of up to six (6) months without pay may also be granted. Such leaves must be requested and granted in writing with all conditions set forth and agreed to before such leave goes into effect.
3. One day with pay will be allowed to attend the funeral of aunts, uncles, nieces and nephews on both sides of the family.

0. In the event there is a conflict between any policy and the collective bargaining agreement, the collective bargaining agreement will prevail over the Cooperative's policies for employees within the bargaining unit.

III. RESPONSIBILITY

- A. The General Manager and Office Manager HR Designate are responsible for the administration of this policy.
- B. The Board of Directors is responsible for any change in or revision of this policy.

Date Adopted_____12-02-86_____

Date Reviewed_____02/23/09_____

Date Reviewed_____02/22/10_____

Date Reviewed_____12/27/11_____

Date Reviewed_____10-28-14_____

Date Revised _____09-25-18_____

Date Revised_____06-25-19_____

Mark Pearson, Secretary

TRAVERSE ELECTRIC COOPERATIVE, INC.

Wheaton, Minnesota

BOARD POLICY NO. 506

TERMINATION OF EMPLOYMENT AND RETIREMENT

I. OBJECTIVE

Although it is desirable for the continuity of operation of Traverse Electric to have as few changes of personnel as possible, it is recognized that changes will occur. Accordingly, the following policies apply to termination of employment and retirement.

II. POLICY

A. Employment at Will:

1. All employees All employees at Traverse Electric Cooperative, Inc. (TEC) are employed at-will. Employees who are employed at-will may resign at any time, for any reason and may be discharged at any time, with or without cause, as long as the termination is not due to unlawful discrimination.
2. Policies set forth by TEC are not intended to create a contract, express or implied, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between TEC and any of its employees, nor are they to be construed to constitute any type of guarantee of any benefits.
3. No statements made in pre-hire interviews or discussions, or in recruiting material of any kind, are to alter the at-will nature of employment or otherwise imply that termination will occur only for cause.
4. The most recent and in effect version of this policy is located/accessed via the employee portal on the TEC website.

B. Resignations

1. ~~Permanent and probationary~~ All employees are expected to give Traverse Electric at least two weeks' advance notice in the event they decide to terminate their employment with Traverse Electric.

C. Lay-Off of Employees

1. If, because of lack of work, it is necessary to lay-off a ~~permanent~~ regular employee, the shall receive:

- a. Two weeks notice or the cash equivalent.
- b. The cash equivalent for any earned vacation leave.
- c. Priority in consideration for any subsequent vacancy for which he is qualified.
- d. Credit for prior service for seniority and other length of service benefits upon sub-sequent reemployment if within 1 year of layoff.

C. Discharge of Employees

1. ~~If it becomes necessary to discharge an employee, he shall be informed in writing of the action and of his rights and privileges according to the following conditions:~~
 - a. ~~Traverse Electric reserves the right to discharge a probationary employee, with or without cause, at any time up to the time that he has completed twelve (12) full months of continuous service.~~
2. ~~A permanent employee, one who has been employed by Traverse Electric for more than twelve (12) months, shall be discharged only for cause and shall receive two-weeks notice or the cash equivalent. He shall be entitled to the cash equivalent for accrued vacation leave and entitled sick leave reimbursement unless the cause for which he is to be discharged has created unnecessary expense for Traverse Electric.~~
3. ~~The cause for which an employee may be discharged include but are not limited to the following:~~
 - a. ~~Inadequate performance at work.~~
 - b. ~~Habitual disregard for the established hours of attendance.~~
 - c. ~~Refusal to obey the policies of the Cooperative, or the reasonable instructions of the supervisor.~~
 - d. ~~Disruption of employee moral by the initiation and circulation of false rumors, or working against the basic philosophy and objectives of the Cooperative.~~
 - e. ~~Unjustified absence without leave.~~
 - f. ~~The unauthorized communication of vital information to those outside the Cooperative.~~
 - g. ~~Intoxication during working hours.~~
 - h. ~~Behavior during or after working hours prejudicial to the best interests of the Cooperative.~~
 - i. ~~Committing the Cooperative to expenses not falling within authority of the employee.~~
 - j. ~~Any fraudulent or dishonest act or acts committed by any employee acting alone or in collusion with others.~~
 - k. ~~Violation of any other Cooperative rules.~~

D. Retirement

1. Traverse Electric, in its Retirement Program, has established a normal retirement date to be coincident with the attainment of 30 years of service or sixty-two (62) years of age. No employee, however, shall be compelled to retire prior to the attainment of seventy (70) years of age, except under such circumstances as may be permitted under the Age Discrimination in Employment Act ("ADEA") of 1967, as amended.
2. Traverse Electric's Retirement Program permits early retirement. In such case, retirement benefits are actuarially reduced as out-lined in the Retirement Plan. Employees desiring early retirement should counsel with the General Manager and Office Manager HR designee regarding anticipated benefits, and notify Traverse Electric as soon as possible of their intent to take early retirement under the provisions of the Retirement Program.
3. Traverse Electric does not continue contributions to the Retirement Program after 30 years of service has been reached.
4. Employees on permanent long-term disability shall be retired as required by the applicable long-term disability plan and the Retirement Program. Employees on such disability should consult with the General Manager or Office Manager HR designate.

III. RESPONSIBILITY

- A. The General Manager and department heads shall be responsible for the administration of this policy.
- B. The Board of Directors is responsible for any change in or revision of this policy.

Date Adopted_____12-02-86_____

Date Reviewed_____10-21-96_____

Date Reviewed_____06-25-19_____

~~Waldo Johnson~~ Mark Pearson, Secretary