

AGENDA
REGULAR MONTHLY MEETING-BOARD OF DIRECTORS
TRAVERSE ELECTRIC COOPERATIVE, INC.
Tuesday, May 26, 2020
8:00 AM

- 1). Call to order - *Veflin, President*
- 2). Approval of Agenda ***
- 3). Approval of Minutes and Bills ***
- 4). Basin & East River Video Reports
- 5). East River Monthly Board Report - *Homan*

10 Minute Break

- 6). General Manager's Report - *Janorschke*
 - a. Annual Meeting – Future dates/locations/options
 - b. REED (Rural Electric Economic Development)
 - c. East River Electric
 - d. Basin Electric Power Cooperative
 - e. NRECA
 - f. Minnesota
 - a. MREA
 - b. Legislation
 - g. South Dakota
 - a. SDREA
 - b. Legislation
 - h. Other Matters of Interest
- 7). Office Manager's Report - *Lupkes*
 - a. April 30, 2020 Accounts Receivable Balances review
 - b. Review new members connected
 - c. Covid-19 Procedure
 - d. Past Due Accounts affected by COVID-19
- 8). Financial Report - *Lupkes*
 - a. Profit & Loss Statement & Form 7***
 - b. Comparison
 - c. Review QTR 1 Budget Analysis
 - d. Review QTR 1 Capital Budget Analysis
 - e. Review QTR 1 kWh Sales Budget Analysis
- 9). Operation Manager's Report - *Janorschke*

OUR MISSION:
TO PROVIDE DEPENDABLE SERVICE AT THE LOWEST POSSIBLE RATES, CONSISTENT WITH SOUND
BUSINESS PRINCIPLES

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- a. Operations update
- b. Outage update
- c. AMI update
- d. 2019 Service Reliability Report
- e. 2019 State of Safety Report

10). 2020 CRC Voting Delegate***

11). Other Business

12). Adjournment ***

*** Indicates Board Action needed

Future Directors Meetings

- ❖ MN District III Meeting – July 9, 2020 – Alexandria, MN; *(held online); Armstrong, Marks*
- ❖ MREA Board Chair Round Table – August 18, 2020 - St. Paul, MN
- ❖ NRECA BLC 925.1 – Co-op bylaws; Guiding principles and current issues – August 18, 2020 – Radisson Blu at Mall of America
- ❖ MREA Annual Meeting/Energy Issues Summit – August 19-20, 2020 – Radisson Blu at Mall of America; *Armstrong, Diekmann, Frisch, Marks*
- ❖ East River Annual Meeting – September 9, 2020 – Sioux Falls, SD
- ❖ NRECA Region 5 & 6 Meeting – September 15-17, 2020 – De Moines, IA
- ❖ NRECA BLC 977.1 Equity Management & Boardroom Decision Making – November 2, 2020 – Oronoco, MN
- ❖ NRECA Credential Cooperative Director Fast Track: 2600, 2610, 2620 – November 17-19, 2020 – Maple Grove, MN
- ❖ NRECA Credential Cooperative Director Fast Track: 2630, 2640 – December 1-2, 2020 – Brooklyn Park, MN

Future Managers Meetings

- ❖ ER MAC Meeting – June 2, 2020 – WebEx
- ❖ ER MAC Meeting – June 30, 2020 – Madison, SD
- ❖ MN District III Meeting – July 9, 2020 – Alexandria, MN; online
- ❖ ER MAC Meeting – August 4, 2020 – Madison, SD
- ❖ MREA Board Chair Round Table – August 18, 2020 - St. Paul, MN
- ❖ MREA Annual Meeting/Energy Issues Summit – August 19-20, 2020 – Radisson Blue at Mall of America
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- ❖ ER MAC/Joint Budget Meeting – September 30, 2020 – Madison, SD
- ❖ MREA Legislative Summit – November 12, 2020 – Maple Grove, MN

Future Board Meeting Dates

- ❖ June 30, 2020 – Scheduled for 8:00 am
- ❖ July 28, 2020 – Scheduled for 8:00 am
- ❖ August 25, 2020 – Scheduled for 8:00 am
- ❖ September 29, 2020 – Scheduled for 8:00 am

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Future NRECA Annual Meeting Dates

- ❖ 2021 - San Diego - February 18-24; *Homan, Kath*
- ❖ 2022 - Nashville - March 3-9; *Armstrong, Diekmann*
- ❖ 2023 - Nashville - March 2-8; *Monson, Pearson*
- ❖ 2024 - San Antonio - Feb. 27-March 6
- ❖ 2025 - Atlanta - Feb. 27-March 5
- ❖ 2026 - Nashville - March 5-11

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**REGULAR MONTHLY MEETING-BOARD OF DIRECTORS
TRAVERSE ELECTRIC COOPERATIVE, INC.
Tuesday, April 28, 2020
8:00 AM**

The April monthly meeting of the Board of Directors of Traverse Electric Cooperative, Inc. was held at the office of the Cooperative and via Zoom Meeting on Tuesday, April 28, 2020.

President Veflin called the meeting to order.

The Secretary reported the following directors present:

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

Absent was: None.

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

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

The minutes from the March Board of Directors meeting and the bills for March were presented. Armstrong made a motion to approve the minutes (with a notation that the East River and Board video reports were watched by board members individually) and the March bills. Pearson seconded the motion and upon vote, motion carried unanimously.

The Basin and East River video reports were viewed by board members individually at home.

Homan reported on the East River Board Meeting:

- East River completed its annual audit. Its TIER is 2.35 and equity ratio is 37.1.
- MREA's mail ballot for voting on bylaw changes and resolutions was discussed.
- There are no reported cases of COVID-19 among East River employees yet. About 25% of East River's staff is in the building with the rest working remotely.
- The ethanol industry is being hit hard. About 10% of East River's revenue comes from ethanol.
- Legislative issues were discussed and an update on East River's IT was provided.

With the MN stay at home order through May 4, it could be July or August before we can hold our annual meeting. Janorschke consulted with our attorney on the matter and he is

recommending that we wait with voting on the bylaw changes until the March 2021 annual meeting and just hold a short business meeting to conduct director elections this year.

Manager Janorschke presented the Manager's Report:

- The East River MAC Meeting was held on the same day as our board meeting last month. Basin's capital credit retirement was discussed. DGC reported a loss of \$7.8 million for March. Basin's audit uncovered an error regarding DGC.
- MN Governor Walz has issued 41 executive orders including the Stay at Home order expiring on May 4. He allowed some businesses to reopen yesterday.
- We reported to the MN PUC that we will work with members to make payment arrangements to prevent disconnection during the emergency.
- The ECO Bill passed the House and Senate committees recently and in MN they are now discussing still requiring a reduced permit fee for load control receivers, but they don't want to inspect them.
- In SD, a COVID-19 outbreak forced the closing of Smithfield in Sioux Falls.
- The Basin capital credit retirement talked about during the Basin board video is scheduled for May 12 and is dependent upon East River's board approving the pass thru of those capital credits to its member co-ops at its board meeting on May 7. Traverse Electric's share of the retirement is \$124,952.

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

- March 31, 2020 Accounts Receivable balances were reviewed.
- New members connected were reviewed.
- In response to COVID-19, our lobby and buildings remain closed to the public, while employees practice social distancing and a few staff work from home on alternating days.
- We will continue to work with past due members to make payment arrangements. About eleven members have called and reported that COVID-19 is affecting their ability to pay in full.
- The MN Energy Assistance Program has made it easier to qualify by easing their income guidelines to look back one month instead of three months and doubled the amount of crisis funds to households.
- Summer office hours of 7:00 am-3:30 pm will begin on May 1 through September 30.
- A meter programming issue caused the new RF demand meters that were installed to report the wrong KW to bill. Once the discrepancy was discovered, Schwagel stopped installing the new demand meters until the meters were reprogrammed. The meter use data was downloaded from each of the installed meters from the date of install up to the date they were reprogrammed. Schwagel determined the correct KW that should have been billed during that timeframe for each meter and the bills were adjusted. The result of the billing adjustments was a total credit of \$38,826.29 on the accounts. A letter was sent to each account detailing the adjustment. Two of the twenty-four accounts requested the credit be refunded to them with a check.

- The 2019 Capital Credit Allocation Notices were mailed on April 20. Dairyland Power printed and mailed them for us.
- Our annual audit will take place May 18-24. If COVID-19 travel restrictions are in place, much of it could take place remotely.

Lupkes presented the financial report for March 2020. The billing adjustment for the demand billing error affected our March margins. After a discussion on the monthly comparisons and financial status of the Cooperative, Homan made a motion to accept the report as given. Monson seconded the motion, and upon vote motion carried unanimously.

Janorschke presented an update to the 2020 budget to correct the budgeted amounts for RUS and FFB loan interest expense. Marks made a motion to approved the updated 2020 budget. Frisch seconded the motion and upon vote motion carried unanimously.

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

- Outages were reviewed.
- Crews have been doing pole changes and tree trimming.
- OCR maintenance and urd repairs/maintenance from the underground inspections are complete.
- The expansion of the RV Park on Lake Traverse will add 5 additional new services. Crews were able to install most of the cable.
- STAR Energy tested neutral isolators at three dairy sites.
- Our new engineer, Jacob Goff, from STAR Energy, visited all of our substations.
- Pole inspections have started in the Breckenridge area.
- We have 5 applicants for the lineman position so far.
- Our safety program was reviewed.

The board reviewed Rate Q Cogeneration and Small Power Production and the 2020 Cogeneration Report. Pearson made a motion to approve the 2020 Cogeneration Report and Schedule Q Cogeneration and Small Power Production:

Schedule Q TRAVERSE ELECTRIC COOPERATIVE, INC COGENERATION AND SMALL POWER PRODUCTION

AVAILABILITY

Available to all members where the member has qualified small power production or cogeneration facilities connected in parallel with the Cooperative's facilities. The member is required to execute an Interconnection Agreement with the Cooperative. A Qualifying Facility (QF) is a cogeneration and small power

production facility that satisfies the conditions in 18 Code of Federal Regulations, Section 292.101(b). The rates listed are for purchasing excess electricity from the QF only.

CHARACTER OF SERVICE

Alternating current, 60 hertz, at available secondary voltages.

RATE

The Cooperative shall pay the member monthly for all energy furnished during the month at the rate shown in Section 1 - 4 below. In addition, the Grid Access Charge may be applied depending on the cogeneration rate selected.

Grid Access Charge: Pursuant to MN State Statute 216B.164 Subd. 3(a) the Grid Access Charge is applied to all distributed generation systems interconnected after January 1, 2016 that select either Net Energy Billing or Roll Over Credits as a cogeneration rate. The Grid Access Charge is applied against the kW of nameplate capacity of the qualified facility above the first 3.5 kW. System greater than 3.5 will be charged the monthly rate on the additional kW of nameplate capacity, not to exceed the monthly maximum charge.

<u>Service Type</u>	<u>Rate Schedule</u>	<u>Monthly Charge per kW</u>	<u>Max Monthly Charge</u>
General Service	GS	\$ 3.83	\$ 44.40
Seasonal Cottages	SC	\$14.06	\$ 39.56
Large Power	LGP	\$ 0.00	\$ 0.00

1. Net Energy Billing: Available to any QF of less than 40 kW capacity that do not select either the Roll Over Credits, Simultaneous Purchase and Sale Billing or Time of Day rates.

The Cooperative shall bill the qualifying facility for the excess of energy supplied by the Cooperative above energy supplied by the qualifying facility during each billing period according to the Cooperative's applicable retail rate schedule. The Cooperative shall pay the member for the energy generated by the qualifying facility that exceeds that supplied by the Cooperative during a billing period as follows:

<u>Service Type</u>	<u>Rate Schedule</u>	<u>ARCER</u>
General Service	GS	\$ 0.1074/kWh

Seasonal Cottages	SC	\$ 0.1072/kWh
Large Power	LGP	\$ 0.0905/kWh

2. Roll Over Credits: Available to any QF of less than 40 kW that do not select either Net Energy Billing, Simultaneous Purchase and Sale Billing or Time of Day rates.

Kilowatt-hours produced by the QF in excess of the monthly usage shall be supplied as an energy credit on the member's energy bill, carried forward and applied to subsequent energy bills, with an annual true-up on December 31. Excess energy credits existing as of December 31 shall default back to the Cooperative with no compensation to the QF.

3. Simultaneous Purchase and Sale Billing: Available to any QF of less than 40 kW capacity that do not select or qualify for either the Net Energy Billing, Roll Over Credits or Time of Day rates and does not receive a time of day retail electric service from the Cooperative.

Cooperative shall pay the member for all energy delivered as follows:

Energy Payment (\$/kWh)	<u>November - April</u>	<u>May - October</u>
	\$ 0.0144	\$ 0.0144
Capacity Payments for Firm Power (\$/kWh)	\$ 0.00	\$ 0.00

4. Time-of-Day Purchase Rate: Available to any QF of 100 kW capacity or less and available to QFs with capacity of more than 100 kW if firm power is provided.

Cooperative shall pay the member for all energy as follows:

	<u>November - April</u>	<u>May - October</u>
On Peak Energy Payment (\$/kWh)	\$ 0.0144	\$ 0.0144
Off Peak Energy Payments (\$/kWh)	\$ 0.0144	\$ 0.0144
Capacity Payments for Firm Power (\$/kWh)	\$ 0.00	\$ 0.00

TAXES

The rates set forth are based on currently effective taxes and the amount of any increase in existing or new taxes on the transmission, distribution or sale of electricity allocable to sales hereunder shall be added to the rates as appropriate to be paid by the member.

Diekmann seconded the motion and upon vote motion carried unanimously.

The board reviewed Policy 109 Compensation of Directors and Policy 114 Board Meetings. Armstrong made a motion to approve the following revisions to Policies 109 and 114:

TRAVERSE ELECTRIC COOPERATIVE, INC.

Wheaton, Minnesota

BOARD POLICY NO. 109

COMPENSATION OF DIRECTORS

I. OBJECTIVE

To provide fair and equitable compensation for attendance of Traverse Electric Cooperative's Directors at Board, member and other meetings and to encourage their attendance and participation as appropriate.

II. POLICY

A. Per Diem

1. Per diem of Two Hundred Fifty Dollars (\$250) per day will be paid to Directors when attending regular monthly meetings of the Board.

In the event that a regular monthly meeting of the Board of Directors is held via conference call, video conference call, or at a location other than the office of the Cooperative for reasons outlined in Policy 114, a per diem of Two Hundred Fifty Dollars (\$250) per day will be paid.

2. Per diem of one half (1/2) of the regular board meeting per diem will be paid to Directors unable to attend a regular monthly board meeting if the board member attends via speaker phone. This is limited to one paid per diem for attending by phone per year per director. Permission should be obtained from the board chairman 72 hours in advance of the meeting.

3. Per diem of Two Hundred Fifty Dollars (\$250) per day, or fraction thereof on a half-day basis will be paid to Directors when attending special meetings of the Board or other meetings on official Traverse Electric business. The per diem is paid for each day attending the meeting based on the scheduled dates of that meeting. Travel to/from meeting will be paid at a rate of Two Hundred Fifty Dollars (\$250) when travel is necessary the day before or after the meeting. If more than one meeting is held the same day, only one day's per diem will be paid.

4. For meetings outside the State where commercial air travel is available and the Director(s) elect not to travel by air, per diem will be paid based on the time required to travel by air.

B. Expenses (Out-of-Pocket)

1. Directors shall be reimbursed for the full cost of travel, hotel, meals, and other out-of-pocket expenses for attendance at such meetings upon submission of an expense voucher with receipts attached as appropriate

2. Expenses will not be paid for spouses and family members of Directors accompanying them to meetings.

C. Travel Expense (outside the Traverse Electric service area)

1. If commercial air travel is available and the Director elects not to travel by air, then the Director shall be reimbursed (without regard to the mode actually used for travel and out-of-pocket expenses actually accrued) for an amount equal to the lowest round trip air coach fare available. The Director will also be paid the equivalent of the cost of transportation to and from the airport and other expenses related to air travel.

2. If commercial air travel is available, and this mode is used, Directors shall be reimbursed for an amount including coach fare and transportation costs to and from the airport and other out-of-pocket expenses.

3. If commercial air travel is not readily available, then the Director(s) shall select the means of travel which in his/her judgment is the most satisfactory under the circumstances, giving due consideration to factors of time and cost. If air charter is used, reimbursement shall be for actual expenses incurred.

4. First class accommodations on commercial airlines may be authorized under the following conditions: (1) trips over two hours flight time; (2) emergencies; (3) if coach seating is not available.

D. Travel Expenses (within Traverse Electric's service area)

1. Directors will receive mileage expense from home when attending regular and special Board meetings or other meetings on official Traverse Electric business plus any automobile parking costs.
2. Mileage reimbursement for use of personal automobile shall be at the IRS rate.

E. General

1. It is recognized that the President of the Board, as spokesperson for this body, is mandated to be familiar with the over-all program and organizations related to it and their affect on Traverse Electric, and to keep informed of the latest Director precepts. The President is therefore authorized and encouraged to attend meetings of related organizations, director institutes and such other meetings or seminars which in his/her judgment would be in the best interest of Traverse Electric.

2. Per diem, out-of-pocket expenses and travel, as described above, will only be paid for those Directors authorized to attend NRECA regional and annual meetings, and such other meetings where attendance is authorized herein or by the Board.

3. Any Director authorized by the Board of Directors to attend a conference or training program will be paid per diem, travel and out-of-pocket expenses as described above. Traverse Electric will also pay any fees charged for such meetings.

III. RESPONSIBILITY

A. It shall be the responsibility of the President to ensure that the provisions of this policy are carried out.

B. The Board will consider any questions which may arise on the application of this policy.

TRAVERSE ELECTRIC COOPERATIVE, INC.

Wheaton, Minnesota

BOARD POLICY NO. 114

BOARD MEETINGS

I. OBJECTIVE

To fix the time, place and conditions under which the meetings of the Board of Directors will be held so that Directors, employees and members may know and be able to plan and schedule their participation.

II. POLICY

A regular meeting of the Board of Directors shall be held without notice other than the By-laws immediately after, and at the same place as the annual meeting of the members. A regular meeting of the Board of Directors shall be held at 9:00 a.m. on the last Tuesday of each month at the office of the Cooperative, 1618 Broadway Ave., Wheaton, Minnesota 56296. During the months of April through October the Board shall have the option of starting the meeting at 8:00 a.m. Should the date of the regular Board meeting be in conflict with other meetings, and it is considered in the best interest of the Cooperative that the conflicting meeting require the attendance of officers, Directors, or General Manager of Traverse Electric, an alternate date for the regular meeting shall be set for the regular Board meeting. Such alternate date shall be acted on by the Board of Directors at a previous meeting.

In the event of an emergency, inclement weather, or a declared Federal, State or Local emergency, including a stay at home order that would prohibit travel or require social distancing, an exception may be made when approved by the full Board, to allow for the regular monthly board meeting to be held via conference call, video conference, or at a designated location other than the office of the Cooperative.

Special meetings

Shall be held in accordance with Article II, Section 3 of the By-laws of the Cooperative.

Quorum

Shall be as designated in Article II, Section 5 of the By-laws of the Cooperative.

Visitors

Members of the Cooperative may attend any meeting of the Board of Directors as long as the reason to attend meets the requirements set forth in Board Policy 115, and the request to attend a Directors Meeting process is complete per Board Policy 115. Members with questions or comments not related to any item on the agenda will be heard before the conduct of any other business. Members who wish to participate in the discussion of an item on the agenda will normally be heard at the time the Board takes up such item. The Board reserves the right to hear or discuss any agenda item in executive session.

III. RESPONSIBILITY

Board President is responsible for seeing that this policy is carried out.

IV. REFERENCE

By-laws -- Article II

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

Janorschke presented the addition of the North Ottawa Dairy to Rate Schedule P. As previously negotiated with the dairy, their portion of the construction charges (\$221,298.00) will be paid by the dairy over 84 months at 0%. Frisch made a motion to approve the addition of the North Ottawa Dairy to Rate Schedule P and to approve a loan to the North Ottawa Dairy for the construction charges.

Effective October 1, 2017

SCHEDULE P

LARGE POWER-DOLLYMOUNT-CAMPBELL DAIRY-NORTH OTTAWA

TYPE OF SERVICE

Multiple delivery of alternating current, three-phase at a voltage of 12,470 volts.

MONTHLY RATE

The customer shall pay the Cooperative for services hereunder at the following rates and conditions:

Fixed Charge	\$76.00 PER MONTH
Demand Charge	\$18.65per KW
Energy Charge	\$0.0450 per kWh

**These rates are not guaranteed and may be adjusted, if necessary, at the time the rate actually goes into effect. Additionally, the Cooperative's Board of Directors may adjust rates throughout the term of this Agreement.*

**Campbell Dairy will pay an additional \$3,571.43 in monthly facility charge for 84 months beginning on Jan 31, 2018 statement and ending on Dec 31, 2025 for a total of \$300,000. Beginning on Jan 31, 2026 statement, only the monthly fixed charge will apply.*

BILLING DEMAND

The monthly demand charge will be based on the actual demand of the customer over a 30 minute period coincident with East River Electric Power Cooperative, Inc.'s, monthly 30 minute peak and may be adjusted for power factor.

MINIMUM CHARGE

The minimum charge per billing period shall be the Fixed Charge, which is made up of \$76.

POWER FACTOR ADJUSTMENT

The Customer agrees to maintain a minimum power factor of 95%. The demand charge may be adjusted to correct for average power factors less than five percent (5%) unity (lagging) or greater than five percent (5%) unity (leading) by increasing the measured demand one percent (1%) for each one percent (1%) by which the average power factor is less than five percent (5%) unity (lagging) or more than five percent (5%) unity (leading).

TERMS OF PAYMENT

The above charges are net. Payment of the bill is due ten days after the bill is printed and sent. All accounts not paid by due date shall pay one and one-half percent late charge on the unpaid balance of the account, minimum penalty of one dollar (\$1.00).

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

Janorschke reviewed the proposed MREA bylaw changes and resolutions. MREA is doing a mail ballot. Frisch made a motion to vote YES on the resolutions and NO on the bylaws. Diekmann seconded the motion and upon vote, motion carried unanimously. Veflin and Pearson will sign the ballot.

MREA will combine its annual meeting with the Energy Issues Summit on August 19-20, 2020. Armstrong, Frisch, Diekmann, and Marks plan to attend.

This year's Washington DC Youth Tour was canceled due to COVID-19. Pearson made a motion to send Wyatt Krueger on next year's Washington DC Youth Tour. Armstrong seconded the motion and upon vote, motion carried unanimously.

Other business:

Next board meeting will be on Tuesday, May 26, 2020 beginning at 8 AM.

Upcoming Board Member meetings:

MN District III Meeting – July 9, 2020 – Alexandria, MN – Armstrong, Marks

MREA Board Chair Roundtable – August 18, 2020 – St. Paul, MN

MREA Annual Meeting/ Energy Issues Summit – August 19-20, 2020 – St. Paul, MN – Armstrong, Diekmann, Frisch, Marks

NRECA BLC 925.1 – Co-op Bylaws: Guiding Principles and Current Issues – August 18, 2020 – St. Paul, MN

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East River MAC Meeting – May 5, 2020 – Madison, SD
East River MAC Meeting – June 2, 2020 – Madison, SD
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MREA REMA CEOs Fall Conference – Aug 9-11, 2020 – Red Wing, MN
East River Annual Meeting – Sept. 9, 2020 – Sioux Falls, SD
NRECA Region 5 & 6 Meeting – September 15-17, 2020- Des Moines, IA.
East River MAC Meeting/Joint Budget Meeting – Sept. 30, 2020 – Madison, SD
MREA Legislative Summit – Nov. 12, 2020 – Maple Grove, MN

As there was no further business, Homan made a motion to adjourn. Monson seconded the motion and upon vote motion carried unanimously. Meeting adjourned at 9:36 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</u> <u>Amount</u>	Document Detail
CK	04/01/2020	116635	FURTHER April HSA Employee Contributions	1,570.01	1,570.01
CK	04/01/2020	116636	East River Federal Cu April Credit Union	875.00	875.00
CK	04/01/2020	116637	I.B.E.W. Lu 524 April Union Dues	240.00	240.00
CK	04/01/2020	116638	NRECA Total Trust Contributions	26,313.01	26,313.01
CK	04/01/2020	116639	Delta Dental of Minnesota April Premiums	1,288.50	1,288.50
CK	04/01/2020	116640	NRECA Admin Fee	726.54	726.54
WT	04/01/2020	8801563	Minnesota Dept Of Revenue March 31, 2020 payroll SWH	2,291.03	2,291.03
WT	04/01/2020	8801564	Internal Revenue Service March 31, 2020 payroll FICA & FWH	12,775.48	12,775.48
WT	04/01/2020	8801565	Internal Revenue Service 1st Quarter 2020 FUTA	588.00	588.00
WT	04/03/2020	8801562	Natl Rural Elec Assn March 31, 2020 payroll 401K March 31, 2020 payroll 401K Loan	6,393.05	6,279.24 113.81
CK	04/06/2020	116655	NRECA Admin Fee	118.56	118.56
CK	04/06/2020	116656	Irby (Stuart C. Irby Company) 12 PDR Meters	4,488.75	4,488.75
CK	04/06/2020	116657	Culligan Soft Water Service 10 Gallons Water & Cups	25.08	25.08
CK	04/06/2020	116658	NRECA Strategic Planning NRECA Nat'l Mtg - M Mai	619.00	619.00
CK	04/06/2020	116659	Wesco Receivables Corp. Materials Materials	3,573.91	2,740.28 833.63
CK	04/06/2020	116660	David Gleason Heat Pump Rebate	600.00	600.00
CK	04/06/2020	116661	Morris Electronics Inc Worked on New Mediacom Modem Worked on Wi-Fi Issues Wi-Fi Issues, Resolved Backup Issue 2 Portable Backup Hard Drives Backup Drives & Remote Desktop Work for 1 1 Yr Symantec Virus Protection	552.28	35.00 35.00 105.00 199.98 52.50 124.80
CK	04/06/2020	116662	NRECA Group Benefits Trust Group Insurance	1,582.74	1,582.74
CK	04/06/2020	116663	Mike's Cleaning Service March Janitorial Services	571.78	571.78
CK	04/06/2020	116664	NRECA-Coop Benefit Adm March Cafeteria Expense	7.50	7.50
CK	04/06/2020	116665	Nardini Fire Equipment Co. Inc New Extinguisher for IT Room	289.37	289.37

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>	Document Detail
CK	04/06/2020	116666	Mediacom LLC	256.90	
			April Internet Service		256.90
WT	04/06/2020	8801566	Payment Service Network Inc	1,144.52	
			March CC Pmt Fees		1,144.52
WT	04/08/2020	8801569	Minnesota UI Fund	604.00	
			1st Quarter 2020 MN SUTA		604.00
WT	04/09/2020	8801570	EAST RIVER FCU	2,121.20	
			ER Credit Card Charges		2,121.20
CK	04/14/2020	116667	BJ's Parts Depot	433.37	
			Supplies		433.37
CK	04/14/2020	116668	Border States Electric	981.64	
			Materials		129.73
			Materials		851.91
CK	04/14/2020	116669	EIR Testing & Maintenance	5,908.56	
			OCR Maint		2,089.77
			OCR Maint		3,818.79
CK	04/14/2020	116670	Northern Star	72.00	
			Annual Mtg Ads		72.00
CK	04/14/2020	116671	DALE ZYCH	7,178.58	
			Refund Demand Charges Overbilled		7,178.58
CK	04/14/2020	116672	SD Rural Electric Ass'n	455.00	
			Newsletter Labor & Insert		455.00
CK	04/14/2020	116673	Sturdevant's, Inc.	229.52	
			Antifreeze, Clearance Lights/Pole Trailer, Bat		229.52
CK	04/14/2020	116674	Tri-County Coop	355.91	
			Forklift Fuel, Grease, LP for Office Generator		355.91
CK	04/14/2020	116675	Wesco Receivables Corp.	579.58	
			Materials		579.58
CK	04/14/2020	116676	City Of Wheaton	145.44	
			Utilities		145.44
CK	04/14/2020	116677	DITCH WITCH OF MN INC.	8,535.59	
			Plow Repairs		8,535.59
CK	04/14/2020	116678	TOM FRISCH	3,768.92	
			NRECA Nat'l Mtg Expenses		3,768.92
CK	04/14/2020	116679	Chokio Review	40.00	
			Ag Week		40.00
CK	04/14/2020	116680	Star Energy Services	22,094.15	
			Generators & Generator Mat'l		22,094.15
CK	04/14/2020	116681	Colonial Life	321.86	
			March Colonial Life		321.86
CK	04/14/2020	116682	Landis & Gyr Technology Inc fka Cellnet Technology	750.00	
			March Meter Hosting		750.00
CK	04/14/2020	116683	HRExpertiseBP	1,260.00	
			March HR Services - COVID-19		1,260.00
CK	04/14/2020	116684	KBMW Radio	30.00	
			Annual Mtg Postponement Radio Ad		30.00
CK	04/14/2020	116685	Altec Industries, Inc.	6,562.02	
			Repairs #130		3,947.93
			Boom Repairs #143		2,614.09

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	04/14/2020	116686	Cenex Fleetcard	2,787.14	
			March Fuel		2,787.14
CK	04/14/2020	116687	Terry Monson	5,052.96	
			Mtg Expenses		5,052.96
CK	04/14/2020	116688	EIR Testing & Maintenance	14,352.93	
			OCR Maint		2,675.98
			OCR Maint		11,676.95
CK	04/14/2020	116689	Resco	873.83	
			200' Squirrel Wrap		873.83
CK	04/14/2020	116690	Richard Sanasack	1,414.33	
			Refund Demand Charges Overbilled		1,414.33
CK	04/14/2020	116691	Laine Schmitz	600.00	
			Water Heater Rebate		600.00
CK	04/14/2020	116692	Xerox Corporation	340.38	
			April Copier Lease		340.38
CK	04/14/2020	116693	Bluecross Blueshield	17,599.42	
			May Premiums Due in April		17,599.42
CK	04/14/2020	116694	Verizon Wireless	358.01	
			Linemen iPads & Dennis Cell Service		177.84
			iPad & Cell Service		180.17
CK	04/16/2020		Payroll Batch # PR000938	30,667.18	
WT	04/16/2020	8801572	Minnesota Dept Of Revenue	2,075.76	
			April 16, 2020 payroll SWH		2,075.76
WT	04/17/2020	8801573	Internal Revenue Service	11,729.42	
			April 16, 2020 payroll FWH & FICA		11,729.72
			April 16, 2019 payroll FICA Correction		(0.30)
WT	04/17/2020	8801574	Natl Rural Elec Assn	6,011.97	
			April 16, 2020 payroll 401K		5,898.16
			April 16, 2020 payroll 401K Loan		113.81
CK	04/20/2020	116695	Star Energy Services	13,308.40	
			Eng, Map Edits, Safety & IT Services		13,308.40
CK	04/20/2020	116709	PROFESSIONAL COMPUTER SOLUTIONS LLC	1,023.00	
			April Hosting & User Fees		973.00
			Mobile Customer Access Service for March		50.00
CK	04/20/2020	116710	Border States Electric	299.15	
			9 LED bulbs for Office		53.77
			Office Mat'l - Joel, Regular Materials		245.38
CK	04/20/2020	116711	Gazette Publishing Co.	499.00	
			Ag Month, Annual Mtg Ads		499.00
CK	04/20/2020	116712	Basin Electric Power Coop	24.00	
			April Email Hosting		24.00
CK	04/20/2020	116713	NRECA	5,653.00	
			NRECA Membership Dues		5,653.00
CK	04/20/2020	116714	U.S. Postmaster	150.00	
			Annual PO Box Fee		150.00
CK	04/20/2020	116715	Sisseton Courier	252.00	
			Annual Mtg Ads		252.00
CK	04/20/2020	116716	Valley Office Products	121.84	
			File Folders, Bathroom Disp Paper Towels		121.84

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	04/20/2020	116717	Wesco Receivables Corp. Materials	102.28	102.28
CK	04/20/2020	116718	Willy's Super Valu Supplies	63.46	63.46
CK	04/20/2020	116719	Amaril Uniform Company Austin - Replacement Pants (2)	160.68	160.68
CK	04/20/2020	116720	Nobles Cooperative Electric Jay A York Scholarship Fund Donation	100.00	100.00
CK	04/20/2020	116721	USIC Locating Services LLC March MN Locates March SD Locates	638.56	128.00 510.56
CK	04/20/2020	116722	Sag's Hardware Hank LLC Silicone for Meters, Cement Anchors, Supplie	229.67	229.67
CK	04/20/2020	116723	CRC Response Center Inc March After Hours Service	937.74	937.74
CK	04/20/2020	116724	Dymoke Law Office PA Legal Services - Annual Meeting	164.50	164.50
CK	04/20/2020	116725	South Dakota One Call March SD Locates	30.45	30.45
CK	04/20/2020	116726	Dennis Koch Boot Allowance	105.74	105.74
CK	04/20/2020	116727	Big Stone Radio Annual Mtg Postponed Ads, Cont Adv, Sisseton	634.00	634.00
CK	04/20/2020	116728	Gopher State One-Call March MN Locates	13.50	13.50
CK	04/20/2020	116729	LegalShield April ID Theft Ins	147.50	147.50
WT	04/20/2020	8801567	SD DEPT OF REVENUE & REGULATION March SD 4.5% ST Return	14,578.60	14,578.60
WT	04/20/2020	8801568	CoBank ACB CoBank Mo Princ & Int Pmt	22,535.36	22,535.36
WT	04/20/2020	8801571	Minnesota Sales & Use Tax MN March ST Return	23,672.00	23,672.00
CK	04/27/2020	116730	Aflac April AFLAC	13.70	13.70
CK	04/27/2020	116731	PROFESSIONAL COMPUTER SOLUTIONS LLC New Stmt Design Progress Bill	274.75	274.75
CK	04/27/2020	116732	Irby (Stuart C. Irby Company) Glove & Sleeve Testing	875.32	875.32
CK	04/27/2020	116733	East River Electric Coop 1st Qtr 2020 AVL User & License Fees	564.30	564.30
CK	04/27/2020	116734	Wheaton Area Schools Community Calendar Ad	50.00	50.00
CK	04/27/2020	116735	Amaril Uniform Company Lon - 2 Pant, 1 Pullover - Replacements	394.98	394.98
CK	04/27/2020	116736	Merton-Dale Post #80 3 American Flags	112.22	112.22
CK	04/27/2020	116737	Dairyland Power Cooperative Inc Mar Past Due Notices, Feb Stmt Print & Mail	1,862.19	1,862.19

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	04/27/2020	116738	DVS Renewal	393.25	
			License Tab Renewal #141		393.25
CK	04/27/2020	116739	Altec Industries, Inc.	2,096.90	
			Repairs #139		2,096.90
CK	04/27/2020	116740	JOHN DEERE FINANCIAL	194.68	
			Shipping Charges		194.68
CK	04/27/2020	116741	Frontier	234.39	
			Office Phone & DSL Service		234.39
CK	04/28/2020	116742	TOM FRISCH	250.00	
			T Frisch - Board Check		250.00
CK	04/28/2020	116743	Russell Armstrong	250.00	
			R Armstrong - Board Check		250.00
CK	04/28/2020	116744	Michael Marks	250.00	
			M Marks - Board Check		250.00
CK	04/28/2020	116745	Alan Veflin	250.00	
			A Veflin - Board Check		250.00
CK	04/28/2020	116746	Douglas Diekmann	250.00	
			D Diekmann - Board Check		250.00
CK	04/28/2020	116747	Mark Pearson	250.00	
			M Pearson - Board Check		250.00
CK	04/28/2020	116748	Pat Homan	250.00	
			P Homan - Board Check		250.00
CK	04/28/2020	116749	Karen Kath	250.00	
			K Kath - Board Check		250.00
CK	04/28/2020	116750	Terry Monson	250.00	
			T Monson - Board Check		250.00
CK	04/30/2020		Payroll Batch # PR000941	37,501.22	
WT	04/30/2020	8801575	USDA, Rural Util. Service	30,824.76	
			RUS Mo Princ & Int Pmt		30,824.76
WT	04/30/2020	8801576	NRUCFC	16,342.20	
			CFC Qtr Princ & Int Pmt		16,342.20
Total				\$402,610.97	

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(2020, 4, 1) to Date(2020, 4, 30)) AND ({CMDoc.BankAcctID} in ['1'])

Last Modified: 5/19/2020

General Manager's Report

Joel Janorschke

May 25, 2020

A. Annual Meeting

- a. Future dates/location
- b. A Cooperative in Wisconsin conducted its annual meeting in a drive-in style. Minnesota Cooperatives Agralite Electric (Benson), Federated Rural Electric (Jackson), and South Dakota cooperatives Codington-Clark Electric (Waterton), Dakota Energy (Huron) are also following this format.
- c. Bill credit/voucher
- d. POTENTIAL OPTION (Drive-Thru Meeting at the TEC Office)
 - i. Members would enter TEC's entrance off-Broadway.
 - ii. Stop at the large overhead doors at the shop too:
 - 1. Register
 - 2. Receive voting ballot for bylaw amendment
 - 3. Receive voting ballot for director position if applicable
 - 4. Receive pen, surge protector.
 - iii. Other Information:
 - 1. Once registered, the member is automatically entered into the door prize drawing.
 - 2. Recommend no meal due to COVID-19 risks.
 - 3. Arrange to have four tellers from districts not up for election.
 - 4. Post the results from the bylaws change and director elections on Facebook and website.

B. REED (Rural Electric Economic Development)

- a. Kit Johnson, Auditor-Treasurer, from Traverse County contacted Linda Salmonson and me regarding the Traverse County Care Center, USDA loan they were approved for. Due to Minnesota statutes, the USDA loan would require Traverse County to take out a bond, so they have declined the loan. They were approved for \$252,500.00 in June of 2018.
- b. On April 29, 2020, the REED Loan Committee reviewed and approved a loan for Whetstone Creek Golf Course, Milbank, SD, which is served by Whetstone Valley Electric Cooperative. The approval was for \$200,000.00 at a 3% interest rate for a 20-year term. The loan will be used for the installation of an irrigation system on nine holes and dirt work improvements.
- c. On May 5, 2020, the REED Board reviewed and approved the loans for:

- i. Fresha, LLC, Morris, MN; The approval of \$1,000,00.00 is for the expansion of their facility. Fresha is a processing and storage facility for carrots and is served by Agralite Electric Cooperative.
- ii. Yankton Protein LLC, Sioux Falls, SD; The approval of \$1,840,000.00 is for the completion of the pellet manufacturing facility. Yankton Protein is a livestock pellet manufacturing facility and is in the service territory of Bon Homme Yankton Electric.

C. East River Electric Update

- a. On May 7, the East River Board of Directors approved the retirement of \$3,992,297.15 in Capital Credits. TEC accounted for \$124,952.21 of the retirement and was direct deposited on May 12th.
 - i. The retirement will cover East River's remaining balance of \$775,000.00 for the year 1999, which TEC accounted for \$27,528.95 of that balance; \$570,000.00 covering a portion of the year 2000 which TEC accounted for \$19,334.01 of that portion. This retirement will also cover Basin Electric's portion of \$2,772,060.43 for the year 2003, which TEC accounted for \$78,089.25.
- b. On May 7th, the East River Board of Directors approved a Resolution for a "Bill Credit Refund to Members" for \$3,267,900.00 for each Class A and B member.
 - i. The refund will reduce East River's 2020 budgeted average rate of 61.9 mills per kWh to an average of 60.9 mills per kWh. TEC's budgeted average rate is 59.2 mills per kWh and will be reduced to 58.2 mills per kWh. The bill credit will be divided evenly for each of the seven months and based on your May's sales volume usage. If there is an economic turnaround before the end of the year, East River's Board will have the option to end the bill credits refunds earlier than scheduled.
 - ii. TEC's will roughly account for 3.21% of the \$3,267,900.00 or \$104,900.00 (\$13,100.00 credited per month).

D. Basin Electric Power Cooperative Update

- i. As of the Class A managers meeting held on April 23, Basin loads were down 300 MWs, with 250 MWs in the Bakken and 50 MWs across the rest of the system – averaging a 12% to 13% drop in load. SPP loads are down about 4-6 percent, and gasoline sales are around 1966. DGC sees strong demand for nitrogen, and with low fertilizer imports, they expect a good financial month in May. Basin has been in contact with FERC technical staff and expects to make their FERC filing, by late May. E.R Meeting – Clair has stated the Bakken load was down 450 MW, which is 27 – 28% below in April (March was up) Equates to \$15 million per 100 MW for Basin.
- ii. Dakota Gasification Company (DGC), reported a loss of \$5.4 million for April to compare to a budgeted margin of \$3.7 million. DGC has a reported Year-To-Date

(YTD) loss of \$29.7 million compared to a budgeted YTD loss of \$4.3 million through April. DGC did have an extended outage due to a broken pipe.

- iii. Basin Electric reported a Consolidated Net Income margin of \$12.2 million for April compared to the budget amount of a \$3.3 million loss. Reported YTD margin of \$54.0 million compared to a budgeted margin of \$40.4 million through April.
- iv. Delta Montrose Buyout from Tri-State (Tri-State is a Class A Member of Basin): Delta-Montrose Electric Association (DMEA) will terminate its membership in Tri-State Generation and Transmission Association (Tri-State) on June 30, 2020, subject to approval from the Federal Energy Regulatory Commission (FERC). The parties entered into a membership withdrawal agreement by following a July 2019 settlement agreement. As part of the membership withdrawal agreement, DMEA or a third-party will pay \$88.5 million to Tri-State, including \$26 million for purchase of facilities and will forfeit \$48 million in patronage capital for a total buyout package of \$136.5 million. According to media reports, DMEA and Guzman Energy have a 12.5-year contract. Guzman Energy will pay \$62.5 million to Tri-State in exchange for becoming the cooperative's wholesale electricity provider. DMEA is located in Montrose, Colorado, and serves approximately 28,000 members.

E. NRECA Update

- a. The House Democrats released their Phase 4 COVID-19 relief package, the "Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act." It proposes \$3 trillion in new federal spending to ease the burden associated with COVID-19. This is currently not to be considered by the Senate in its current form. Some of the critical point within the bill include:
 - i. Debt Collections/Disconnects: Institutes a temporary moratorium on debt collection and disconnects for utility service (including electric and broadband) to consumers, small businesses, and nonprofits. The moratorium runs from the date of enactment through 120 days after the end of the COVID-19 disaster declaration.
 - ii. Home Energy and Water Service Continuity: Requires states and utilities receiving federal emergency funds under the HEROES Act to adopt or maintain in force, to the maximum extent practicable, policies to prevent shutoffs and ensure safety and continuity of home energy and water services to residential customers during the COVID-19 public health emergency.
 - iii. Low Income Home Energy Assistance Program (LIHEAP): Provides an additional \$1.5 billion to the LIHEAP and requires states and Tribes to accept layoff or furlough notices and verified unemployment benefit applications as proof for income verification.

- iv. Emergency Rental Assistance: Provides \$100 billion under the Emergency Solutions Grant Program to assist with rent and rent-related costs (including utilities).
- v. Mortgage Assistance: Provides \$75 billion to a new homeowner assistance fund at the Department of Treasury for mortgage and utility assistance (includes electric, gas, water, and internet).
- b. This relief package does not include the refinancing of current RUS debt to the current low-interest rate. NRECA will continue to push to have this included in the stimulus package.
- c. The Treasury Department and Small Business Administration released a clarification on the eligibility of electric cooperatives to participate in the Paycheck Protection Program (PPP) if they meet the other eligibility requirements.

F. Minnesota Update

a. MREA

- i. PPP (Paycheck Protection Program) Loans: This loan will be at a fixed rate of .50% where payments are deferred for six months but accrue interest over this period. The loan is required to be paid back in two years with no prepayment penalties or fees. A poll was conducted within the MN cooperatives, with 40 responding. Twelve cooperatives applied and received approval with 12 accepting the funds. Twenty-eight cooperatives did not apply.

b. Legislation

- i. Governor Walz has issued 51 executive orders since the COVID-19 crisis started. The "Stay at Home Order" has been extended through May 18, which now allows some non-critical businesses to resume operations with curbside pickup. Some of the Governor's orders include allowing facilities to continue performing surgeries and certain elective procedures as of May 10th. The State also faces a nearly \$2.43 billion deficit for the remainder of the current biennium, which ends June 30, 2021. This number represents a \$4 billion change from what was projected ten-week ago.
- ii. SF 4409/HF 4502 (ECO Act): With the bill going to the House floor, the cooperative sent out an email to their representatives and senators asking for their support of the ECO Act. I reached out to Senator Torrey Westrom (Elbow Lake, 12), Representative Jeff Backer (Browns Valley, 12A) and Paul Anderson (Starbuck, 12B) asking for their support. On May 11th, the House passed the ECO reform bill, by a vote of 79-55 and will now move to the Senate floor. Due to the propane industry attempts to kill the bill, the managers have sent out emails to the senators asking for their support in the ECO Act. I had reached out once again to Senators Torrey Westrom (Elbow Lake, 12), Bill Ingebrigtsen (Alexandria, 08), and Senate Majority Leader Paul Gazelka (Nisswa, 09) for their support.

- iii. SF 3962/HF 4249 (Load Control Receiver bill): Continue to push the load control issue with the Governor's office and hope to make progress through administrative means. Department of Labor and Industry (DOLI) and International Brotherhood of Electrical Workers (IBEW) continue to support the inspection fee for the installation or replacement of a load control receiver.
- iv. I attended the Town Hall meeting via WebEx from District 12A Representative Paul Anderson (Starbuck) and Senator Torrey Westrom on May 6th.
- v. I attended the Town Hall meeting via WebEx from District 12B Representative Jeff Backer (Browns Valley) and Senator Torrey Westrom on May 6th.

G. SDREA Update

a. SDREA

- i. Ed Anderson, CEO of SDREA, had expressed his frustration with NRECA and Jim Matheson regarding NRECA pushing information to our members. In the past, the agreement is that NRECA will not reach out to our co-op members without the ok from the cooperatives. Jim has agreed to limit his outreach to a smaller internal group of managers.

b. Legislation

- i. On May 8th, Governor Noem sent letters to the Cheyenne River Sioux Tribe and the Oglala Sioux Tribe, demanding that checkpoints be removed from State and US Highways. If the checkpoints are not removed within the next 48 hours, the State will take necessary legal action.
- ii. On April 8, 2020, the US Department of the Interior's Bureau of Indian Affairs (DOI) issued a memorandum regarding South Dakota tribal government authority to close or restrict travel on State and US Highways. The memo makes it clear that tribes must consult with the State of South Dakota and enter into an agreement with the State before closing or restricting travel on State or US Highways. Neither consultation nor agreement among the tribal and State government occurred. Regardless, the Cheyenne River Sioux Tribe and the Oglala Sioux Tribe established checkpoints on State and US Highways to control and restrict non-tribal member travel.
- iii. Recently a few of the Managers received notification from the Tribes that they will need to provide additional information if they travel within the reservation.

H. Other Matters of Interest

a. Great River Energy (GRE)

- i. GRE, based in Maple Grove, MN, announced it would be closing the Coal Creek Station located in Underwood, ND, in 2022. Coal Creek Station is the State's largest coal-fired power plant, and GRE plans to replace the 1,100MW output with wind power. The headline from the Grand Forks Herald read, "Great River Energy's decision to close Coal Creek Station is based on an estimated \$1 billion subsidy from the taxpayers." Assuming all the new wind capacity qualifies for

the Production Tax Credit (PTC), the new wind power may be eligible as much as \$1 billion in taxpayer subsidies over the next ten years. Coal Creek Station is currently one of the most efficient facilities in the nation.

b. Tom Jones, RUS Field Representative

- i. I had a discussion with Tom regarding our current construction loan of \$5,006,000.00. At this time, we can draw down \$3.2 million at the current-low interest rate of around 1.1%. Due to the low-interest rates, we are also looking at other options to draw down the remaining balance of 1.8 million through a program they refer to as Temporary Normal Inventory (TNI), where the funds are advanced before being inspected.

c. Equity Management Plan

- i. In the process of completing an Equity Management Plan to provide us with the necessary information and understanding to where the Board wants to be positioned in the areas of:
 - 1. Equity as a % of Assets
 - 2. Desired TIER (Times Interest Earned Ratio)
 - 3. Retirement of Capital Credits

May 26, 2020 board meeting Office Manager's Report:

1. Accounts Receivable balances as of 05/06/20:

- a) Current (April 30th statement) \$810,815.23
- b) 1-30 Days (March 31st statement) \$24,181.01
- c) 31-60 Days (Feb 29th statement) \$6834.99
- d) 61-90 Days (Jan 31st statement) \$846.50
- e) Older than 91 days - \$10,306.26
- f) 54 disconnect notices were issued for May resulting in 3 disconnects in SD on May 13 (1 reconnected same day with partial payment of past due. No reconnection fee charged. Two remain disconnected as of 5/19 with no contact from them.)

2. New Members Connected:

- a) Aaron Wilson
- b) Hayden Heinecke
- c) Carley Tangen
- d) Cindy Klatt
- e) Ricky R & Judy M Beyers
- f) Ricky Albright
- g) Melissa Dalberg
- h) Walls Farms LLC

3. Office response to COVID-19.

- a) Our lobby remains closed to the public. When the time comes to reopen our lobby to members, we will have protocols in place to protect the members and employees.

4. Past due accounts affected by COVID-19

- a) We continue to work with members affected by COVID-19 with making payment arrangements. So far, around 12 members have contacted me to let me know they may not be able to pay their electric balance in full.

5. Audit week May 18-22. The audit is being conducted remotely. Each year the auditors meet with one board member. This year they will meet (via phone call) with Terry Monson.

USDA - RUS			BORROWER DESIGNATION		
FINANCIAL AND STATISTICAL REPORT			MN 84 Traverse		
INSTRUCTIONS - See RUS Bulletin 1717B-2			PERIOD ENDED		
			April 2020		
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	6	12	5. Miles Transmission		
2. Services Retired	3	7	6. Miles Distribution- Overhead	1,170	1,168
3. Total Services in Place	3,182	3,222	7. Miles Distribution- Underground	532	556
4. Idle Services (Exclude Seasonal)	0	0	8. Total Miles Energized (5 + 6 + 7)	1,702	1,724
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	21,911	161,295
2. kWh Purchased	9,326,629	41,573,729	7. Total Unaccounted For (4 Less 5 & 6)	415,980	1,751,119
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	4	4
4. Total kWh (1 thru 3)	9,326,629	41,573,729	9. Maximum Demand (kW)	13,953	
5. Total kWh Sold	8,888,738	39,661,315	10. Mo When Max Demand Occurred	February	18995

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	2,555	4,513,794	525,125		2,550	22,250,195	2,338,756
2. Seasonal Sales	399	139,457	29,795		398	683,838	125,810
3. Irrigation Sales	12	254	1,218		12	453	4,833
4. Comm - 50 kVA or less	2	2,139	353		2	2,231	591
5. Comm - over 50 kVA	112	1,151,543	111,154		112	4,899,706	450,798
6. Kinder Morgan	1	161,560	10,619		1	1,322,500	106,445
7. Veblen Dairy	1	1,478,991	100,661		1	5,329,098	395,849
8. WDCE - Graceville Loc	1	150,000	9,636		1	705,000	61,928
9. Dollymount Dairy	3	1,134,500	73,674		3	3,806,671	260,087
10. Campbell Dairy	1	156,500	14,667		1	661,623	63,735
11. Total Sale of Electric	3,087	8,888,738	876,901		3,081	39,661,315	3,808,832
12. Other Elec Revenue			1,127				-22,760
13. Total (11 + 12)			878,028				3,786,072

1. $7646 + 2555 = 10201 / 4 = 2550$
2. $1193 + 399 = 1592 / 4 = 398$
3. $36 + 12 = 48 / 4 = 12$
4. $6 + 2 = 8 / 4 = 2$
5. $336 + 112 = 448 / 4 = 112$

Traverse Electric Cooperative Inc
Financial and Operating Report Electric Distribution
Statement of Operations
For the four months ending 4/30/2020

	2019 <u>YTD Actual</u>	2020 <u>YTD Actual</u>	2020 <u>YTD Budget</u>	2020 <u>April</u>
1. Operating Revenue and Patronage Capital	3,780,660.93	3,786,072.12	3,761,040.00	878,028.07
2. Power Production Expense	0.00	0.00	0.00	0.00
3. Cost of Purchased Power	2,315,901.77	2,300,982.66	2,364,686.00	524,689.83
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	201,610.38	157,590.08	206,264.00	29,871.36
7. Distribution Expense - Maintenance	165,813.96	217,792.65	199,320.00	62,407.37
8. Customer Accounts Expense	59,713.15	63,232.31	60,672.00	17,758.91
9. Customer Service and Informational Expense	19,915.47	25,621.64	33,546.00	9,452.26
10. Sales Expense	415.00	2,201.00	2,836.00	(635.00)
11. Administrative and General Expense	339,087.89	331,342.55	360,732.00	73,934.03
12. Total Operation & Main. Expense (2 thru 11)	3,102,457.62	3,098,762.89	3,228,056.00	717,478.76
13. Depreciation and Amortization Expense	320,066.51	250,149.29	268,455.00	62,967.20
14. Tax Expense - Property & Gross Receipts	0.00	0.00	0.00	0.00
15. Tax Expense - Other	0.00	534.08	0.00	394.08
16. Interest on Long-Term Debt	212,075.79	155,596.14	154,204.61	38,534.02
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00
18. Interest Expense - Other	165.73	211.71	120.00	0.00
19. Other Deductions	0.00	0.00	0.00	0.00
20. Total Cost of Electric Service (12 thru 19)	3,634,765.65	3,505,254.11	3,650,835.61	819,374.06
21. Patronage Capital & Operating Margins (1 - 20)	145,895.28	280,818.01	110,204.39	58,654.01
22. Non Operating Margins - Interest	85,107.27	30,431.41	30,000.00	7,187.49
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	(7,790.08)	(7,598.80)	4,530.00	4,949.35
26. Generation and Transmission Capital Credits	0.00	0.00	0.00	0.00
27. Other Capital Credits and Patronage Dividends	11,398.23	10,272.51	12,000.00	0.00
28. Extraordinary Items	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	234,610.70	313,923.13	156,734.39	70,790.85

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

For the period ending 04/30/2020

	-----2020-----		-----2019-----	
	April <u>Activity</u>	April <u>Balance</u>	April <u>Activity</u>	April <u>Balance</u>
<u><i>Assets and Other Debits</i></u>				
1. Total Utility Plant in Service	29,111.73	25,911,293.17	66,224.63	25,323,360.58
2. Construction Work in Progress	31,276.35	563,069.16	213,430.79	1,177,655.75
3. Total Utility Plant (1+2)	60,388.08	26,474,362.33	279,655.42	26,501,016.33
4. Accum. Provision for Depreciation and Amort	(64,197.37)	(10,533,217.65)	(86,726.72)	(11,023,371.96)
5. Net Utility Plant (3-4)	(3,809.29)	15,941,144.68	192,928.70	15,477,644.37
6. Non-Utility Property - Net	0.00	0.00	0.00	0.00
7. Investment in Subsidiary Companies	0.00	0.00	0.00	0.00
8. Invest in Assoc. Org.-Patronage Capital	0.00	5,901,708.34	0.00	5,606,882.81
9. Invest in Assoc. Org.-Other-General Funds	0.00	26,134.57	0.00	23,276.57
10. Invest in Assoc. Org.-Other-Nongeneral Funds	0.00	284,198.38	0.00	283,435.36
11. Investments in Economic Development Projects	0.00	0.00	0.00	0.00
12. Other Investments	(5,141.63)	58,794.97	(1,652.59)	77,281.84
13. Special Funds	0.00	0.00	0.00	0.00
14. Total Other Property & Investments(6 thru 13)	(5,141.63)	6,270,836.26	(1,652.59)	5,990,876.58
15. Cash-General Funds	39,388.63	470,857.45	2,260,422.87	2,875,762.28
16. Cash-Construction Funds-Trustee	0.00	1.00	0.00	1.00
17. Special Deposits	0.00	0.00	0.00	1,000.00
18. Temporary Investments	51,686.95	3,414,832.63	(2,531,543.42)	1,622,064.97
19. Notes Receivable - Net	0.00	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	(60,056.06)	892,099.60	(80,412.92)	918,664.14
21. Accounts Receivable - Other (Net)	(4,047.16)	7,784.15	(1,849.46)	(154,080.04)
22. Renewable Energy Credits	0.00	0.00	0.00	0.00
23. Materials & Supplies - Electric and Other	147,571.79	455,230.38	220,102.37	522,008.02
24. Prepayments	(9,954.16)	40,402.17	(8,918.65)	35,275.09
25. Other Current & Accrued Assets	(45,961.30)	848.51	(14,964.22)	872.75
26. Total Current & Accrued Assets (15 thru 25)	118,628.69	5,282,055.89	(157,163.43)	5,821,568.21
27. Regulatory Assets	0.00	0.00	0.00	0.00
28. Other Deferred Debits	(5,397.89)	167,406.20	(5,397.89)	231,119.38
29. Total Assets & Other Debits (5+14+26 thru 28)	104,279.88	27,661,443.03	28,714.79	27,521,208.54
<u><i>Liabilities and Other Credits</i></u>				
30. Memberships	0.00	0.00	0.00	0.00
31. Patronage Capital	(6,234.67)	13,101,714.49	(1,153.41)	12,422,994.15
32. Operating Margins - Prior Years	0.00	0.00	0.00	0.00
33. Operating Margins - Current Year	58,654.01	280,818.01	18,271.36	145,895.28
34. Non Operating Margins	12,136.84	33,107.13	19,496.61	88,717.43
35. Other Margins and Equities	2,736.24	479,989.26	676.55	437,857.49
36. Total Margins & Equities (30 thru 35)	67,292.42	13,895,628.89	37,291.11	13,095,464.35
37. Long-Term Debt RUS (Net)	(15,570.93)	4,429,214.67	(16,050.35)	5,143,278.19
38. Long-Term Debt - FFB - RUS Guaranteed	0.00	7,693,658.13	(66,522.03)	9,880,692.31
39. Long Term Debt - Other - RUS Guaranteed	(22,210.45)	44,680.33	(21,194.77)	305,572.31
40. Long-Term Debt - Other (Net)	(8,830.10)	589,693.43	(11,221.50)	627,231.96
41. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00	0.00	0.00	0.00
42. Payments - Unapplied	0.00	0.00	23,647.71	(2,617,596.94)
43. Total Long-Term Debt (37 thru 41-42)	(46,611.48)	12,757,246.56	(91,340.94)	13,339,177.83
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	58,227.52	772,145.15	153,028.09	842,255.00
49. Consumer Deposits	1,600.00	13,850.00	(150.00)	11,600.00
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	23,771.42	196,182.37	(70,113.47)	205,180.92
54. Total Current & Accrued Liab (47 thru 53)	83,598.94	982,177.52	82,764.62	1,059,035.92
55. Regulatory Liabilities	0.00	0.00	0.00	0.00
56. Other Deferred Credits	0.00	26,390.06	0.00	27,530.44
57. Total Liab & Other Credits(36+43+46+54 thru 56)	104,279.88	27,661,443.03	28,714.79	27,521,208.54

Balance Sheet Analysis Ratios

For the period ending 04/30/2020

Equity as a Percent of Assets = 50.23 %**= Line 36 / Line 29**

$$= \frac{13,895,628.89}{27,661,443.03}$$

General Funds as a Percent of Total Utility Plant = 14.8993 %**= Line 12 + Line 13 + Line 15 + Line 16 + Line 18 / Line 3**

$$= \frac{58,794.97 + 0.00 + 470,857.45 + 1.00 + 3,414,832.63}{26,474,362.33}$$

Modified Equity as a Percent of Assets = 28.8991 %**= Line 36 - Line 8 / Line 29**

$$= \frac{13,895,628.89 - 5,901,708.34}{27,661,443.03}$$

Current Assets to Current Liabilities Ratio = 5.3779 to 1**= Line 26 / Line 54**

$$= \frac{5,282,055.89}{982,177.52}$$

Total Long-Term Debts as a Percentage of Total Utility Plant = 48.1872 %**= Line 43 / Line 3**

$$= \frac{12,757,246.56}{26,474,362.33}$$

April Comparison 2020					
	19-Apr	YTD 19	YTD 20	20-Apr	
Revenue	\$ 863,694.05	\$ 3,780,660.93	\$ 3,786,072.12	\$ 878,028.07	
Cost of Power	\$ 531,708.81	\$ 2,315,901.77	\$ 2,300,982.66	\$ 524,689.83	
Distribution Exp - Oper.	\$ 44,668.83	\$ 201,610.38	\$ 157,590.08	\$ 29,871.36	
Distribution Exp. - Maint.	\$ 34,995.35	\$ 165,813.96	\$ 217,792.65	\$ 62,407.37	
Interest Paid	\$ 52,433.62	\$ 212,241.52	\$ 155,807.85	\$ 38,534.02	
Total Cost of Service	\$ 845,422.69	\$ 3,634,765.65	\$ 3,505,254.11	\$ 819,374.06	
Margin Operation	\$ 18,271.36	\$ 145,895.28	\$ 280,818.01	\$ 58,654.01	
Other Income	\$ 19,496.61	\$ 88,715.42	\$ 33,105.12	\$ 12,136.84	
Total Margins	\$ 37,767.97	\$ 234,610.70	\$ 313,923.13	\$ 70,790.85	
Total kWh Sold	8,622,517	39,924,326	39,661,315	8,888,738	
Line Loss	5%	4%	4%	4%	

Traverse Electric Cooperative, Inc.
Quarterly Sales & Revenue Budget Analysis - 2020

For the Quarter Ending: 03/31/20

	This Quarter				Year-to-Date			
	Budget	Actual	Variance	% of Budget	Budget	Actual	Variance	% of Budget
Sales & Revenue								
Residential Sales - Rural	\$ 1,905,000.00	\$ 1,814,588.05	\$ (90,411.95)	95%	\$ 1,905,000.00	\$ 1,814,588.05	\$ (90,411.95)	95%
Residential Sales - Seasonal	\$ 98,000.00	\$ 96,015.28	\$ (1,984.72)	98%	\$ 98,000.00	\$ 96,015.28	\$ (1,984.72)	98%
Irrigation Sales	\$ 3,600.00	\$ 3,615.21	\$ 15.21	100%	\$ 3,600.00	\$ 3,615.21	\$ 15.21	100%
Comm & Ind Small Under 50 KVA	\$ 2,400.00	\$ 237.96	\$ (2,162.04)	10%	\$ 2,400.00	\$ 237.96	\$ (2,162.04)	10%
Big Stone Radio								
Comm & Ind Large Over 50 KVA	\$ 230,700.00	\$ 339,644.76	\$ 108,944.76	147%	\$ 230,700.00	\$ 339,644.76	\$ 108,944.76	147%
Comm & Ind Over 1000 KVA	\$ 403,300.00	\$ 383,598.35	\$ (19,701.65)	95%	\$ 403,300.00	\$ 383,598.35	\$ (19,701.65)	95%
Campbell, Dollymount, North Ottawa, Kinder, WDCE								
Comm & Ind Over 1000 KVA - Dairy	\$ 259,200.00	\$ 263,723.28	\$ 4,523.28	102%	\$ 259,200.00	\$ 263,723.28	\$ 4,523.28	102%
Marshall Dairy								
Forfeited Discount (Late Penalty)	\$ 3,900.00	\$ 4,879.03	\$ 979.03	125%	\$ 3,900.00	\$ 4,879.03	\$ 979.03	125%
Misc Service Revenue (Reconnect Fee)	\$ 1,400.00	\$ 1,020.28	\$ (379.72)	73%	\$ 1,400.00	\$ 1,020.28	\$ (379.72)	73%
Rent from Electric Property	\$ 705.00	\$ 708.00	\$ 3.00	100%	\$ 705.00	\$ 708.00	\$ 3.00	100%
Revenue from the Sales of REC's	\$ -	\$ 13.85	\$ 13.85	0%	\$ -	\$ 13.85	\$ 13.85	0%
Total Sale & Revenue	\$ 2,908,205.00	\$ 2,908,044.05	\$ (160.95)	100%	\$ 2,908,205.00	\$ 2,908,044.05	\$ (160.95)	100%

Traverse Electric Cooperative, Inc.
Quarterly Capital Budget Analysis - 2020

For the Quarter Ending: 03/31/20

	This Quarter							Year-to-Date			
	Quantity	Quantity Purchased	Unit Amount	Budgeted	Actual	Variance	% of Budget	Budgeted	Actual	Variance	% of Budget
<u>Operations & Maintenance</u>											
Combination Bucket/Digger	1	0	\$ 275,000.00	\$ 275,000.00	\$ -	\$ (275,000.00)	0%	\$ 275,000.00	\$ -	\$ (275,000.00)	0%
Resurface Tar Driveway	1	0	\$ 35,000.00	\$ 35,000.00	\$ -	\$ (35,000.00)	0%	\$ 35,000.00	\$ -	\$ (35,000.00)	0%
Vehicle	1	0	\$ 50,000.00	\$ 50,000.00	\$ -	\$ (50,000.00)	0%	\$ 50,000.00	\$ -	\$ (50,000.00)	0%
<u>Information Technology</u>											
MDM - PCS	1	0	\$ 32,700.00	\$ 32,700.00	\$ -	\$ (32,700.00)	0%	\$ 32,700.00	\$ -	\$ (32,700.00)	0%
OMS - Star Energy	1	1	\$ 6,000.00	\$ 6,000.00	\$ 1,080.00	\$ (4,920.00)	18%	\$ 6,000.00	\$ 1,080.00	\$ (4,920.00)	18%
email Domain	1	0	\$ 1,584.00	\$ 1,584.00	\$ -	\$ (1,584.00)	0%	\$ 1,584.00	\$ -	\$ (1,584.00)	0%
Printer	1	0	\$ 500.00	\$ 500.00	\$ -	\$ (500.00)	0%	\$ 500.00	\$ -	\$ (500.00)	0%
Desktop	1	1	\$ 1,342.83	\$ 1,700.00	\$ 1,342.83	\$ (357.17)	79%	\$ 1,700.00	\$ 1,342.83	\$ (357.17)	79%
Laptop	2	1	\$ 2,500.00	\$ 5,000.00	\$ 1,878.55	\$ (3,121.45)	38%	\$ 5,000.00	\$ 1,878.55	\$ (3,121.45)	38%
Computer Monitors 24"	3	2	\$ 187.04	\$ 750.00	\$ 374.07	\$ (375.93)	50%	\$ 750.00	\$ -	\$ (750.00)	0%
Monitor 70"	1	1	\$ 536.86	\$ 1,200.00	\$ 536.86	\$ (663.14)	45%	\$ 1,200.00	\$ 536.86	\$ (663.14)	45%
White Noise Machine	3	0	\$ 200.00	\$ 600.00	\$ -	\$ (600.00)	0%	\$ 600.00	\$ -	\$ (600.00)	0%
Portable Projector (w/speaker & screen)	1	0	\$ 5,000.00	\$ 5,000.00	\$ -	\$ (5,000.00)	0%	\$ 5,000.00	\$ -	\$ (5,000.00)	0%
<u>Administrative & General</u>											
Boardroom Chairs	13	13	\$ 336.66	\$ 5,200.00	\$ 4,376.53	\$ (823.47)	84%	\$ 5,200.00	\$ 4,376.53	\$ (823.47)	84%
GM Office	1	1	\$ 5,000.00	\$ 5,000.00	\$ 1,633.33	\$ (3,366.67)	33%	\$ 5,000.00	\$ 1,633.33	\$ (3,366.67)	33%
Furniture	1	0	\$ 5,000.00	\$ 5,000.00	\$ -	\$ (5,000.00)	0%	\$ 5,000.00	\$ -	\$ (5,000.00)	0%
Doors	5	0	\$ 250.00	\$ 1,250.00	\$ -	\$ (1,250.00)	0%	\$ 250.00	\$ -	\$ (250.00)	0%
New Statement Design	1	1	\$ 6,300.00	\$ 6,300.00	\$ 2,276.50	\$ (4,023.50)	36%	\$ 6,300.00	\$ 2,276.50	\$ (4,023.50)	36%
Office Maintenance	1	1	\$ 1,000.00	\$ 1,000.00	\$ -	\$ (1,000.00)	0%	\$ 1,000.00	\$ -	\$ (1,000.00)	0%
<u>Safety</u>											
AED	1	0	\$ 1,800.00	\$ 1,800.00	\$ -	\$ (1,800.00)	0%	\$ 1,800.00	\$ -	\$ (1,800.00)	0%
Gas Cylinder Cabinet	1	1	\$ 800.00	\$ 800.00	\$ 504.74	\$ (295.26)	63%	\$ 800.00	\$ 504.74	\$ (295.26)	63%

Traverse Electric Cooperative, Inc.
Quarterly kWh Sales Budget Analysis - 2020

For the Quarter Ending: 03/31/20

Account	kWh Sales	This Quarter				Year-to-Date			
		Budget	Actual	Variance	% of Budget	Budget	Actual	Variance	% of Budget
440.10	Residential Sales - Rural	19,522,903	17,734,048	(1,788,855)	91%	19,522,903	17,734,048	(1,788,855)	91%
440.20	Residential Sales - Seasonal	682,060	568,397	(113,663)	83%	682,060	568,397	(113,663)	83%
441.00	Irrigation Sales	266	186	(80)	70%	266	186	(80)	70%
442.10	Comm & Ind Small Under 50 KVA	4,264	4,291	27	101%	4,264	4,291	27	101%
442.20	Comm & Ind Large Over 50 KVA	2,462,099	3,303,980	841,881	134%	2,462,099	3,303,980	841,881	134%
442.30	Kinder Morgan	1,405,970	1,160,940	(245,030)	83%	1,405,970	1,160,940	(245,030)	83%
442.30	WDCE - Graceville Loc.	513,817	499,352	(14,465)	97%	513,817	499,352	(14,465)	97%
442.30	Dollymount Dairy - North	853,525	838,697	(14,828)	98%	853,525	838,697	(14,828)	98%
442.30	Dollymount Dairy - South	555,730	511,159	(44,571)	92%	555,730	511,159	(44,571)	92%
442.30	Campbell Dairy - North	1,246,482	1,284,388	37,906	103%	1,246,482	1,284,388	37,906	103%
442.30	Campbell Dairy - South	542,638	505,123	(37,515)	93%	542,638	505,123	(37,515)	93%
442.30	North Ottawa Dairy - North	-	192,000	192,000		-	192,000	192,000	
442.30	North Ottawa Dairy - South	-	159,300	159,300		-	159,300	159,300	
442.40	Veblen / Marshall Dairy	3,512,055	3,850,107	338,052	110%	3,512,055	3,850,107	338,052	110%
	Total kWh Sales	31,301,809	30,611,968	(689,841)	98%	31,301,809	30,611,968	(689,841)	98%

Operation Manager's Report

Dale Schwagel

May 25, 2020

A. As of May 20, 2020, Crews have been busy with the following:

- Pole change outs (we had a couple hit by equipment also)
- Transformer change outs
- Service upgrades
- New services
- Tree trimming
- Retired OVH tap and service, Leonardville twp.
- Retire OVH tap and service, Campbell twp.
- Retire URD tap and service, Lien twp. SD
- Plow/bore 200 ft, new service, tile pump
- Plow/bore 2625 ft, new service, tile pump
- Plow/bore 2750 ft, new service, tile pump
- Plow/bore 2700 ft, new service, tile pump
- Plow/bore 2705 ft, new service, tile pump
- Added in a pole mounted regulator, to accommodate the upcoming load at the RV park
- Finished plowing and energized 5 new services for the RV park addition

B. Meter Update:

- We currently have about 75 meters left to get changed out in member's homes
- We have also been able to start retiring the meter equipment from some of our substations as well, and sold a couple of those items to a cooperative out in Pennsylvania.

C. Miscellaneous:

- **Pole inspections:**
 - Utility Inspection Services just finished this year testing on Saturday the 16th
- **Work Order Inspections:**
 - Completed numerous work order inspections with Kristi, STAR ENERGY, with no issues found.
- **HWY 75 ditch project:**
 - This project is moving forward, I am still working with MNDOT, Moore Engineering, Wilkin and Traverse Counties, and land owners. This project entails 3 miles of our overhead lines being moved and buried. It does appear that they are having some issues with 2 land owners, which does affect us as well.
- **Pad Mount transformer hit:**
 - We had a member hit one of our transformers with a mower, cut a hole in the bottom of it, and drained all oil (36 gallons). I had to be report this to the state, and crews had

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to excavate the site to remove all contaminated dirt, and dispose of it at the landfill. Lisa Tickhill assisted with all required paper work.

D. SAFETY:

- **MREA:**
 - Unannounced crew observation, maintaining distances, hopefully resume safety meeting in July
 - Safety playbook
 - Safety Pallet
- **STAR:**
 - Be safe topics
 - Hoping to be able to get back to onsite safety visits soon

E. Outage Report:

- Traverse, attached

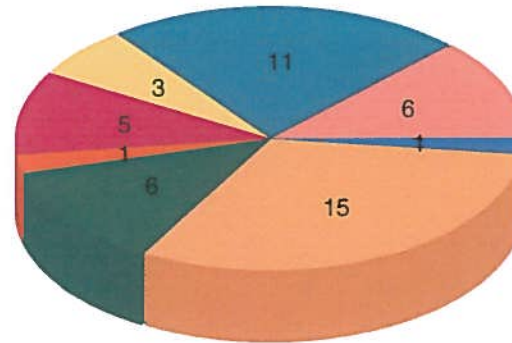
F. New Hire:

- We have hired Colden Helberg, to fill the position on the line crew. Colden will be starting on June 8th and is a 3rd year apprentice. He is currently working for McKenzie Electric Cooperative in Watford City ND and is originally from Kensington MN.

Outage Summary

4/1/2020 To 4/30/2020

Bird/Animal	1	2.1%
Planned/Construction	15	31.3%
Equipment Failure/Decay	6	12.5%
Member Problem	1	2.1%
Vehicle Accident	5	10.4%
Lightning	3	6.3%
Unknown	11	22.9%
Power Supplier	6	12.5%
Total:	48	100.0%



(Major Event Outages Highlighted Yellow)

Outage List

Start Time	End Time	Cause	Equip Code	Device	Substation	Area	Comments	
4/1/20 10:42 am	4/1/20 12:04 pm	Equipment Failure/Decay	Transformer Failure		Sisseton	43A-06-3	GUY WIRE HIT POSSIBLE BY FED EX, NEEDED TO CHANGE TRANSFORMER	Locations Affected 1
4/1/20 1:21 pm	4/1/20 2:21 pm	Unknown	Transformer Fuse		Sisseton	52 -34-3	BLOWN TRANSFORMER FUSE, REFUSED.	Locations Affected 1

Start Time	End Time	Cause	Equip Code	Device	Substation	Area	Comments	
4/2/20 10:48 pm	4/3/20 12:36 am	Equipment Failure/Decay	Insulators		Graceville	07 -22-3, 07 -19-2, 07 -21-2...	Floating insulator, new pole top assembly and tied back in.	Locations Affected 5
4/4/20 7:32 pm	4/4/20 8:19 pm	Power Supplier	Power Supplier		Wendell, Wheaton, Doran	11-26-1, 20 -34-3, 10 -13-4...	Wendell sub down due to OTP had a broken pole	Locations Affected 283
4/6/20 3:29 pm	4/6/20 4:18 pm	Unknown	Transformer Fuse		Dumont	09 -13-1	Blown transformer fuse. no critters/birds were present, reset and it held	Locations Affected 1
4/7/20 7:58 am	4/7/20 8:58 am	Unknown	Line Fuse URD		Doran	29 -09-1B	blown line fuse	Locations Affected 1
4/7/20 10:37 am	4/7/20 11:37 am	Member Problem	Other		Wendell	04 -32-3	One secondary wire burned off at transformer, partial power	Locations Affected 1
4/8/20 7:05 am	4/8/20 8:05 am	Unknown	Other		Wheaton	09 -20-3	Fuse door was out laying at base of pole. Fuse still good.	Locations Affected 1
4/10/20 6:20 am	4/10/20 7:19 am	Equipment Failure/Decay	Hot Line Clamp		Victor	40 -26-4	Hot line clamp fell off line. Put back on.	Locations Affected 1
4/13/20 6:45 am	4/13/20 7:45 am	Unknown	Line Fuse OH		Wheaton	17 -14-3, 17 -14-2, 885...	Ovh line fuse blown. Patrolled line. Cause unknown.	Locations Affected 5
4/14/20 2:48 am	4/14/20 10:10 am	Vehicle Accident	Pole		Sisseton	47 -20-2C	Car hit pole, had to change pole, transformer and meter	Locations Affected 1
4/14/20 2:49 am	4/14/20 4:53 am	Vehicle Accident	Other		Sisseton	47 -17-2A, 47 -20-2D, 47 -08-1A...	Car hit pole. Had to change pole.	Locations Affected 24
4/14/20 2:49 am	4/14/20 8:35 am	Vehicle Accident	Pole		Sisseton	47 -21-3B	Car hit pole. Had to change pole.	Locations Affected 1
4/14/20 1:18 pm	4/14/20 1:37 pm	Planned/Construction			Beardsley	33 -29-04	Planned outage for transformer change	Locations Affected 1
4/16/20 8:01 am	4/16/20 9:46 am	Unknown	Line Fuse OH		Sisseton	48 -02-1, 48 -12-4, 48 -02-2...	Blown line fuse. Patrolled line, cause unknown.	Locations Affected 3

Start Time	End Time	Cause	Equip Code	Device	Substation	Area	Comments	
4/16/20 12:42 pm	4/16/20 1:22 pm	Planned/Construction			Beardsley	33 -29-3S, 33 -29-3, 33 -29A...	Pulled and grounded elbow to put elbows on for new service.	Locations Affected 7
4/16/20 8:45 pm	4/16/20 10:24 pm	Equipment Failure/Decay	Cutout Failure		Dumont	03 -36-2, 03 -36-3B, 03 -36-3...	Broken cut-out. replaced cut-out	Locations Affected 4
4/16/20 10:10 pm	4/16/20 10:23 pm	Planned/Construction	Cutout Failure		Dumont	03 -34-1A, 03 -34-1, 03 -34-1B...	Planned outage to replace broken cut-out	Locations Affected 13
4/17/20 10:40 am	4/17/20 1:49 pm	Planned/Construction	Other		Beardsley	33 -28-09	Electrician needed power disconnected to repair member's service	Locations Affected 1
4/18/20 3:18 pm	4/19/20 3:20 am	Power Supplier	Sub High Side Fuse		Wheaton	08 -04-4A, 08 -04-4	Blown high side fuse at Wehaton Sub-East River tested sub transformer and re-fused.	Locations Affected 2
4/18/20 5:14 pm	4/18/20 6:05 pm	Power Supplier	Sub High Side Fuse		Wheaton, Dumont	17 -09-1, 17 -19-4, 16 -10-2...	High side fuse blown at Wehaton Substation and backfeed so East River can test transformer	Locations Affected 57
4/18/20 5:14 pm	4/18/20 6:48 pm	Power Supplier	Sub High Side Fuse		Wheaton, Dumont	18 -26-2, 10 -33-4, 17 -15-4...	High side fuse blown at Wehaton Substation and backfeed so East River can test transformer	Locations Affected 85
4/18/20 5:14 pm	4/18/20 6:30 pm	Power Supplier	Sub High Side Fuse		Wheaton	33 -12-4, 25 -26-2A, 25 -33-3B...	High side fuse blown at Wehaton Substation and backfeed so East River can test transformer	Locations Affected 217
4/18/20 5:15 pm	4/18/20 6:19 pm	Power Supplier	Sub High Side Fuse		Wheaton	17 -08-1, 17 -29-3, 24 -26-2...	High side fuse blown at Wehaton Substation and backfeed so East River can test transformer	Locations Affected 39

Start Time	End Time	Cause	Equip Code	Device	Substation	Area	Comments	
4/21/20 9:32 am	4/21/20 9:52 am	Planned/Construction	Other		Doran	29A-26-2	Planned outage for transformer change.	Locations Affected 1
4/21/20 11:24 am	4/21/20 12:41 pm	Planned/Construction	Other		Wheaton	18 -27-3A	Planned outage for transformer change.	Locations Affected 1
4/22/20 6:35 am	4/22/20 9:01 am	Unknown	Transformer Fuse		Sisseton	51 -18-1	Blown transformer fuse	Locations Affected 1
4/22/20 9:48 am	4/22/20 10:17 am	Bird/Animal	Transformer Fuse		Victor	39 -30-1	Blown transformer fuse, Squirrel	Locations Affected 1
4/22/20 1:21 pm	4/22/20 1:46 pm	Planned/Construction			Graceville, Beardsley	37 -23C-L12, 37 -23E-L16, 37 -23A-L1...	Planned outage to cut in transformer	Locations Affected 3
4/22/20 6:25 pm	4/22/20 7:43 pm	Unknown	Line Fuse OH		Graceville	15 -18-3, 15 -17-4, 15 -16-4...	Patrolled line. Found nothing wrong.	Locations Affected 5
4/23/20 9:37 am	4/23/20 11:15 am	Planned/Construction			Wheaton	25 -13-2	Planned outage to change pole.	Locations Affected 1
4/23/20 1:06 pm	4/23/20 2:47 pm	Planned/Construction			Wheaton	25 -25-4	Planned outage for pole change and anchor replacement	Locations Affected 1
4/23/20 2:21 pm	4/23/20 2:48 pm	Unknown	Sub OCR		Wheaton	24 -11-1, 26 -24-1, 26 -26-2...	Sub OCR	Locations Affected 61
4/23/20 5:18 pm	4/23/20 7:45 pm	Unknown			Sisseton	52 -25-2, 52 -25-1A, 52 -24-1...	Blown cutout fuse. Patrolled and found nothing. Refused and held.	Locations Affected 7
4/24/20 12:59 pm	4/24/20 2:27 pm	Planned/Construction			Beardsley	32 -32-2A, 32 -32-2	Planned outage for pole change	Locations Affected 2
4/25/20 1:19 pm	4/25/20 4:15 pm	Vehicle Accident	Pole		Doran	29A-15-1, 29A-14-2A, 29A-23-3...	Pole hit. Got digger out of line, cust in open turned on at 3:20. Replaced pole, Fixed wire. Billable.	Locations Affected 6
4/25/20 1:31 pm	4/25/20 3:20 pm	Vehicle Accident	Pole		Doran	29A-24-4C, 29A-26-4, 29A-24-4A...	Pole hit. Got digger out of line, cust in open turned on at 3:20. Replaced pole, Fixed wire. Billable.	Locations Affected 11
4/25/20 7:15 pm	4/25/20 8:45 pm	Lightning	Transformer Fuse		Graceville	22 -35-2	Blown transformer fuse.	Locations Affected 1
4/25/20 7:15 pm	4/25/20 8:30 pm	Lightning	Transformer Fuse		Graceville	22 -26-1	Blown padmount transformer fuse. Re-fused.	Locations Affected 1

Start Time	End Time	Cause	Equip Code	Device	Substation	Area	Comments	
4/25/20 7:15 pm	4/25/20 8:51 pm	Lightning	Transformer Fuse		Graceville	22 -30-3	Blown transformer fuse. Re-fused transformer.	Locations Affected 1
4/27/20 12:25 pm	4/27/20 2:20 pm	Equipment Failure/Decay	Insulators		Dumont	02 -31-3, 08 -27-2, 02 -30-1...	Pole Fire	Locations Affected 6
4/28/20 10:34 am	4/28/20 11:34 am	Equipment Failure/Decay	Transformer Failure		Wendell	04 -32-3	One phase missing out of transformer, changed transformer	Locations Affected 1
4/29/20 7:00 am	4/29/20 8:05 am	Unknown	Line Fuse OH		Graceville	07 -05-3, 15 -13-1A, 07 -05-4...	Overhead line fuse blown. Cause unknown.	Locations Affected 5
4/29/20 9:52 am	4/29/20 10:12 am	Planned/Construction	Other		Beardsley	38 -20-F6, 38 -20-F4, 38 -20-F8...	Planned outage. Feed through transformer changeout.	Locations Affected 4
4/29/20 10:38 am	4/29/20 11:19 am	Planned/Construction	Jumper		Sisseton	50 -34-3	Planned outage	Locations Affected 1
4/29/20 11:38 am	4/29/20 11:52 am	Planned/Construction	Other		Beardsley	38 -01-18	Planned outage to change transformer.	Locations Affected 1
4/29/20 1:39 pm	4/29/20 2:00 pm	Planned/Construction	Other		Beardsley	30 -02-3, 31 -34-1A, 30 -04-2...	Planned outage to replace burnt pole top. Shut off to reframe	Locations Affected 7
4/30/20 1:07 pm	4/30/20 1:30 pm	Planned/Construction	Other		Wendell	03 -10-4	Planned outage for transformer change.	Locations Affected 1

BOARD REPORT
Safety and Compliance
Traverse Electric Cooperative, Inc.
April 2020

MANAGEMENT

- ✓ MREA Safety Service Day #1 on 04/02/20
- ✓ US Department of Labor Guidance on OSHA Recordables and Recordkeeping on 04/14/20
- ✓ Safety Recommendation – Expiring CDL Licenses and Medical Certificates on 04/16/20
- ✓ Safety Recommendation – MN DEED Guidance for Businesses Safely Returning to Work on 04/27/20
- ✓ Centers for Disease Control Reopening Guidance for Cleaning and Disinfecting on 04/30/20

	Not Started	In Progress	Completed
AWAIR/SIP Goals			
1. Review OSHA Inspection Action Plan with Employees	✓		
2. Continue Linemen Peer to Peer Inspections of PPE	✓		
3. Inspect All Extension/Electrical Cords	✓		
4. Focus on Improving Safe Work Practices – “What Should We Do that We Aren’t Doing?”	✓		

EDUCATION

<u>Topic</u>	<u>Audience</u>	<u>Date</u>	<u>Presenter</u>
Monthly Newsletter – Emergency Preparedness	All employees	03/11/20	STAR
Cooperative Connections – Electrical Safety Tips, Cybersecurity, and Flood Safety	Members, Public	04/20	TEC
Monthly Poster – Hand Washing: Prevent Spread of COVID-19	All employees	04/01/20	STAR
Safety Bulletin Board – Sun Protection, Tornado Watch vs. Warning	All employees	04/01/20	STAR
I-Safety: Fatigue in the Workplace	Operations/Tech	04/02/20	MREA
Be Safe – Staying Focused and Safe During Critically Stressful Times	All employees	04/06/20	STAR
Be Safe – Road and Ditch Conditions	All employees	04/13/20	STAR
Be Safe – Leather Insulating Glove Protectors	Operations/Tech	04/20/20	STAR
MREA Download on Safety	All employees	04/21/20	TEC
MREA Safety Pallet	All employees	04/21/20	TEC

INSPECTIONS

No items reported during this period.

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

No new events 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: 0

Date	Type	Description	Actions



2019 Safety Year in Review

A Review of Traverse Electric's Safety Program

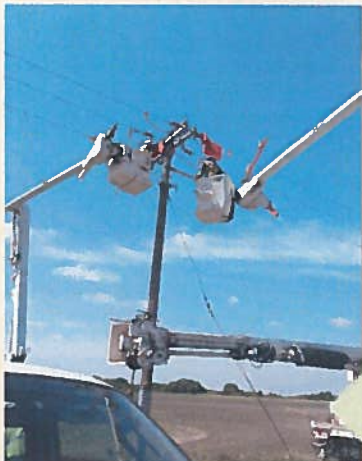


A publication of STAR Energy Services LLC,
working with Traverse Electric to facilitate
their safety program.

"Safety is a serious issue...and
for Traverse Electric it's the
number one priority."



Message from Joel Janorschke,
General Manager



Crew changing out a pole;
working energized

Providing a Firm Foundation for Safety Culture

Safety Committee

The Safety Committee
was steered by:

- Dale Schwagel
- Joe Gahlon
- Joel Janorschke
- Karen Lupkes
- Rick Davis
- Carl Henning (STAR)
- Lisa Tickhill (STAR)

AWAIR Goals

The Safety Committee set
seven AWAIR goals for
2019 in compliance with
the Minnesota OSHA
program. AWAIR is A
Workplace Accident and
Injury Reduction program
that instills a "managed"
approach to safety. The
2019 goals and status are
shown below.

Monthly Reporting

Monthly safety reports
were provided to the
Board of Directors to
summarize the activities of
the safety system
components.

Committee Meetings

The Safety Committee met
four times in 2018.

- March 13
- June 13
- September 12
- December 12

Dale Schwagel and Rick
Davis also attended the
Joint Operations Safety
Discussion meetings at
STAR on April 16 and
December 10.

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

2019 AWAIR Goals

1. Implement a plan to appropriately handle an
unannounced OSHA visit – **In Progress**
2. Provide De-escalation Training for employees
– **Completed**
3. Focus on inspections - **Completed**

Validating Our Safety Program

- Validation #1 – Traverse Electric participated in RESAP (Rural Electric Safety Achievement Program) through NRECA. The RESAP program promotes a continuous process of achieving safety excellence.
- Validation #2 – In March 2019, Federated Rural Electric Insurance Exchange conducted its annual safety and loss control review of our Cooperative.

Safe Work Practices and Welcoming New Colleagues

In December 2018, the Safety Committee approved the final document "TEC's Core Safety Rules and Safe Work Practices". During 2019, the new Core Safety Rules and revised Safe Work Practices were shared with the employee group as part of the annual compliance training and content was regularly reviewed with employees through monthly Be Safes.

Changes in the employee group meant training new colleagues. The Core Safety Rules and Safe Work Practices provided a strong framework for integrating new colleagues.

Our Safety Education Program

2019 Highlights: Job & Safety Related Events

Our employees attended a number of specialized safety events, including:

- Hotline School
- REMA Line Superintendents Conference
- Lineworker Conference
- STAR Joint Operations Safety Discussion Meetings



Employee Newsletters

Employees received monthly safety newsletters to keep them informed about safety issues, provided by STAR, MREA, and SDREA. Topics included:

- Fatigue and Improving Sleep
- Driver and Pedestrian Safety
- Burns and Appropriate Medical Treatment
- Winter Driving
- Preventing Shoveling and Snow Blowing Injuries

"Be Safes"

Safety information was shared, often weekly. Delivery was shared between STAR and Traverse Electric employees. Topics included:

- Overhead Lines and Equipment
- Public Safety
- Office Ergonomics
- Hands-Free MN
- Pulling and Setting Poles
- Avoiding Complacency
- Safe Backing and Setting Your Mirrors
- Arc Flash Clothing

Posted Messages

Throughout 2019, the employees received general safety reminders and guidance via monthly safety posters and items posted on the safety bulletin board. Topics included:

- Radon
- Eye Injuries
- Forklift Safety Tips
- Flood Safety
- Electric Shock Drowning
- Trench Safety
- Harvest Season Driving Tips
- How to Use a Fire Extinguisher

Formal Safety Training

Formal safety training was provided through various resources and in varying formats. A sampling of topics for 2019 are shown below for our three employee groups. The employees also attended off-site training.

Field Employees

- Annual Safety Training
- Accident Investigation
- AED Training
- Bucket and Pole Top Rescue
- De-escalation Techniques
- Disaster Plan Review
- Electric Meter Safety
- Excavation Competent Person
- Hot Work
- Job Briefing App
- Tree Trimming
- Overhead Connections
- System Hazard Recognition
- 29 Be Safes

Technicians/Facility Employees

- Annual Safety Training
- AED Training
- Bucket Rescue
- De-escalation Techniques
- Disaster Plan Review
- Electric Meter Safety
- System Hazard Recognition
- 18 Be Safes

Office Employees

- Annual Safety Training
- AED Training
- De-escalation Techniques
- Disaster Plan Review
- System Hazard Recognition
- 10 Be Safes

System Hazard Recognition

Presented by Carl Henning (CLCP), Safety Coordinator

Pole-top Rescue Training



Chainsaw Safety Training

AED Installations

In November, Traverse Electric purchased and received three Automated External Defibrillators. These were installed in the bucket trucks. Hands on training was delivered in December.



Safety Performance

Reported Events

In 2019, Traverse Electric had three events – none of these were injuries

Reported events were:

- Near miss (slipped wrench)
- Co-op vehicle damage (soft shoulder)
- Oil spill and cleanup

Incident Rates

This rate is for cases recorded on the OSHA 300 Log.

DART Rate

This rate is for all cases that kept an employee away from, days of restricted work activity, and/or job transfer.

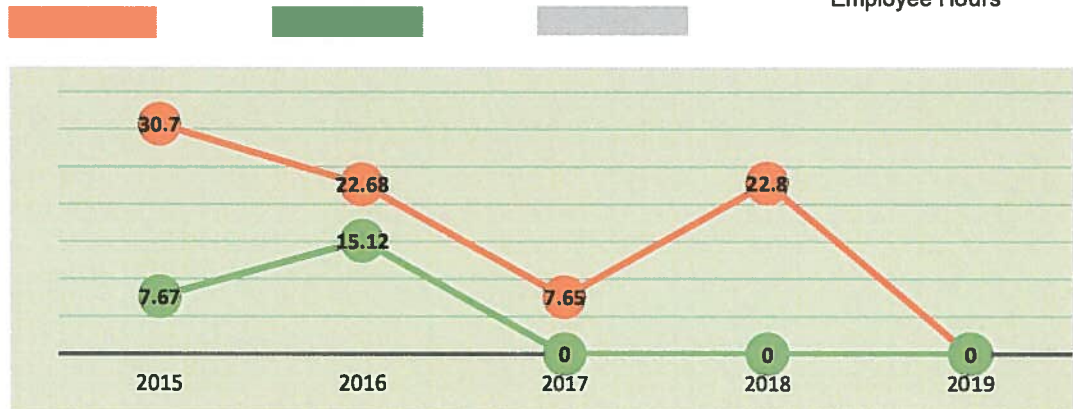
Lost Work Rate

This rate is for cases that prevented an employee from coming to work.

The Calculation

Each "rate" is calculated based on cases recorded and hours worked during the year.

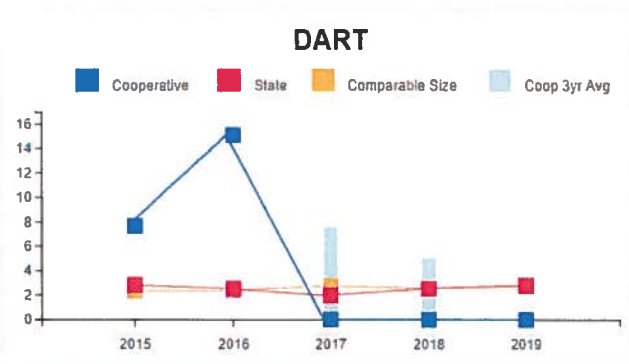
$$\frac{\text{No. Cases} \times 200,000}{\text{Employee Hours}}$$



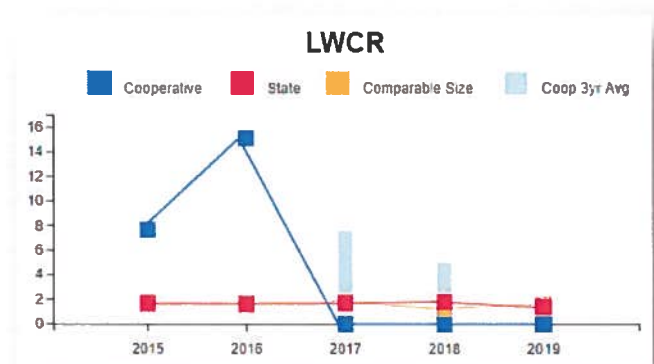
Interpreting the chart above: The general trend of OSHA recordable injuries continues to fall. Where the DART and Lost Work rates are equal their lines overlap which is why you only see the DART rate.

Comparative Data

(NRECA RESAP Website)



DART Rates



Lost Work Rates

Traverse continues to have lower Days Away and Job Restriction rates as well as Lost Work rates in comparison to the State average and those of comparative sized co-operatives.

TEC Employees Practicing and Sharing Safety Knowledge



Traverse Electric 2019 Service Reliability Report



2019 Service Reliability Report

Purpose

The purpose of this report is to review Traverse Electric Cooperative's (referred to as TEC) service reliability and Service Quality on our distribution system from 2010-2019. On January 31, 2003, the MINNESOTA DEPARTMENT of COMMERCE submitted to the MINNESOTA LEGISLATURE Distribution Rules for Electric Utilities, also known as the Service Reliability Service Quality (SRSQ) rules. This report addresses all these standards and reporting requirements.

Scope

This report will analyze Traverse Electric Cooperative's system using operations history over previous years and compare it to the industry standards. It will also make recommendations accordingly. The reliability report calculations are based on the (IEEE) standard indices for system performance as defined below:

SAIDI = *System Average Interruption Duration Index*

Sum of Member Outage Minutes
Avg # of Members per Year

Sum of member outage minutes/Total number of members. This is the average outage time in minutes for each member on Traverse's system.

SAIFI = *System Average Interruption Frequency Index*

Total Number of Member Outages
Avg # of Members per Year

Total number of member outages > 1 minute/Total number of members. This is the average number of outages greater than one minute for each member on Traverse's system.

CAIDI = *Customer Average Interruption Duration Index*

Sum of Member Minutes Off
Total # of Members Outages

Sum of member outage minutes/Total number of member outages > 1 minute. This is the average length of an outage for members that actually experienced an outage greater than one minute.

Abbreviations referenced:

(CMO) Customer Minutes Off

(CHO) Customer Hours Off

(ATPII) Average Time per Interruption Index

(MAIFI) Momentary Average Interruption Frequency Index

(SCADA) Supervisory Control and Data Acquisition.

Notes: Number of customers served is taken from the form 7 number from the ending of that calendar year.

SRSQ Reported Items

1) Average Call Center Response Time.

CRC's overall response time to calls for all their cooperatives in 2019 was 43 seconds. Average Speed of Answer, Traverse Electric Cooperative is specifically running at 35 seconds. 3,470 calls were completed to CRC in 2019 which was an increase in call volume. 1,702 calls were answered by a CSR, 1,470 receiving the front-end greeting, and 80 IVR tickets were taken. Crews were dispatched on an average of 2.92 minutes on the first attempt, and 11 minutes if multiple attempts were required. As for daytime response time, initial phone calls are answered by Traverse Electric Cooperative's MSR's live with a possible hold/busy message.

Cooperative Response Center, Inc. (CRC) Traverse Electric Cooperative, Inc. Summary of 2019 Call Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Consumer Calls Received	546	140	258	179	213	247	196	306	214	279	247	645	3470
CSR Answered	209	98	127	103	125	125	96	125	121	124	124	325	1702
Net All IVR Ans	6	1	29	3	3	6	2	4	3	1	0	22	80
All Greeting	333	34	71	50	70	80	82	132	84	149	117	268	1470
Total Consumer Calls Completed	545	133	227	156	198	211	180	261	207	273	241	599	3231
Total Incomplete Calls	1	7	31	23	15	36	16	45	7	6	6	46	239
Consumer Calls Completed %	100	95	88	87	93	85	92	85	97	98	98	93	93
Overall ANI Match	281	30	115	54	58	102	86	144	103	69	53	261	1356
Consumer Avg Wait Time	8	36	38	58	51	68	56	44	18	28	24	27	35
Consumer Avg Wait All Coops	26	44	24	47	63	83	49	40	26	35	35	32	43
Dispatch Received	20	17	24	16	22	21	22	27	28	26	21	84	328
Dispatch Answered	20	17	23	16	22	18	21	27	27	23	20	81	315
Dispatch Answered %	100	100	96	100	100	86	95	100	96	88	95	96	96
Avg Disp Time	3.85	2.55	2.71	2.94	3.19	4.29	2.90	2.80	2.19	2.82	1.67	3.13	2.92
Dispatch Avg Wait Time	5	13	19	7	16	11	11	22	14	11	2	6	11
Disp Avg Wait All Coops	6	12	5	9	13	24	15	11	8	9	8	6	11

2) Customer disconnection rate.

In 2019, disconnect service orders were issued for nonpayment for accounts that were 60 days past due. This resulted in 24 collection visits and 17 service disconnects. Oftentimes, payment or payment arrangements are made to prevent disconnection prior to the shut off date. Accounts issued disconnection service orders represented about 1% of the total number of active accounts. This is down from 21 disconnect service orders issued and 23 collection visits in 2018.

3) Meter reading frequency

Traverse Electric has begun upgrading our current Automated Meter Reading (AMR) system to the new Advanced Metering Infrastructure (AMI). AMI is an integrated system of smart meters, communications networks, and data management systems that enables two-way communication between the cooperative and the member. The system will enhance efficiency, improve reliability, and help keep future costs down for members and the cooperative.

4) **Complaint resolution response time.**

Complaints are handled in a timely manner and by the departments affected. Billing & Maintenance needs are usually handled immediately, Service Orders are categorized by problem type.

5) **Service extension request response time.**

Electric service within our service territory is provided to members based on cooperative policy and applicable service fees. Line extensions are scheduled on a first come basis and are completed as soon as possible.

6) **Recording of service and circuit interrupter data.**

Each outage is verified by the Operations Manager the following morning then turned over to the Office Manager for final documentation.

7) **Summary Reporting**

(See following Report)

8) **Historical reliability performance reporting.**

(See following Report)

9) **Notices of interruption of bulk power supply facilities and other interruptions of power.**

When feasible, notice is given to Members for planned outages. Any member placed on the notification list, will be given notice of the planned outages. We utilize CRC for completing most of these notice calls for outages.

10) **Customer Complaints** (See Complaint Resolution response time)

History & Statistics

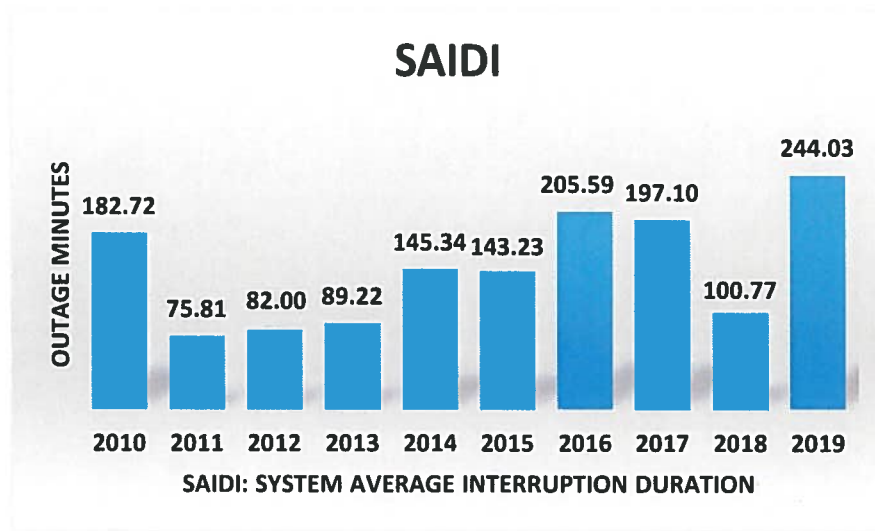
TEC provided power to 3,185 members to date December 31st, 2019 (Form7) —a growth of 11% since serving 2,871 members December 31st, 2010. TEC is served by 10 substations that are owned and maintained by East River Electric Cooperative. TEC maintains 34 active substation feeder circuits consisting of 1,167 miles of overhead line and 547 miles of underground cable.

TEC members, in 2010, experienced 8,468 customer-hours off (CHO) – 2,871 Members
TEC members, in 2011, experienced 3,627 customer-hours off (CHO) – 2,871 Members
TEC members, in 2012, experienced 3,837 customer-hours off (CHO) – 2,966 Members
TEC members, in 2013, experienced 4,232 customer-hours off (CHO) – 3,039 Members
TEC members, in 2014, experienced 7,049 customer-hours off (CHO) – 3,086 Members
TEC members, in 2015, experienced 7,027 customer-hours off (CHO) – 3,113 Members
TEC members, in 2016, experienced 10,194 customer-hours off (CHO) – 3,154 Members
TEC members, in 2017, experienced 9,852 customer-hours off (CHO) – 3,185 Members
TEC members, in 2018, experienced 5,087 customer-hours off (CHO) – 3,179 Members
TEC members, in 2019, experienced 12,502 customer-hours off (CHO) – 3,185 Members

Misc. – Non Planned

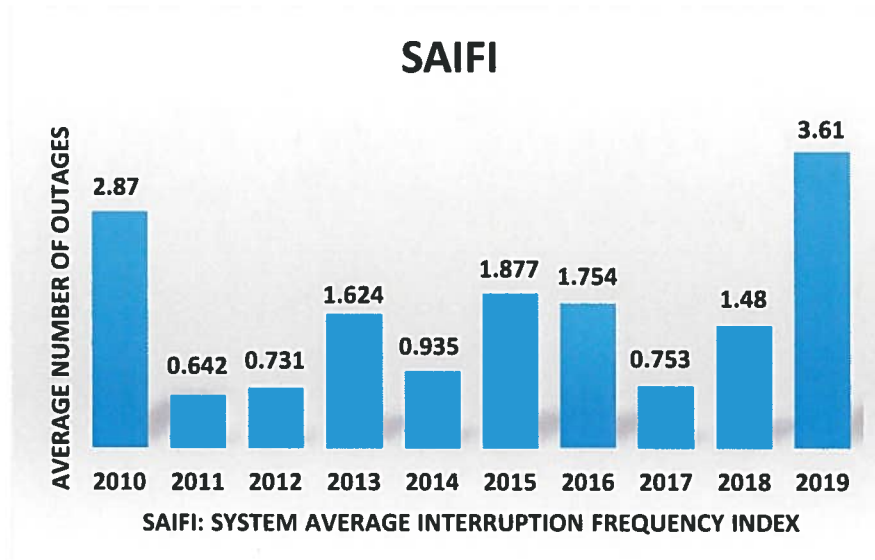
2010 - TEC had a reported 351 outages, an average of 22 customers affected by each of these conditions.
2011 - TEC had a reported 245 outages, an average of 7 customers affected by each of these conditions.
2012 - TEC had a reported 165 outages, an average of 12 customers affected by each of these conditions.
2013 - TEC had a reported 212 outages, an average of 22 customers affected by each of these conditions.
2014 - TEC had a reported 233 outages, an average of 11 customers affected by each of these conditions.
2015 - TEC had a reported 206 outages, an average of 26 customers affected by each of these conditions.
2016 - TEC had a reported 289 outages, an average of 18 customers affected by each of these conditions.
2017 - TEC had a reported 244 outages, an average of 9 customers affected by each of these conditions.
2018 - TEC had a reported 230 outages, an average of 14 customers affected by each of these conditions.
2019 - TEC had a reported 278 outages, an average of 12 customers affected by each of these conditions.

Traverse Electric's Reliability Indices



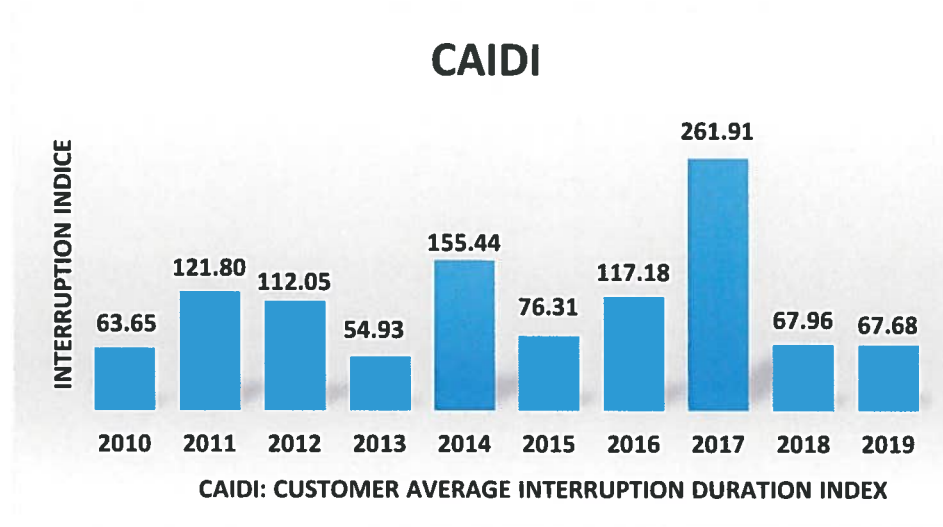
- This is the average outage time in minutes for each member on Traverse's system.
- Total Membership experienced an average of 244.03 minutes (4hr 4min) in 2019.

Traverse Electric's Reliability Indices



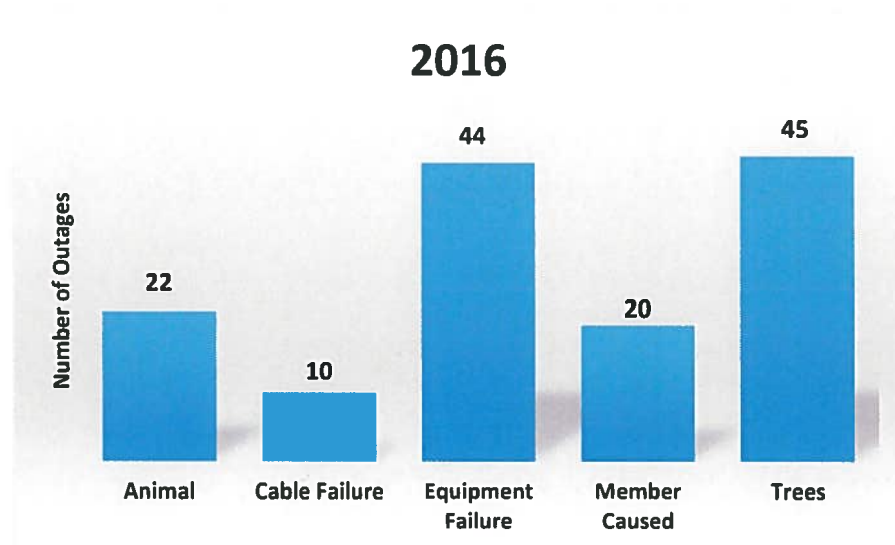
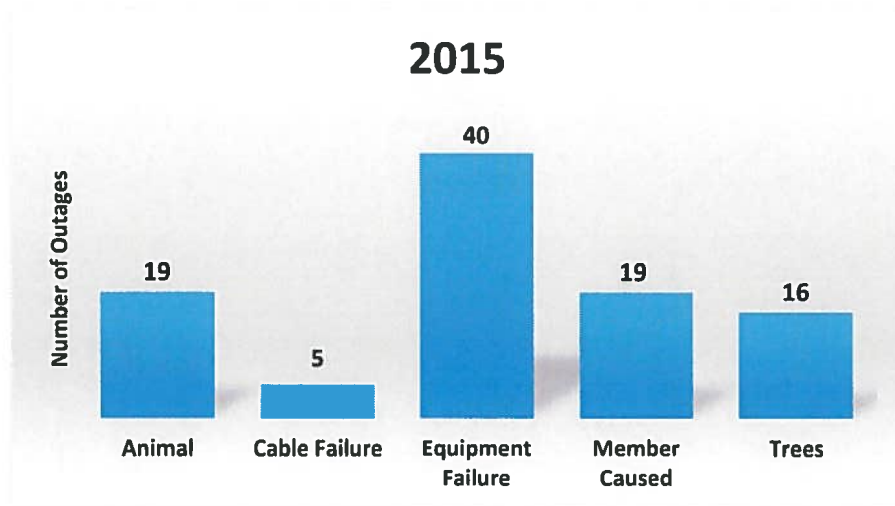
- This is the average number of outages greater than one minute for each member on Traverse's system.
- The total membership experienced 3.61 outages in 2019.

Traverse Electric's Reliability Indices

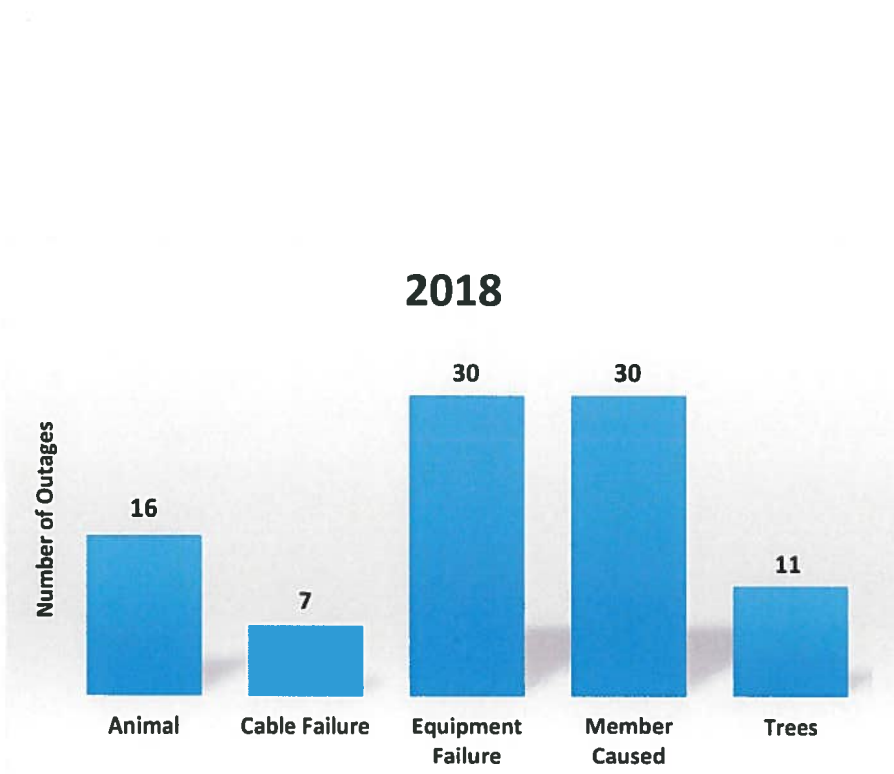
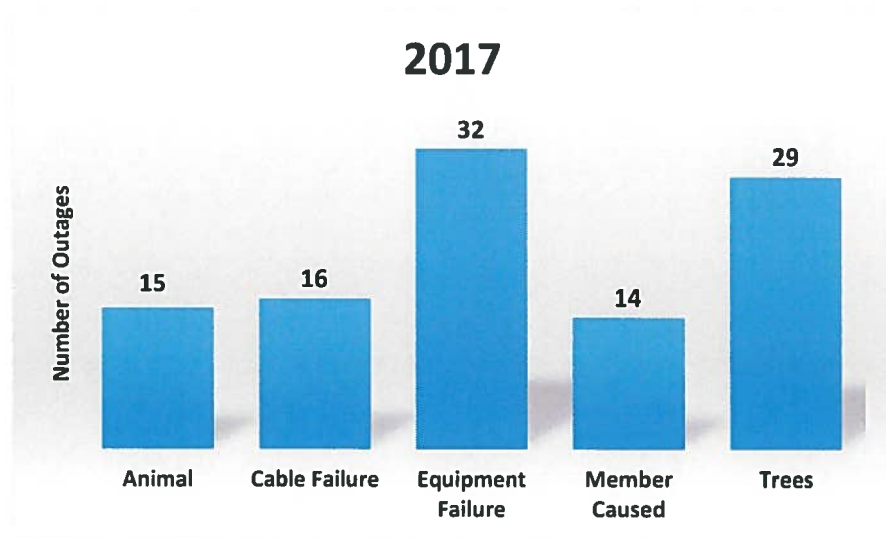


- This is the average length of an outage for customers that actually experienced an outage greater than one minute. This number can fluctuate up or down through a given year.
- For those members that experienced an outage averaged 67.68 minutes (1hr 7min) per interruption in 2019.

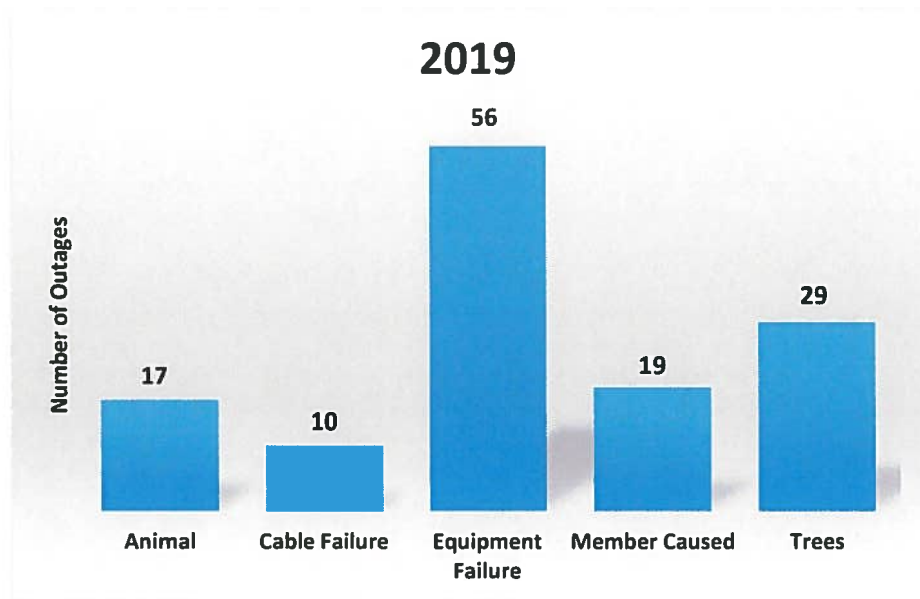
Most Common Types of Outages 2015 – 2019



Most Common Types of Outages 2015 – 2019

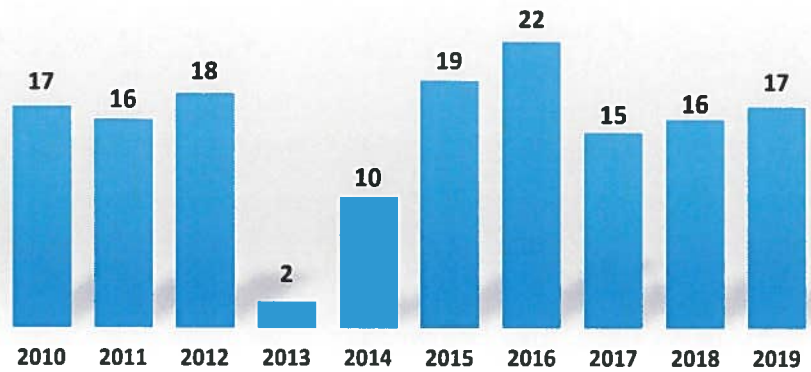


Most Common Types of Outages 2015 – 2019

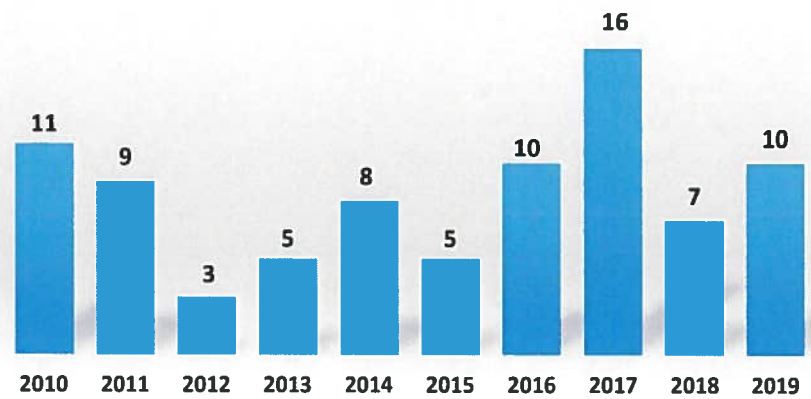


Power Quality Project Success

Animals

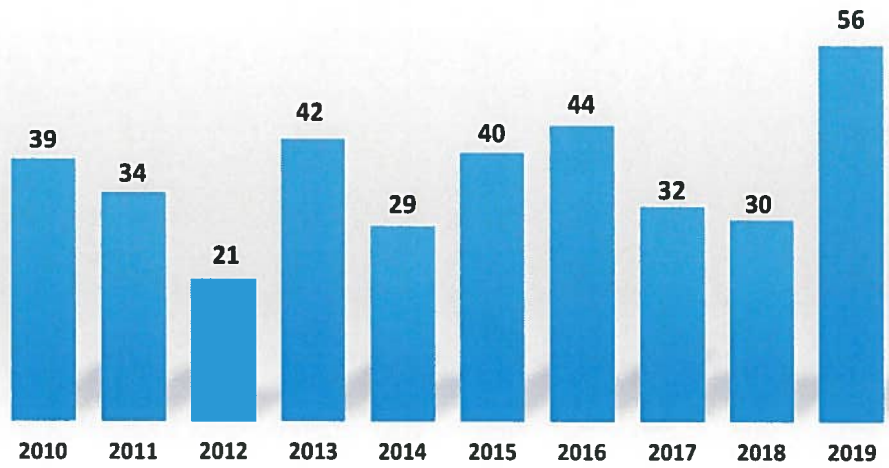


Cable Failures

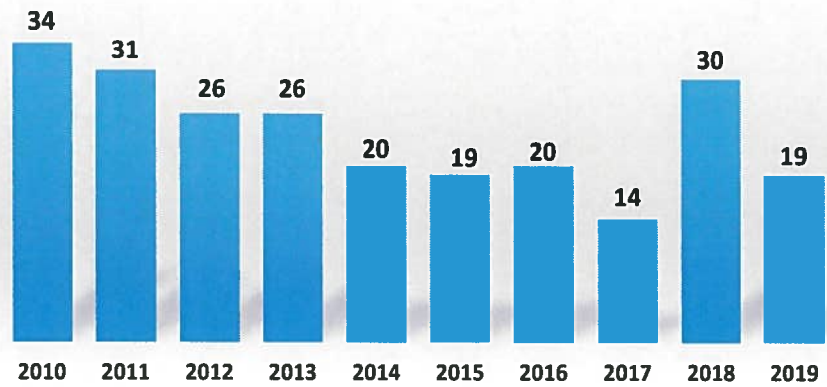


Power Quality Project Success

Equipment Failures

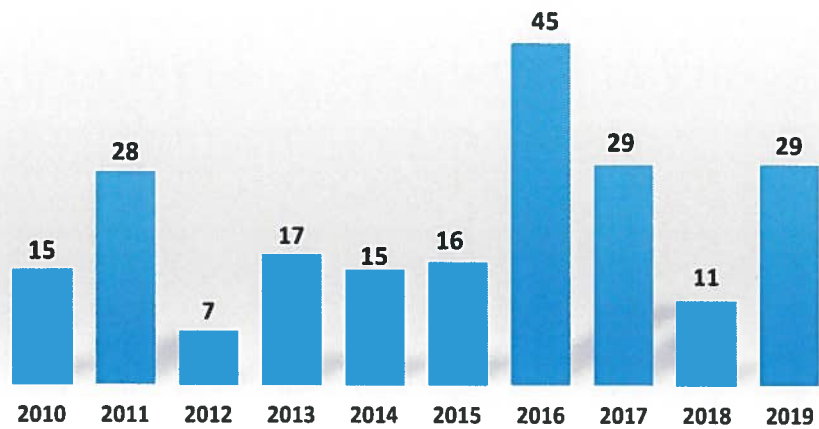


Member Caused

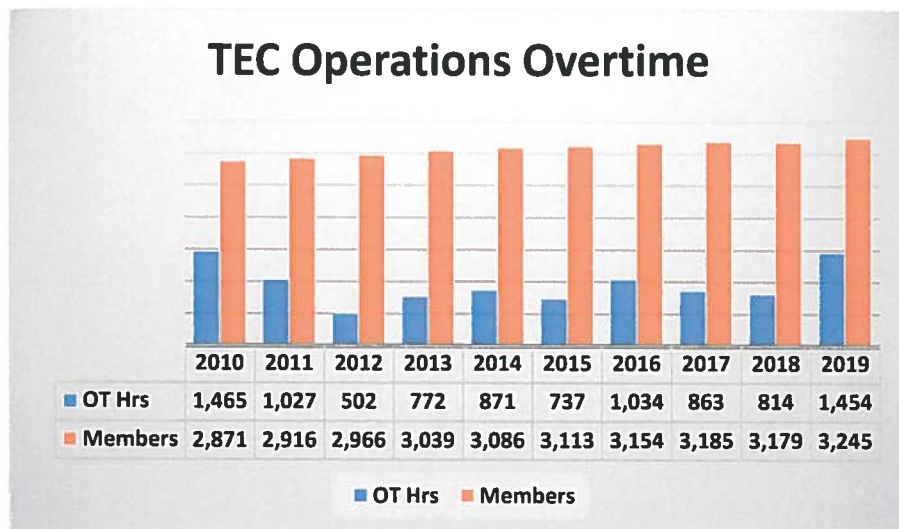


Power Quality Project Success

Trees



Operations Overtime



East River Electric Power Cooperative Transmission Reliability

Traverse Outage Summary 1/1/2019 to 12/31/2019
Total Outage Count: 20

Substation	Off Date	Off Time	On Date	On Time	Outage Duration (Minutes)	Customer Count	Customer Hours Off	Codes	Comments
Sisseton	1/18/2019	1:32	1/18/2019	1:32	0	543	0	Weather, Ice	
Victor	1/18/2019	1:32	1/18/2019	1:32	0	483	0	Weather, Ice	
Dome	1/19/2019	1:48	1/19/2019	1:48	0	1	0	Power Supplier	
Wheaton	1/19/2019	1:48	1/19/2019	1:48	0	347	0	Power Supplier	
Sisseton	1/21/2019	15:33	1/21/2019	15:33	0	543	0	Weather, Ice	
Victor	1/21/2019	15:33	1/21/2019	15:33	0	483	0	Weather, Ice	
Sisseton	1/21/2019	16:19	1/21/2019	16:19	0	543	0	Weather, Ice	
Victor	1/21/2019	16:19	1/21/2019	16:19	0	483	0	Weather, Ice	
Sisseton	1/21/2019	16:31	1/21/2019	16:31	0	543	0	Weather, Ice	
Victor	1/21/2019	16:31	1/21/2019	16:31	0	483	0	Weather, Ice	
Sisseton	1/21/2019	16:33	1/21/2019	16:33	0	543	0	Weather, Ice	
Victor	1/21/2019	16:33	1/21/2019	16:33	0	483	0	Weather, Ice	
Sisseton	1/21/2019	16:39	1/21/2019	16:44	5	543	45.25	Weather, Ice	Ice falling off line
Victor	1/21/2019	16:39	1/21/2019	16:44	5	483	40.25	Weather, Ice	Ice falling off line
Sisseton	1/21/2019	16:46	1/21/2019	17:25	39	543	352.95	Weather, Ice	Ice falling off line
Victor	1/21/2019	16:46	1/21/2019	17:25	39	483	313.95	Weather, Ice	Ice falling off line
Doran	2/28/2019	5:41	2/28/2019	5:41	0	213	0	Power Supplier	
Veblen	3/14/2019	3:27	3/14/2019	4:32	65	1	1.08	Power Supplier	OTPC / weather in the area
Sisseton	3/14/2019	11:44	3/14/2019	11:46	2	543	18.1	Weather, Ice	Ice Storm
Victor	3/14/2019	11:44	3/14/2019	11:46	2	483	16.1	Weather, Ice	Ice Storm
Beardsley	3/14/2019	11:57	3/14/2019	12:50	53	630	556.5	Power Supplier	Ice Storm
Beardsley	3/14/2019	14:09	3/14/2019	14:32	23	630	241.5	Power Supplier	Ice Storm
Sisseton	3/14/2019	14:09	3/14/2019	14:34	25	543	226.25	Weather, Ice	Ice Storm, subs transferred
Veblen	3/14/2019	14:09	3/14/2019	14:11	2	1	0.03	Power Supplier	OTPC / weather in the area
Victor	3/14/2019	14:09	3/14/2019	14:22	13	483	104.65	Weather, Ice	Ice Storm, subs transferred
Sisseton	3/14/2019	15:21	3/14/2019	15:29	8	543	72.4	Weather, Ice	Ice Storm, prior outage on 1152
Sisseton	3/16/2019	12:05	3/16/2019	12:22	17	543	153.85	Weather, Snow Storm	Burnt phase
Victor	3/16/2019	12:05	3/16/2019	12:25	20	483	161	Weather, Snow Storm	Burnt phase
Sisseton	3/16/2019	12:51	3/16/2019	12:56	5	543	45.25	Weather, Snow Storm	Burned down phase Sec 7 tap 36 pole 103
Dumont	4/7/2019	0:36	4/7/2019	0:36	0	164	0	Power Supplier	
Wheaton	4/7/2019	0:36	4/7/2019	0:36	0	347	0	Power Supplier	
Wendell	4/29/2019	7:46	4/29/2019	9:00	74	205	252.83	Power Supplier	OTPC had a pole top burn off.
Sisseton	5/2/2019	22:19	5/2/2019	22:19	0	543	0	Unknown	
Victor	5/2/2019	22:19	5/2/2019	22:19	0	483	0	Unknown	
Beardsley	5/7/2019	2:23	5/7/2019	2:23	0	630	0	Power Supplier	
Sisseton	5/7/2019	15:43	5/7/2019	15:43	0	543	0	Unknown	
Victor	5/7/2019	15:43	5/7/2019	15:43	0	483	0	Unknown	
Sisseton	5/11/2019	9:38	5/11/2019	9:38	0	543	0	Unknown	
Victor	5/11/2019	9:38	5/11/2019	9:38	0	483	0	Unknown	
Dumont	5/16/2019	0:43	5/16/2019	0:43	0	164	0	Power Supplier	
Beardsley	5/16/2019	0:55	5/16/2019	0:55	0	630	0	Power Supplier	
Graceville	5/16/2019	0:55	5/16/2019	0:55	0	209	0	Power Supplier	
Dumont	6/4/2019	11:36	6/4/2019	11:36	0	164	0	Power Supplier	
Dome	6/13/2019	10:01	6/13/2019	12:42	161	1	0	Sched. Outage, Preventative Maint., Coop Load Transfer	Change poles
Veblen	6/15/2019	7:16	6/15/2019	11:01	225	1	3.75	Mechanical Failure, Failed Insulator	Broken insulator on metering,
Veblen	6/15/2019	11:01	6/15/2019	11:44	43	1	0	Mechanical Failure, Failed Insulator	Broken insulator on metering,
Graceville	6/27/2019	7:20	6/27/2019	7:20	0	209	0	Power Supplier	
Graceville	6/30/2019	9:12	6/30/2019	9:12	0	209	0	Unknown	
Graceville	7/1/2019	4:32	7/1/2019	4:34	2	209	6.97	Power Supplier	OTPC reports an issue with their breaker
Graceville	7/1/2019	4:46	7/1/2019	5:32	46	209	160.23	Power Supplier	OTPC reports an issue with their breaker
Veblen	7/15/2019	10:12	7/15/2019	11:17	65	1	1.08	Other	Tank Move 19/51
Beardsley	7/19/2019	9:07	7/19/2019	9:07	0	630	0	Power Supplier	
Beardsley	7/19/2019	9:23	7/19/2019	9:23	0	630	0	Power Supplier	
Sisseton	7/19/2019	9:42	7/19/2019	9:42	0	543	0	Weather, Thunderstorm	
Victor	7/19/2019	9:42	7/19/2019	9:42	0	483	0	Weather, Thunderstorm	
Sisseton	7/19/2019	10:07	7/19/2019	10:07	0	543	0	Weather, Thunderstorm	
Victor	7/19/2019	10:07	7/19/2019	10:07	0	483	0	Weather, Thunderstorm	
Dumont	7/19/2019	10:11	7/19/2019	10:11	0	164	0	Power Supplier	

Graceville	7/19/2019	10:11	7/19/2019	10:11	0	209	0	Power Supplier	
Veblen	7/28/2019	9:02	7/28/2019	9:02	0	1	0	Power Supplier	
Dumont	7/28/2019	17:51	7/28/2019	17:51	0	164	0	Power Supplier	
Graceville	7/28/2019	17:51	7/28/2019	17:51	0	209	0	Power Supplier	
Doran	8/5/2019	15:08	8/5/2019	17:26	138	213	489.9	Animal in Circuit	
Veblen	8/7/2019	8:56	8/7/2019	9:20	24	1	0.4	Power Supplier	
Veblen	8/15/2019	18:40	8/15/2019	18:40	0	1	0	Power Supplier	
Veblen	8/17/2019	18:33	8/17/2019	18:33	0	1	0	Power Supplier	
Veblen	8/20/2019	7:47	8/20/2019	7:47	0	1	0	Power Supplier	
Wendell	8/26/2019	12:32	8/27/2019	14:52	1580	205	0	Sched. Outage, Preventative Maint., Coop Load Transfer	
Sisseton	8/30/2019	14:56	8/30/2019	14:56	0	543	0	Unknown	
Victor	8/30/2019	14:56	8/30/2019	14:56	0	483	0	Unknown	
Doran	9/2/2019	18:45	9/2/2019	18:45	0	213	0	Power Supplier	
Veblen	9/2/2019	19:14	9/2/2019	19:14	0	1	0	Power Supplier	
Dumont	9/4/2019	10:18	9/4/2019	10:18	0	164	0	Power Supplier	
Beardsley	9/17/2019	1:20	9/17/2019	2:27	67	630	703.5	Power Supplier	
Wendell	9/17/2019	4:55	9/17/2019	4:55	0	205	0	Power Supplier	
Veblen	9/18/2019	1:03	9/18/2019	1:03	0	1	0	Power Supplier	
Beardsley	10/5/2019	16:40	10/5/2019	18:05	85	630	892.5	Power Supplier	
Veblen	10/5/2019	16:40	10/5/2019	17:14	34	1	0.57	Power Supplier	
Veblen	10/16/2019	16:46	10/16/2019	16:49	3	1	0.05	Power Supplier	
Wheaton	10/24/2019	9:13	10/24/2019	9:22	9	347	0	Sched. Outage, Preventative Maint., Coop Load Transfer	
Veblen	10/31/2019	16:51	10/31/2019	16:51	0	1	0	Power Supplier	
Victor	11/19/2019	16:25	11/19/2019	17:05	40	483	322	Preventative Maintenance	
Sisseton	12/13/2019	13:13	12/13/2019	15:05	112	543	1013.6	Preventative Maintenance	
Sisseton	12/25/2019	1:01	12/25/2019	3:11	130	543	1176.5	Frost	
Victor	12/25/2019	1:01	12/25/2019	1:52	51	483	410.55	Frost	
Sisseton	12/25/2019	11:23	12/25/2019	11:23	0	543	0	Frost	
Victor	12/25/2019	11:23	12/25/2019	11:23	0	483	0	Frost	
Sisseton	12/25/2019	14:36	12/25/2019	14:36	0	543	0	Frost	
Victor	12/25/2019	14:36	12/25/2019	14:36	0	483	0	Frost	
Beardsley	12/25/2019	14:51	12/25/2019	14:51	0	630	0	Frost	
Veblen	12/25/2019	14:51	12/25/2019	14:51	0	1	0	Frost	
Victor	12/25/2019	19:41	12/25/2019	19:42	1	483	8.05	Unknown	
Veblen	12/29/2019	18:51	12/29/2019	18:51	0	1	0	Weather, Snow Storm, Wind	
Veblen	12/29/2019	19:02	12/29/2019	19:02	0	1	0	Weather, Snow Storm, Wind	
Dumont	12/30/2019	4:37	12/30/2019	4:37	0	164	0	Weather, Snow Storm, Wind, Power Supplier	
Dumont	12/30/2019	4:41	12/30/2019	4:41	0	164	0	Weather, Snow Storm, Wind, Power Supplier	
Dumont	12/30/2019	4:43	12/30/2019	4:43	0	164	0	Weather, Snow Storm, Wind, Power Supplier	
Dumont	12/30/2019	4:52	12/30/2019	4:52	0	164	0	Weather, Snow Storm, Wind, Power Supplier	
Dumont	12/30/2019	4:53	12/30/2019	4:53	0	164	0	Weather, Snow Storm, Wind, Power Supplier	
Dumont	12/30/2019	4:57	12/30/2019	6:04	67	164	183.13	Snow Storm, Power Supplier	

Recommendations and Improvements

- ▣ Increase system maintenance programs & work plan projects to replace aging facilities:
 - Continue programs to locate and analyze URD and OH facilities that need replacement. Utilize varying programs to improve system reliability.
 - Continue to replace equipment identified in engineering sectionalizing study.
 - Continue locating and replacing transformers that are not sized appropriately.
 - Continue installing & replacing fault-locating equipment on underground and overhead facilities.
 - Continue installing sectionalizing equipment on existing underground as needed.
 - Continue to replace aged primary underground risers on existing underground circuits.
 - Continue to utilize technologies to increase system and crew safety.
- ▣ Continue to replace failing underground primary wire where needed (as per work plan).
- ▣ Continue maintenance programs for Right-of-Way Clearing and incorporate spraying into the Right-of-Way Clearing program.
- ▣ Continue using AMI (Advanced Metering Infrastructure) data of the Traverse Electric service territory. Valuable operations information, i.e. outage detection, blink counts, poor signal strength—which can mean failing equipment or tree problems.
- ▣ Continue Pole Testing/Treatment, Line Patrol and incorporate Thermal Imaging, URD inspection into the program.
- ▣ Develop a new GIS map for quicker response, better notice to members, better load balancing, and quicker line design.
- ▣ Continuing to utilize CRC for outage notifications.

Short & Long-Term Goals

Operational Goals – Short and Long-Term Goals

- ▣ Meet or exceed all our indices goals.
- ▣ Integrate new Smart Grid technologies as they become available and affordable.
- ▣ Implement Contingency and Long-Range plans within work plan.
- ▣ Continue to operate efficiently, fiscally responsible, and provide reliable electric service in a competitive market.
- ▣ Continue to utilize our system resources to operate safely.
- ▣ Continue our Right of Way Clearing and maintain a 5-year system rotation, to reduce tree related outages. Right of Way spraying will be introduced in 2020.
- ▣ Aggressively replace aged Overhead and Underground conductor to reduce outages and improve reliability.
- ▣ Continue to investigate feasibility to install downstream line distribution SCADA for switching and sectionalizing circuits from the office to reduce overtime and outage duration. (Smart Grid Technology.)
- ▣ Utilize AMI (Advanced Metering Infrastructure) data of the Traverse Electric service territory. Valuable operations information, i.e. outage detection, blink counts, poor signal strength—which can mean failing equipment or tree problems.
- ▣ Continuing to utilize CRC for outage notifications with the addition of Pyxis OMS system management.