

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

- 1). Call to order – *Alan Veflin*
- 2). Approval of Agenda ***
- 3). Approval of Minutes and Bills ***
- 4). Basin & East River Video Reports
- 5). East River Monthly Board Report - *Pat Homan*
- 6). Basin Annual Meeting – *Russel Armstrong, Pat Homan*

10 Minute Break

- 7). General Manager's Report – *Joel Janorschke*
 1. East River
 2. Basin
 3. MREA Legislation Summit
 4. SD Legislation Update
- 8). Office Manager's Report – *Karen Lupkes*
 1. September 30, 2019 Accounts Receivable Balances review
 2. October 31, 2019 Accounts Receivable Balance review
 3. Increase in social media posts to promote co-op and programs
 4. RUS Cushion of Credit to pay higher interest loans
 5. 2020 Youth Tour: Need to commit to sending one youth***
 6. Approval to apply capital credits to bad debt and write off bad debt***
- 9). Financial Report – *Karen Lupkes*
 - a. Profit & Loss Statement & Form 7***
 - b. Comparison
- 10). Operation Manager's Report – *Joel Janorschke*
 1. Operations update
 2. Outage update
 3. AMI update
- 11). Bylaws update
- 12). Review 990
- 13). 2019 Capital Credit Retirement (General Retirement and to Estates) ***
 - o Payments to estates totaled \$43,204.02 (as of Nov 20)

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- General Retirement to current (bill credit) and past (check) members done in December
- Retire total of \$450,000 to estates and general retirement. This will retire the remaining 2002 and about 78% of 2003 capital credits.

14). Review 2020 TEC Budget***

15). Review Board Policy # 108 Attendance of Directors at Meetings***

16). Review Board Policy # 110 Fringe Benefits for Directors***

17). Review Board Policy # 111 Services for Legal Counsel***

18). Review Board Policy # 513 D.O.T. Controlled Substances and Alcohol use Testing Policy***

19). Review New Board Policy # 513.1 Non-Dot Drug and Alcohol Testing Policy***

20). MREA REPAC Membership (Rural Electric Political Action Committee)

21). SDREA REPAC Membership (Rural Electric Political Action Committee)

22). NRECA ACRE Membership (Action Committee for Rural Electrification)

**23). Voting Delegate: Mid-West Electric Consumers Association Annual Meeting –
December 10-12, 2019 – Denver, CO*****

24). Voting Delegate: SDREA Annual Meeting – January 16-17, 2020 – Pierre, SD***

- Needs to be submitted by December 20, 2019

25). Northeast Area Legislative Forum – December 18, 2019 (6:30 pm) – Ramkota Hotel, Watertown, SD

26). Discussion of Christmas Party and employee Christmas Bonus***

27). District Meeting Dates/Locations

- Director Districts up for election are 1 (Frisch), 4 (Diekmann), & 7 (Pearson)
- January 27-31, 2020
- District 1, 2 & 6: TEC Office (District 1 Open), Wheaton, MN.
- District 3: Campbell Community Center, Campbell, MN.
- District 4 & 5: Beardsley (District 4 Open), Beardsley, MN
- District 7, 8 & 9: Rosholt (District 7 Open), Rosholt, SD.

28). Generator Loan for Gregory Thelin. He is seeking financing for up to \$5,000 of the cost of a 20KW Generator.***

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29). Other Business

30). Adjournment ***

*** Indicates Board Action needed

Future Directors Meetings

Mid-West Annual Meeting – Dec 10-12, 2019 – Denver, CO
Northeast Area Legislative Forum – December 18, 2019 – Watertown, SD
SDREA Annual Meeting - January 10-11, 2020 - Pierre, SD
NRECA Annual Meeting – February 27 – March 4, 2020 – New Orleans, LA
MREA Annual Meeting - March 17-18, 2020 - St. Paul, MN
TEC Annual Meeting - March 19, 2020 - Wheaton High School - Wheaton, MN

Future Managers Meetings

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

Future Board Meeting Dates

November 26, 2019 – Scheduled for 9:00 am
December 31, 2019 – Scheduled for 9:00 am
January 28, 2020 – Scheduled for 9:00 am
February 25, 2020 – Scheduled for 9:00 am
March 31, 2020 – Scheduled for 9:00 am

Future NRECA Annual Meeting Dates

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

**REGULAR MONTHLY MEETING-BOARD OF DIRECTORS
TRAVERSE ELECTRIC COOPERATIVE, INC.
Wednesday, September 25, 2019
8:00 AM**

The September monthly meeting of the Board of Directors of Traverse Electric Cooperative, Inc. was held at the office of the Cooperative on Wednesday, September 25, 2019.

President Veflin called the meeting to order.

The Secretary reported the following directors present:

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

Absent was: None.

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

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

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

The Basin video was viewed.

No East River video available to view.

Homan reported on the East River board meeting:

- The East River board reorganized with no changes in officers.
- Discussion held on the Bakken's increasing load needs.
- Reviewed the 2020 SPP revenue requirements.
- East River's annual meeting was reviewed.
- The Energize Forum will be held Feb 5-6, 2020 in Sioux Falls.
- Discussed NRECA Resolutions.
- Discussed the purchasing of licensed frequency.
- East River's budget will be reviewed at their next board meeting.

Armstrong, Pearson, and Veflin reviewed the East River Annual meeting they attended:

- Theme was "Shaping a Stronger Tomorrow".
- East River's ten year system upgrade was reviewed.

- Discussed using REED funds for housing development near Avera campus and economic development.
- Learned that WAPA power is cheap, but always threatened that new administrations in Washington DC will take it over.
- Bob Sahr gave a political update and Jim Horan talked about federal political issues.
- Paul Sukut spoke about the high demand for energy in the Bakken and how to meet that need.
- Eminent service awards were presented to Jim Edwards and Greg Hollister.
- Kermit Pearson was recognized for serving 30 years on the East River Board.

Manager Janorschke presented the Manager's Report:

- Reported on the REMA CEO meeting. Topics covered included transparency and communication with members, board evaluations and tools, a new communication package available from MREA, diversity in the workplace, and MREA's proposed new rate structure for 2020.
- Reported on the NRECA Region 5 & 6 meeting. Topics discussed included how to get the younger generation involved, director compensation is under scrutiny, and a Federated insurance update. Breakout sessions were held and Anthony Larson, a director from Slope Electric in ND, was elected to the CFC board. The CFC manager director position for District 6 is up for election next year.
- Janorschke spoke at the Graceville Senior Center. The gathering was sponsored by Prairie 5 and Janorschke spoke on ways to save energy to the 15-20 people in attendance.
- Provided an update on MN legislative issues, which included the legislation for diversity in the workplace.
- Provided a SD legislative update. The SD legislature would prefer it if the cooperatives and municipalities could settle the territory issues themselves.

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

- August 31, 2019 Accounts Receivable balances were reviewed.
- Reviewed how the first month of outsourcing bill printing went.
- Lupkes and Przymus will attend a training on CFC's Budget Pro on October 2.

Lupkes presented the financial report. August sales and margins were discussed. After a discussion on the monthly comparisons and financial status of the Cooperative, Monson made a motion to accept the report as given. Marks 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 busy doing pole changes, service upgrades, and finishing the East River projects. We still need to find a contractor to do the retirement portion of those East River projects.
- STAR Energy started urd cabinet inspections.

- Our tree contractors are done working for the year.
- Tony Kassa from STAR Energy is promoting and installing our generators for now. We have a lot of interest from members recently.

Janorschke presented a request for a loan for a 20 KW Generator from Larry Englund. Englund is seeking to finance about one half of the cost of the generator installed. Pearson made a motion to approve a Generator Loan for up to \$4,500.00 to Larry Englund. Homan seconded the motion and upon vote motion carried unanimously.

The Basin Annual Meeting will be held November 5-7, 2019. Diekmann made a motion to name Armstrong the Basin voting delegate and Janorschke the alternate. Kath seconded the motion and upon vote motion carried unanimously.

The Mid-West Electric Consumers Assoc. Annual Meeting will be held in Denver, CO on December 10-12, 2019. The board tabled naming the voting delegate until the October board meeting.

Diekmann made a motion to go into executive session to discuss salary increases for non-union employees. Frisch seconded the motion and upon vote motion carried unanimously. Lupkes left the meeting.

Homan made a motion to come out of executive session. Armstrong seconded the motion and upon vote motion carried unanimously. Lupkes rejoined the meeting.

Frisch made a motion to approve \$18,500 for non-union salary increases to be given at Janorschke's discretion. Kath seconded the motion and upon vote motion carried unanimously.

Other business:

Next board meeting will be on Tuesday, October 29, 2019 beginning at 9 AM.

Upcoming Board Member meetings:

Basin Annual Meeting, Nov 5-7, 2019, Bismarck, ND - Armstrong

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

SDREA Annual Meeting, Jan. 10-11, 2020, Pierre, SD -

NRECA Annual Meeting, Feb 27-Mar 4, 2020, New Orleans - Monson? Marks? Frisch?

MREA Annual Meeting, Mar 17-18, 2020, St. Paul, MN –

Traverse Electric Annual Meeting, March 19, 2020, Wheaton High School

Upcoming Managers Meetings:

East River REED Meeting, October 1, 2019, Madison, SD

East River MAC Meeting, Oct 2, 2019, Madison, SD

Basin Annual Meeting, Nov. 5-7, 2019, Bismarck, ND

East River MAC Meeting, Nov 15, 2019, Madison, SD

MREA Legislative Summit, Nov 22, 2019, Maple Grove, MN

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

As there was no further business, Marks made a motion to adjourn. Monson seconded the motion and upon vote motion carried unanimously. Meeting adjourned at 10:35 AM

Mark Pearson, Secretary

CM - Check Register-Detail

1 Cash - General Fund

| <u>Type</u> | <u>Date</u> | <u>Chk Nbr</u> | <u>Name</u> | <u>Total Check Amount</u> | <u>Document Detail</u> |
|-------------|-------------|----------------|---|---------------------------|-------------------------------------|
| CK | 09/01/2019 | 115767 | NRECA Admin Fee | 117.66 | 117.66 |
| CK | 09/01/2019 | 115768 | FURTHER September HSA | 875.02 | 875.02 |
| CK | 09/01/2019 | 115769 | East River Federal Cu September Credit Union | 1,375.00 | 1,375.00 |
| CK | 09/01/2019 | 115770 | I.B.E.W. Lu 524 September Union Dues | 160.00 | 160.00 |
| CK | 09/01/2019 | 115771 | NRECA Group Benefits Trust Group Insurance | 1,485.31 | 1,485.31 |
| CK | 09/01/2019 | 115772 | NRECA Admin Fee | 701.66 | 701.66 |
| CK | 09/03/2019 | 115787 | Irby (Stuart C. Irby Company) New Rubber Sleeve 76 Single Phase Meters & 484 CT Meters 49,378' 1/0 URD Cable | 169,649.35 | 346.04 72,987.08 96,316.23 |
| CK | 09/03/2019 | 115788 | Resco Credit for 8-85 Gallon Water Heaters (Ordered) 6-100 Gal & 8-85 Gal (100's for N Ottawa Dairy 8-50 Gallon Water Heaters - N Ottawa Dairy | 14,881.83 | (9,448.00) 17,389.30 6,940.53 |
| CK | 09/03/2019 | 115789 | LILLEGARD, INC. Kit, Overflow Tank Caps | 52.29 | 52.29 |
| CK | 09/03/2019 | 115790 | CS DIESEL INC. Repair AC #120 | 1,617.08 | 1,617.08 |
| CK | 09/03/2019 | 115791 | Wesco Receivables Corp. Materials | 2,872.32 | 2,872.32 |
| CK | 09/03/2019 | 115792 | Wheaton American Legion Mark Koch Retirement Party & Gratuity | 1,279.57 | 1,279.57 |
| CK | 09/03/2019 | 115793 | Colonial Life August Colonial Life | 428.24 | 428.24 |
| CK | 09/03/2019 | 115794 | Amaril Uniform Company C Falk - 3 Shirts | 269.15 | 269.15 |
| CK | 09/03/2019 | 115795 | Rick's Plumbing, Heating & Air Conditioning Inc Service Call - AC | 130.00 | 130.00 |
| CK | 09/03/2019 | 115796 | B&B Transformer Inc Transformers | 30,505.00 | 30,505.00 |
| CK | 09/03/2019 | 115797 | Kathleen Helder Regrigerator Rebate | 100.00 | 100.00 |
| CK | 09/03/2019 | 115798 | AT&T 800 Service | 24.58 | 24.58 |
| CK | 09/03/2019 | 115799 | Integrity Contracting Inc ER Project ER Project | 32,311.00 | 26,784.00 5,527.00 |
| CK | 09/03/2019 | 115800 | Mark Lackey Heat Pump Rebate | 600.00 | 600.00 |
| CK | 09/03/2019 | 115801 | Erynne Daussenbach Memorial - Mary Zimbrick | 25.00 | 25.00 |
| CK | 09/03/2019 | 115802 | AT & T 800 Service | 43.61 | 43.61 |

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

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|-------------|-------------|----------------|--|---------------------------|------------------------|
| CK | 09/03/2019 | 115803 | Mike's Cleaning Service | 454.22 | |
| | | | August Janitorial Services | | 454.22 |
| WT | 09/03/2019 | 8801470 | Minnesota Dept Of Revenue | 2,483.32 | |
| | | | August 31, 2019 Payroll SWH | | 2,483.32 |
| WT | 09/03/2019 | 8801471 | Internal Revenue Service | 12,646.32 | |
| | | | August 31, 2019 Payroll FWH & FICA | | 12,646.32 |
| WT | 09/04/2019 | 8801472 | Payment Service Network Inc | 967.48 | |
| | | | August Credit Card Payment Fees | | 967.48 |
| WT | 09/05/2019 | 8801469 | Natl Rural Elec Assn | 5,283.82 | |
| | | | August 31, 2019 Payroll 401K | | 5,170.01 |
| | | | August 31, 2019 Payroll 401K Loan | | 113.81 |
| CK | 09/09/2019 | 115804 | BJ's Parts Depot | 66.38 | |
| | | | Bug Be Gone - Fire Ext Rep | | 66.38 |
| CK | 09/09/2019 | 115805 | Border States Electric | 132.19 | |
| | | | Credit for Repair Charges | | (20.00) |
| | | | Supplies | | 152.19 |
| CK | 09/09/2019 | 115806 | Irby (Stuart C. Irby Company) | 2,241.80 | |
| | | | Materials | | 416.49 |
| | | | Replacement Tools - Spares - All Trucks | | 555.22 |
| | | | Replacement/Spares - Tools/Dies - All Trucks | | 184.23 |
| | | | Replacement Tools | | 1,085.86 |
| CK | 09/09/2019 | 115807 | Basin Electric Power Coop | 24.00 | |
| | | | September Email Hosting | | 24.00 |
| CK | 09/09/2019 | 115808 | Mn Rural Electric Ass'n | 2,582.64 | |
| | | | 2019 Youth Tour - J Findlay | | 2,582.64 |
| CK | 09/09/2019 | 115809 | Sturdevant's, Inc. | 201.98 | |
| | | | Supplies | | 201.98 |
| CK | 09/09/2019 | 115810 | Wesco Receivables Corp. | 866.56 | |
| | | | Materials | | 370.39 |
| | | | Materials | | 496.17 |
| CK | 09/09/2019 | 115811 | City Of Wheaton | 135.67 | |
| | | | Utilities | | 135.67 |
| CK | 09/09/2019 | 115812 | Landis & Gyr Technology Inc fka Cellnet Technology | 750.00 | |
| | | | August Meter Hosting | | 750.00 |
| CK | 09/09/2019 | 115813 | Altec Industries, Inc. | 2,551.58 | |
| | | | Dielectric Test, Install Backup Camera #139 | | 2,551.58 |
| CK | 09/09/2019 | 115814 | NRECA-Coop Benefit Adm | 15.00 | |
| | | | August Cafeteria Expense | | 15.00 |
| CK | 09/09/2019 | 115815 | Mediacom LLC | 246.90 | |
| | | | September Internet Service | | 246.90 |
| CK | 09/09/2019 | 115816 | TIM MAX SR | 72.84 | |
| | | | CREDIT REFUNDS - 16333 11749 BIA HW | | 72.84 |
| CK | 09/09/2019 | 115817 | COLE BERNARD & JANACE CHRISTJOHN | 21.79 | |
| | | | CREDIT REFUNDS - 23934 5156 WATERF | | 21.79 |
| WT | 09/09/2019 | 8801473 | EAST RIVER FCU | 4,660.78 | |
| | | | ER Credit Card Charges | | 4,660.78 |
| CK | 09/16/2019 | 115818 | PROFESSIONAL COMPUTER SOLUTIONS LLC | 90.00 | |
| | | | PCS User Group Mtg Meals - Karen | | 90.00 |
| CK | 09/16/2019 | 115819 | Border States Electric | 6,730.61 | |

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|-------------|-------------|----------------|---|-------------------------------|----------------------------|
| | | | 5,000 ft Interduct | | 4,453.11 |
| | | | Change 9 Single Phase Meters, Labor | | 177.50 |
| | | | 2 Meter Socket Jaw Testers | | 554.56 |
| | | | Materials | | 1,545.44 |
| CK | 09/16/2019 | 115820 | Irby (Stuart C. Irby Company) | 65,388.99 | |
| | | | 4 PDR Meters | | 1,496.25 |
| | | | Cabinets & Sleeves | | 13,128.53 |
| | | | 6 - 1 KVA OVH Transformers | | 2,443.16 |
| | | | 33 PDR Meters | | 12,344.06 |
| | | | 16,547' 4/0 Cable | | 35,976.99 |
| CK | 09/16/2019 | 115821 | Dakota Supply Group | 339.14 | |
| | | | Hole Saw Kit - Jerrel | | 339.14 |
| CK | 09/16/2019 | 115822 | Gazette Publishing Co. | 25.00 | |
| | | | Co-Sponsor - Fall Sports | | 25.00 |
| CK | 09/16/2019 | 115823 | KMRS | 72.00 | |
| | | | Traverse Cty Fair | | 72.00 |
| CK | 09/16/2019 | 115824 | Culligan Soft Water Service | 104.17 | |
| | | | 5 Gal Water & 3 Filters | | 104.17 |
| CK | 09/16/2019 | 115825 | Rosholt Review | 60.00 | |
| | | | 1 Year Sub | | 60.00 |
| CK | 09/16/2019 | 115826 | Schultz Welding | 23.47 | |
| | | | Pipe to Lift Generators | | 23.47 |
| CK | 09/16/2019 | 115827 | SD DEPT OF REVENUE & REGULATION | 193.20 | |
| | | | SD 2% Excise Tax (July & August) | | 193.20 |
| CK | 09/16/2019 | 115828 | Tri-County Coop | 120.71 | |
| | | | Mower Gas, Replace Pinion Seal #126 | | 120.71 |
| CK | 09/16/2019 | 115829 | LILLEGARD, INC. | 1,598.30 | |
| | | | R&R Tie Road & Align Front End #143 | | 398.30 |
| | | | Wrecker Service #143 | | 1,200.00 |
| CK | 09/16/2019 | 115830 | DITCH WITCH OF MN INC. | 992.26 | |
| | | | Plow Repair | | 992.26 |
| CK | 09/16/2019 | 115831 | TWIN VALLEY TIRE OF WHEATON INC | 315.00 | |
| | | | Tire Rotate & Balance #130 | | 145.00 |
| | | | Tire Balance & Rotate #143 | | 170.00 |
| CK | 09/16/2019 | 115832 | Star Energy Services | 8,732.25 | |
| | | | 12 KW Generator & Material | | 3,664.00 |
| | | | 20 KW Generator & Material | | 5,068.25 |
| CK | 09/16/2019 | 115833 | ACLARA TECHNOLOGIES LLC | 576.00 | |
| | | | Metrum Wireless Net Annual Service | | 576.00 |
| CK | 09/16/2019 | 115834 | B&B Transformer Inc | 21,721.00 | |
| | | | Transformers | | 16,926.00 |
| | | | 112.5 KVA 3 Phase Padmount Transformer | | 4,795.00 |
| CK | 09/16/2019 | 115835 | Integrity Contracting Inc | 3,358.80 | |
| | | | 3 Phase Plowing - WO#9756 - N Ottawa Dair | | 3,358.80 |
| CK | 09/16/2019 | 115836 | HRExpertiseBP | 1,925.00 | |
| | | | August HR Services | | 1,925.00 |
| CK | 09/16/2019 | 115837 | Sag's Hardware Hank LLC | 220.54 | |
| | | | Coffee Maker, Bolts, U-Guard Screws | | 220.54 |
| CK | 09/16/2019 | 115838 | Xerox Corporation | 370.73 | |

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|-------------|-------------|----------------|---|---------------------------|------------------------|
| | | | September Copier Lease | | 370.73 |
| CK | 09/16/2019 | 115839 | Cenex Fleetcard | 5,899.00 | |
| | | | August Fuel | | 5,899.00 |
| CK | 09/16/2019 | 115840 | HEARTLAND MOTOR COMPANY | 65.86 | |
| | | | Mud Flaps | | 65.86 |
| CK | 09/16/2019 | 115841 | MinnCo Enterprises, Inc. | 663.38 | |
| | | | Pressure Washer Repairs | | 663.38 |
| CK | 09/16/2019 | 115842 | Bluecross Blueshield | 15,752.55 | |
| | | | October Premiums Due Sept | | 15,752.55 |
| CK | 09/16/2019 | 115843 | Verizon Wireless | 437.68 | |
| | | | September Linemen iPads | | 130.68 |
| | | | iPad & Cell Service | | 307.00 |
| CK | 09/16/2019 | 115844 | LegalShield | 147.50 | |
| | | | September ID Theft Insurance | | 147.50 |
| CK | 09/16/2019 | | Payroll Batch # PR000882 | 28,907.40 | |
| WT | 09/16/2019 | 8801477 | Minnesota Dept Of Revenue | 2,021.46 | |
| | | | Sept 16, 2019 payroll SWH | | 2,021.46 |
| WT | 09/17/2019 | 8801479 | Internal Revenue Service | 11,023.54 | |
| | | | Sept 16, 2019 payroll FWH & FICA | | 11,023.54 |
| WT | 09/18/2019 | 8801478 | Natl Rural Elec Assn | 4,612.57 | |
| | | | Sept 16, 2019 payroll 401K Loan | | 113.81 |
| | | | Sept 16, 2019 payroll 401K | | 4,498.76 |
| WT | 09/20/2019 | 8801474 | SD DEPT OF REVENUE & REGULATION | 13,483.33 | |
| | | | SD 4.5% Mo Sales Tax Return | | 13,483.33 |
| WT | 09/20/2019 | 8801475 | CoBank ACB | 22,553.82 | |
| | | | CoBank Mo Princ & Int | | 22,553.82 |
| WT | 09/20/2019 | 8801476 | Minnesota Sales & Use Tax | 26,642.00 | |
| | | | MN Mo Sales Tax Return | | 26,642.00 |
| CK | 09/23/2019 | 115857 | Aflac | 13.70 | |
| | | | September AFLAC | | 13.70 |
| CK | 09/23/2019 | 115858 | PROFESSIONAL COMPUTER SOLUTIONS LLC | 934.00 | |
| | | | September Hosting & User Fees | | 934.00 |
| CK | 09/23/2019 | 115859 | Irby (Stuart C. Irby Company) | 108.09 | |
| | | | Sleeve Testing | | 108.09 |
| CK | 09/23/2019 | 115860 | SD Rural Electric Ass'n | 455.00 | |
| | | | Newsletter Labor & Insert | | 455.00 |
| CK | 09/23/2019 | 115861 | Traverse County Dep. Reg. | 802.50 | |
| | | | License Tab Renewal - #142 | | 420.25 |
| | | | License Tab Renewal - #140 | | 382.25 |
| CK | 09/23/2019 | 115862 | Traverse Elec-Petty Cash | 34.79 | |
| | | | Replenish Petty Cash - Postage | | 34.79 |
| CK | 09/23/2019 | 115863 | Valley Office Products | 444.38 | |
| | | | Timecards, Shipping Tape, File Folders, Add'g | | 444.38 |
| CK | 09/23/2019 | 115864 | Willy's Super Valu | 73.08 | |
| | | | Board Snacks, Pop & Water - Supplies | | 73.08 |
| CK | 09/23/2019 | 115865 | MEI ENGINEERING INC | 1,061.50 | |
| | | | 2019-2022 Const Work Plan, Add Mapping to | | 1,061.50 |
| CK | 09/23/2019 | 115866 | Star Energy Services | 8,260.50 | |
| | | | Safety, IT, Map Edits, Pyxis, Coll Ap, Survey | | 8,260.50 |

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|-------------|-------------|----------------|--|---------------------------|--|
| CK | 09/23/2019 | 115867 | Delta Dental of Minnesota October Premiums | 1,163.45 | 1,163.45 |
| CK | 09/23/2019 | 115868 | USIC Locating Services LLC August MN Locates August SD Locates | 10,913.00 | 1,568.00 9,345.00 |
| CK | 09/23/2019 | 115869 | ABC Lock & Key Inc New Locks & Keys | 1,403.28 | 1,403.28 |
| CK | 09/23/2019 | 115870 | Ben Sand Refund Deposit on Cancelled House Move | 6,500.00 | 6,500.00 |
| CK | 09/23/2019 | 115871 | George Libbon Memorial Memorial | 25.00 | 25.00 |
| CK | 09/23/2019 | 115872 | CRC Response Center Inc August After Hours Service | 1,293.16 | 1,293.16 |
| CK | 09/23/2019 | 115873 | South Dakota One Call August SD Locates | 476.70 | 476.70 |
| CK | 09/23/2019 | 115874 | Mn Dept Of Commerce 2nd Qtr FY 2020 Indirect Assessment | 258.12 | 258.12 |
| CK | 09/23/2019 | 115875 | Big Stone Radio MN Vikings & Sisseton Sports Sponsor | 255.00 | 255.00 |
| CK | 09/23/2019 | 115876 | Gopher State One-Call August MN Locates | 101.25 | 101.25 |
| CK | 09/25/2019 | 115877 | TOM FRISCH T Frisch - Board Check | 256.96 | 256.96 |
| CK | 09/25/2019 | 115878 | Russell Armstrong R Armstrong - Board Check | 500.00 | 500.00 |
| CK | 09/25/2019 | 115879 | Michael Marks M Marks - Board Check | 278.42 | 278.42 |
| CK | 09/25/2019 | 115880 | Alan Veflin A Veflin - Board Check | 534.80 | 534.80 |
| CK | 09/25/2019 | 115881 | Douglas Diekmann D Diekmann - Board Check | 258.70 | 258.70 |
| CK | 09/25/2019 | 115882 | Mark Pearson M Pearson - Board Check | 540.60 | 540.60 |
| CK | 09/25/2019 | 115883 | Pat Homan P Homan - Board Check | 273.20 | 273.20 |
| CK | 09/25/2019 | 115884 | Karen Kath K Kath - Board Check | 285.96 | 285.96 |
| CK | 09/25/2019 | 115885 | Terry Monson T Monson - Board Check | 301.62 | 301.62 |
| CK | 09/30/2019 | 115886 | PROFESSIONAL COMPUTER SOLUTIONS LLC PDF Storage & Retrieval Implement Multi-Speak w/Star for Mapping Connect Implementation - Mobile Service Orc Mobile Customer Access Service for August | 1,266.75 | 274.75 353.25 588.75 50.00 |
| CK | 09/30/2019 | 115887 | Resco Materials Water Heaters - 2/50 & 2/85 Materials Elements & Thermostats for Water Heaters | 7,450.93 | 1,228.48 4,258.34 614.24 1,349.87 |

CM - Check Register-Detail

1 Cash - General Fund

| Type | Date | Chk Nbr | Name | Total Check Amount | Document Detail |
|------|------------|--------------------------|---|-----------------------|--------------------|
| CK | 09/30/2019 | 115888 | Wesco Receivables Corp. Materials | 797.42 | 341.75 |
| | | | Materials | | 455.67 |
| CK | 09/30/2019 | 115889 | TWIN VALLEY TIRE OF WHEATON INC 2 Tires - #120 | 780.34 | 780.34 |
| CK | 09/30/2019 | 115890 | Sanford | 120.00 | |
| | | | DOT Physical - Lon | | 120.00 |
| CK | 09/30/2019 | 115891 | AT&T | 21.67 | |
| | | | 800 Service | | 21.67 |
| CK | 09/30/2019 | 115892 | Integrity Contracting Inc Sgl Phase Boring #9813 - URD Replacement | 9,860.00 | 2,160.00 |
| | | | 3 Phase Boring #9812 - URD at K Lundquist | | 1,700.00 |
| | | | 3 Phase Boring #9808 - Ben Loll | | 6,000.00 |
| CK | 09/30/2019 | 115893 | AT & T | 43.61 | |
| | | | 800 Service | | 43.61 |
| CK | 09/30/2019 | 115894 | JOHN DEERE FINANCIAL | 22.42 | |
| | | | Shipping Charges | | 22.42 |
| CK | 09/30/2019 | 115895 | Frontier | 246.90 | |
| | | | Phone & DSL Service | | 246.90 |
| CK | 09/30/2019 | Payroll Batch # PR000885 | | 30,800.43 | |
| WT | 09/30/2019 | 8801480 | USDA, Rural Util. Service | 158,593.99 | |
| | | | FFB Quarterly Princ & Int Pmt | | 158,593.99 |
| | | | Total | \$788,887.42 | |

Database: TR PROD

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

Parameters: (({CMDoc.TranType} in ["CK", "MC", "VC", "WT"] AND ({CMDoc.CheckStatus} <> "C")) AND (NOT (isnull({CMDoc.BatchID}))) AND ({CMDoc.TranDate} in Date(2019, 9, 1) to Date(2019, 9, 30)) AND ({CMDoc.BankAcctID} in ['1'])

Last Modified: 10/17/2019

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 | 10/01/2019 | 115896 | NRECA | 100.36 | |
| | | | Admin Fee | | 100.36 |
| CK | 10/01/2019 | 115897 | FURTHER | 875.02 | |
| | | | October HSA | | 875.02 |
| CK | 10/01/2019 | 115898 | East River Federal Cu | 875.00 | |
| | | | October Credit Union | | 875.00 |
| CK | 10/01/2019 | 115899 | I.B.E.W. Lu 524 | 200.00 | |
| | | | October Union Dues | | 200.00 |
| CK | 10/01/2019 | 115900 | NRECA Group Benefits Trust | 1,250.43 | |
| | | | Group Insurance | | 1,250.43 |
| CK | 10/01/2019 | 115901 | NRECA | 636.72 | |
| | | | Admin Fee | | 636.72 |
| WT | 10/01/2019 | 8801482 | Minnesota Dept Of Revenue | 2,169.62 | |
| | | | Sept. 30, 2019 payroll SWH | | 2,169.62 |
| WT | 10/02/2019 | 8801481 | Internal Revenue Service | 11,658.44 | |
| | | | Sept. 30, 2019 payroll FICA & FWH | | 11,658.44 |
| WT | 10/03/2019 | 8801483 | Natl Rural Elec Assn | 4,901.54 | |
| | | | Sept. 30, 2019 payroll 401K Loan | | 113.81 |
| | | | Sept. 30, 2019 payroll 401K | | 4,787.73 |
| WT | 10/04/2019 | 8801484 | Payment Service Network Inc | 988.54 | |
| | | | September Credit Card Payment Fees | | 988.54 |
| CK | 10/07/2019 | 115914 | PROFESSIONAL COMPUTER SOLUTIONS LLC | 3,500.00 | |
| | | | Implement Daily Readings Import Into PCS | | 3,500.00 |
| CK | 10/07/2019 | 115915 | Irby (Stuart C. Irby Company) | 4,427.35 | |
| | | | Materials | | 4,427.35 |
| CK | 10/07/2019 | 115916 | Resco | 895.12 | |
| | | | 3 Water Heater Element Wrenches | | 21.29 |
| | | | Squirrel Wrap | | 873.83 |
| CK | 10/07/2019 | 115917 | Sturdevant's, Inc. | 1,284.07 | |
| | | | Supplies | | 1,284.07 |
| CK | 10/07/2019 | 115918 | Traverse County Treasurer | 7,959.00 | |
| | | | 2nd 1/2 RE Taxes | | 1,645.00 |
| | | | 2nd 1/2 RE Taxes | | 6,314.00 |
| CK | 10/07/2019 | 115919 | City Of Wheaton | 188.49 | |
| | | | Utilities | | 188.49 |
| CK | 10/07/2019 | 115920 | Chokio Review | 25.00 | |
| | | | Farm Safety Week | | 25.00 |
| CK | 10/07/2019 | 115921 | Locators & Supplies | 1,189.90 | |
| | | | Warning/Danger Stickers | | 1,189.90 |
| CK | 10/07/2019 | 115922 | Colonial Life | 321.86 | |
| | | | September Colonial Life | | 321.86 |
| CK | 10/07/2019 | 115923 | Landis & Gyr Technology Inc fka Cellnet Technology | 750.00 | |
| | | | September Meter Hosting | | 750.00 |
| CK | 10/07/2019 | 115924 | Joel Janorschke | 249.40 | |
| | | | Mileage for REED & ER MAC Mtgs | | 249.40 |
| CK | 10/07/2019 | 115925 | Dell Marketing L.P. | 490.32 | |
| | | | 2 Monitors - Joel | | 490.32 |
| CK | 10/07/2019 | 115926 | Integrity Contracting Inc | 17,526.80 | |
| | | | 2 Phase Plowing #9814 - Justin Deal | | 5,516.00 |

CM - Check Register-Detail

1 Cash - General Fund

| <u>Type</u> | <u>Date</u> | <u>Chk Nbr</u> | <u>Name</u> | <u>Total Check Amount</u> | <u>Document Detail</u> |
|-------------|-------------|----------------|---|-------------------------------|----------------------------|
| | | | 3 Phase Plowing #9808 - Ben Loll | | 10,090.80 |
| | | | Boring #9807 - Philip Deal | | 1,920.00 |
| CK | 10/07/2019 | 115927 | Rustic Edge Floral and Decor | 53.44 | |
| | | | Plant - G Libbon Funeral | | 53.44 |
| CK | 10/07/2019 | 115928 | Pemberton Law PLLP | 2,977.00 | |
| | | | August Legal Service - Employee Matters | | 2,977.00 |
| CK | 10/07/2019 | 115929 | George Kuzma | 100.00 | |
| | | | Refrigerator Rebate | | 100.00 |
| CK | 10/07/2019 | 115930 | Altec Industries, Inc. | 252.48 | |
| | | | Remote Batteries - #130 | | 252.48 |
| CK | 10/07/2019 | 115931 | Rema Treasurer | 215.00 | |
| | | | Engineering & Operation - D Schwagel | | 215.00 |
| CK | 10/07/2019 | 115932 | Xerox Corporation | 298.81 | |
| | | | October Copier Lease | | 298.81 |
| CK | 10/07/2019 | 115933 | Morris Electronics Inc | 122.50 | |
| | | | Projector Tutorial, Fixed Projector | | 35.00 |
| | | | Sonic Wall Changes, Wireless PW for Guests | | 87.50 |
| CK | 10/07/2019 | 115934 | Mediacom LLC | 246.90 | |
| | | | October Internet Services | | 246.90 |
| WT | 10/09/2019 | 8801487 | EAST RIVER FCU | 3,008.44 | |
| | | | ER Credit Card Charges | | 3,008.44 |
| WT | 10/11/2019 | 8801489 | Minnesota UI Fund | 134.00 | |
| | | | 3rd Quarter 2019 MN SUTA | | 134.00 |
| CK | 10/14/2019 | 115935 | Border States Electric | 5,577.50 | |
| | | | Meter Installation, Repairs & Support Service | | 1,020.00 |
| | | | Install Meters, Repair & Support Services | | 2,672.50 |
| | | | Install 90 Single Phase Meters, Rep & Supt S | | 1,885.00 |
| CK | 10/14/2019 | 115936 | Irby (Stuart C. Irby Company) | 407.19 | |
| | | | 1 KVA Polemount Transformer | | 407.19 |
| CK | 10/14/2019 | 115937 | KMRS | 147.00 | |
| | | | WHN Sportsbooster | | 147.00 |
| CK | 10/14/2019 | 115938 | Basin Electric Power Coop | 24.00 | |
| | | | October Email Hosting | | 24.00 |
| CK | 10/14/2019 | 115939 | U.S. Postmaster | 30.00 | |
| | | | Add'l Postage - Stamps (2 Rolls x .15) | | 30.00 |
| CK | 10/14/2019 | 115940 | Resco | 2,161.06 | |
| | | | Locks for Cabinets & Transformers | | 630.48 |
| | | | Water Heater Elements | | 792.10 |
| | | | Water Heater Elements | | 738.48 |
| CK | 10/14/2019 | 115941 | SD Rural Electric Ass'n | 455.00 | |
| | | | Newsletter Labor & Insert | | 455.00 |
| CK | 10/14/2019 | 115942 | Tri-County Coop | 386.24 | |
| | | | Brake Rep, Lawnmower Gas & Kerosene | | 386.24 |
| CK | 10/14/2019 | 115943 | Star Energy Services | 18,035.90 | |
| | | | September Services | | 12,087.34 |
| | | | URD Indrared Testing & Line Inspection | | 5,948.56 |
| CK | 10/14/2019 | 115944 | ACLARA TECHNOLOGIES LLC | 72.00 | |
| | | | Annual Wireless Net | | 72.00 |
| CK | 10/14/2019 | 115945 | Grant County Herald | 209.00 | |

CM - Check Register-Detail

1 Cash - General Fund

| Type | Date | Chk Nbr | Name | Total Check Amount | Document Detail |
|------|------------|--------------------------|---|-----------------------|--------------------|
| | | | 1 Yr Sub | | 39.00 |
| | | | Help Wanted Ad | | 170.00 |
| CK | 10/14/2019 | 115946 | Integrity Contracting Inc | 6,046.60 | |
| | | | 3 Phase Plowing #9814 - Justin Deal | | 1,722.00 |
| | | | Single Phase Plowing #9786 - Bruce Conroy | | 4,324.60 |
| CK | 10/14/2019 | 115947 | HRExpertiseBP | 1,330.00 | |
| | | | September HR Services | | 1,330.00 |
| CK | 10/14/2019 | 115948 | Ken Johnson | 700.00 | |
| | | | Heat Pump Rebate | | 600.00 |
| | | | Refrigerator Rebate | | 100.00 |
| CK | 10/14/2019 | 115949 | Rapid Electric LLC | 824.38 | |
| | | | Rep Cut Sec URD at Airport - Fed Will Reiml | | 824.38 |
| CK | 10/14/2019 | 115950 | Zee Medical Service | 46.10 | |
| | | | 2 Boxes Cough Drops | | 46.10 |
| CK | 10/14/2019 | 115951 | SD Electrical Commission | 100.00 | |
| | | | Wiring Permit for J Krueger's Generator | | 50.00 |
| | | | SD Wire Permit - L Englund Generator | | 50.00 |
| CK | 10/14/2019 | 115952 | North Dakota One-Call | 2.40 | |
| | | | July ND Locates | | 2.40 |
| CK | 10/14/2019 | 115953 | Cenex Fleetcard | 3,364.36 | |
| | | | September Fuel | | 3,364.36 |
| CK | 10/14/2019 | 115954 | Bluecross Blueshield | 15,752.55 | |
| | | | November Premiums Due October | | 15,752.55 |
| CK | 10/14/2019 | 115955 | NRECA-Coop Benefit Adm | 15.00 | |
| | | | September Cafeteria Expense | | 15.00 |
| CK | 10/14/2019 | 115956 | Verizon Wireless | 1,513.09 | |
| | | | Cell & iPad Service, 2 Apple Watches | | 1,382.41 |
| | | | Cell Service | | 130.68 |
| CK | 10/14/2019 | 115957 | DOUG SWENSON | 150.11 | |
| | | | CREDIT REFUNDS - 2221 21 A-28-3 | | 150.11 |
| CK | 10/16/2019 | Payroll Batch # PR000889 | | 32,066.91 | |
| WT | 10/16/2019 | 8801490 | Internal Revenue Service | 12,107.98 | |
| | | | Oct 16, 2019 Payroll FWH & FICA | | 12,107.98 |
| WT | 10/16/2019 | 8801492 | Minnesota Dept Of Revenue | 2,228.88 | |
| | | | Oct 16, 2019 Payroll SWH | | 2,228.88 |
| WT | 10/18/2019 | 8801491 | Natl Rural Elec Assn | 5,567.29 | |
| | | | Oct 16, 2019 Payroll 401K | | 5,453.48 |
| | | | Oct 16, 2019 Payroll 401K Loan | | 113.81 |
| CK | 10/21/2019 | 115971 | Aflac | 13.70 | |
| | | | October AFLAC | | 13.70 |
| CK | 10/21/2019 | 115972 | PROFESSIONAL COMPUTER SOLUTIONS LLC | 934.00 | |
| | | | October Hosting & User Fees | | 934.00 |
| CK | 10/21/2019 | 115973 | Border States Electric | 325.49 | |
| | | | Materials | | 325.49 |
| CK | 10/21/2019 | 115974 | Irby (Stuart C. Irby Company) | 4,530.87 | |
| | | | Materials | | 993.57 |
| | | | 12 Current & 3 Potential Transformers | | 3,537.30 |
| CK | 10/21/2019 | 115975 | Campbell-Tintah High School | 25.00 | |
| | | | Yearbook Donation | | 25.00 |

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

| <u>Type</u> | <u>Date</u> | <u>Chk Nbr</u> | <u>Name</u> | <u>Total Check Amount</u> | Document Detail |
|-------------|-------------|----------------|---|-------------------------------|--------------------|
| CK | 10/21/2019 | 115976 | Gazette Publishing Co. Member Service & Elec Ad, Homecoming, Fa | 202.75 | 202.75 |
| CK | 10/21/2019 | 115977 | Northern Star Help Wanted Ads | 253.00 | 253.00 |
| CK | 10/21/2019 | 115978 | Sisseton Courier Help Wanted Ad | 70.00 | 70.00 |
| CK | 10/21/2019 | 115979 | Valley Office Products Pop Up Notes & Adding Machine Paper | 35.26 | 35.26 |
| CK | 10/21/2019 | 115980 | Wesco Receivables Corp. Materials | 8,913.16 | 114.89 |
| | | | Materials | | 8,798.27 |
| CK | 10/21/2019 | 115981 | Willy's Super Valu Supplies, Board Snacks & Pop | 89.86 | 89.86 |
| CK | 10/21/2019 | 115982 | Star Energy Services Generator - Line Voltage Modules | 10,317.00 | 250.00 |
| | | | Generators - Line voltage Monitors | | 250.00 |
| | | | 2 Portable Generators, 1 20 KW & Materials | | 6,106.00 |
| | | | 12 KW Generator & Material | | 3,711.00 |
| CK | 10/21/2019 | 115983 | Locators & Supplies 3 Knit Caps - Dennis, Austin, 1 Extra | 116.55 | 116.55 |
| CK | 10/21/2019 | 115984 | Integrity Contracting Inc 3 Phase Plowing - WO#9786 - Conroy Farms | 1,788.20 | 1,788.20 |
| CK | 10/21/2019 | 115985 | USIC Locating Services LLC September SD Locates | 2,156.00 | 924.00 |
| | | | September MN Locates | | 1,232.00 |
| CK | 10/21/2019 | 115986 | Sag's Hardware Hank LLC Supplies | 175.61 | 175.61 |
| CK | 10/21/2019 | 115987 | Julia Barse Water Heater Rebate | 300.00 | 300.00 |
| CK | 10/21/2019 | 115988 | Doug & Monica Wilson Heat Pump Rebate | 600.00 | 600.00 |
| CK | 10/21/2019 | 115989 | Carr's Tree Service Inc 2019 Contracted Tree Trimming | 142,800.00 | 142,800.00 |
| CK | 10/21/2019 | 115990 | SD Electrical Commission SD Wiring Permit - A Johnson Sub Meter | 100.00 | 50.00 |
| | | | SD Wiring Permit - J Barse WH Receiver | | 50.00 |
| CK | 10/21/2019 | 115991 | CRC Response Center Inc September After Hours Service | 1,200.16 | 1,200.16 |
| CK | 10/21/2019 | 115992 | South Dakota One Call September SD Locates | 29.40 | 29.40 |
| CK | 10/21/2019 | 115993 | Almetek Industries, Inc. Tagging Exp | 879.61 | 879.61 |
| CK | 10/21/2019 | 115994 | Big Stone Radio MN Viking & Season Sports Sponsor | 255.00 | 255.00 |
| CK | 10/21/2019 | 115995 | Gopher State One-Call September MN Locates | 101.25 | 101.25 |
| CK | 10/21/2019 | 115996 | Harmony Hustlers 4-H Club Donation to Calendar | 20.00 | 20.00 |
| CK | 10/21/2019 | 115997 | Dacotah Paper Company | 195.01 | |

CM - Check Register-Detail

1 Cash - General Fund

| Type | Date | Chk Nbr | Name | Total Check Amount | Document Detail |
|------|------------|---------|-------------------------------------|-----------------------|--------------------|
| CK | 10/21/2019 | 115998 | LegalShield | 147.50 | 195.01 |
| CK | 10/21/2019 | 115999 | Larry Englund | 3,900.00 | 147.50 |
| WT | 10/21/2019 | 8801485 | SD DEPT OF REVENUE & REGULATION | 12,560.19 | 3,900.00 |
| WT | 10/21/2019 | 8801486 | Minnesota Sales & Use Tax | 20,766.00 | 12,560.19 |
| WT | 10/21/2019 | 8801488 | CoBank ACB | 22,525.39 | 20,766.00 |
| CK | 10/28/2019 | 116000 | PROFESSIONAL COMPUTER SOLUTIONS LLC | 3,136.67 | 22,525.39 |
| CK | 10/28/2019 | 116001 | Irby (Stuart C. Irby Company) | 79.80 | 50.00 |
| CK | 10/28/2019 | 116002 | Roberts County Treasurer | 993.00 | 667.25 |
| CK | 10/28/2019 | 116003 | Wesco Receivables Corp. | 5,313.83 | 2,419.42 |
| CK | 10/28/2019 | 116004 | Margaret Stowe | 100.00 | 79.80 |
| CK | 10/28/2019 | 116005 | Delta Dental of Minnesota | 1,163.45 | 993.00 |
| CK | 10/28/2019 | 116006 | Amaril Uniform Company | 1,616.37 | 5,313.83 |
| CK | 10/28/2019 | 116007 | Grant County Herald | 39.00 | 100.00 |
| CK | 10/28/2019 | 116008 | AT&T | 25.73 | 1,163.45 |
| CK | 10/28/2019 | 116009 | Dairyland Power Cooperative Inc | 2,775.64 | 1,616.37 |
| CK | 10/28/2019 | 116010 | NJC Promos | 197.00 | 93.47 |
| CK | 10/28/2019 | 116011 | B.W. Inc. | 3,999.94 | 1,522.90 |
| CK | 10/28/2019 | 116012 | South Dakota Dept of Public Safety | 5.00 | 39.00 |
| CK | 10/28/2019 | 116013 | AT & T | 43.81 | 25.73 |
| CK | 10/28/2019 | 116014 | JOHN DEERE FINANCIAL | 17.67 | 2,775.64 |
| CK | 10/28/2019 | 116015 | Thiel Farms, Inc. | 8,289.60 | 197.00 |
| CK | 10/28/2019 | 116016 | Frontier | 23.95 | 3,999.94 |
| CK | 10/28/2019 | 116017 | Drivers & Vehicle Service | 49.00 | 5.00 |

CM - Check Register-Detail

1 Cash - General Fund

| <u>Type</u> | <u>Date</u> | <u>Chk Nbr</u> | <u>Name</u> | <u>Total Check Amount</u> | Document Detail |
|-------------|-------------|--------------------------|--------------------------|-------------------------------|--------------------|
| | | | 2020 MN IFTA Lic Renewal | | 49.00 |
| CK | 10/31/2019 | Payroll Batch # PR000893 | | 43,842.70 | |
| WT | 10/31/2019 | 8801493 NRUCFC | | 16,341.38 | |
| | | | CFC Qtr Princ & Int Pmt | | 16,341.38 |
| Total | | | | <u>\$503,571.59</u> | |

Database: TR PROD

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

Parameters: (({CMDoc.TranType} in ["CK", "MC", "VC", "WT"] AND ({CMDoc.CheckStatus} <> "C")) AND (NOT (isnull({CMDoc.BatchID}))) AND ({CMDoc.TranDate} in Date(2019, 10, 1) to Date(2019, 10, 31)) AND ({CMDoc.BankAcctID} in ['1'])

Last Modified: 11/19/2019

November 26, 2019 Office Manager's Report:

1. Accounts Receivable balances as of 9/30/2019 billing statement:

- a. Current (Sept. 30th statement) \$690,950.24
- b. 1-30 Days (August 31st statement) \$21,521.74
- c. 31-60 Days (July 31st statement) \$4,507.14 (47 Disconnect notices sent out, resulted in 2 disconnects)
- d. 61-90 Days (June 30th statement) \$263.26
- e. Older than 91 days - \$10,400.48

Account Receivable balances as of 10/31/2019 billing statement:

- a. Current (Oct. 31st statement) \$1,055,354.66
- b. 1-30 Days (Sept. 30th statement) \$12,273.12
- c. 31-60 Days (Aug. 31st statement) \$3,404.96 (57 Disconnect notices sent out, resulted in 0 disconnects)
- d. 61-90 Days (July 31st statement) \$387.35
- e. Older than 91 days - \$10,663.74

2. We continue to promote our cooperative and programs on social media and our website. Please like us on facebook and please like and/or share our posts.

3. On November 19 used our cushion of credit (CoC) funds (estimated at \$2,482,214) with RUS to prepay higher interest loans at greater than 5% interest. With the new program we were able to use our CoC to prepay loans with no pre-payment penalty. If you remember, with the 2018 Farm Bill that the 5 % interest rate that we earn on the CoC funds is being phased out over the next 2 years to the variable 1 year Treasury Rate in October 2021. Since we are earning 5% and some of our loans are greater than 5%, our net savings on long term debt interest will be greater than the interest income. We paid off three FFB loans at 6.33%, 5.334%, and 5.204% and almost all of an RET RUS loan at 5.49%.

4. On the agenda for your approval is the commitment of sending a Youth on the Washington DC youth tour for June 2020. MREA is now requiring us to notify them prior to March 15 if we haven't found anyone to go on the Youth Tour trip with no cost. If it is after March 15th we will be required to pay cost of airfare and any pre-paid expenses if we are not able to find anyone. Prior to this if we couldn't find anyone there was no cost to us.

5. I request that you approve applying capital credits to bad debt owed and/or writing off the following bad debt amounts. I have exhausted all collections efforts for these former members. We budget for \$1,000 each year in bad debt write-offs. Our bylaws and board policy give you the authority to approve applying capital credits to bad debt to clear up account balances at any time.

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

| USDA - RUS | | | BORROWER DESIGNATION | | |
|---|-------------------|------------------|--|-------------------|------------------|
| FINANCIAL AND STATISTICAL REPORT | | | MN 84 Traverse | | |
| INSTRUCTIONS - See RUS Bulletin 1717B-2 | | | PERIOD ENDED | | |
| | | | September 2019 | | |
| PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT | | | | | |
| ITEM | YEAR-TO-DATE | | ITEM | YEAR-TO-DATE | |
| | LAST YEAR (a) | THIS YEAR (b) | | LAST YEAR (a) | THIS YEAR (b) |
| 1. New Services Connected | 25 | 32 | 5. Miles Transmission | | |
| 2. Services Retired | 22 | 6 | 6. Miles Distribution- Overhead | 1,173 | 1,168 |
| 3. Total Services in Place | 3,188 | 3,205 | 7. Miles Distribution- Underground | 529 | 538 |
| 4. Idle Services (Exclude Seasonal) | 0 | 137 | 8. Total Miles Energized (5 + 6 + 7) | 1,702 | 1,706 |
| 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 | 5,471 | 235,739 |
| 2. kWh Purchased | 7,228,368 | 83,320,899 | 7. Total Unaccounted For (4 Less 5 & 6) | 524,069 | 3,802,440 |
| 3. Interchange kWh - Net | | | 8. Percent System Loss (7/4) x 100 | 7 | 5 |
| 4. Total kWh (1 thru 3) | 7,228,368 | 83,320,899 | 9. Maximum Demand (kW) | 10,962 | |
| 5. Total kWh Sold | 6,698,828 | 79,282,720 | 10. Mo When Max Demand Occurred | January | 20628 |
| | | | | | |
| | | | | | |

PART D. CONSUMER SALES AND REVENUE DATA

| Class Of Service | THIS MONTH | | | | YEAR-TO-DATE | | |
|----------------------------|-------------------------|------------------|-------------|---------------------|--------------------------|-----------------------------|---------------------------|
| | # Rec'g Service a | kWh Sold b | Amount c | # Min Bills d | Avg # Rec'g Serv e | kWh Sold Cumulative f | Amount Cumulative g |
| 1. Residential Sales | 2,522 | 2,688,143 | 382,247 | | 2,511 | 39,637,974 | 4,543,697 |
| 2. Seasonal Sales | 412 | 132,560 | 30,809 | | 413 | 1,636,767 | 300,050 |
| 3. Irrigation Sales | 12 | 170 | 1,251 | | 12 | 37,807 | 13,486 |
| 4. Comm - 50 kVA or less | 2 | 4,929 | 1,047 | | 2 | 33,317 | 6,306 |
| 5. Comm - over 50 kVA | 109 | 750,885 | 75,047 | | 106 | 7,716,430 | 734,386 |
| 6. Kinder Morgan | 1 | 122,730 | 8,398 | | 1 | 4,565,740 | 333,547 |
| 7. Veblen Dairy | 1 | 1,615,662 | 118,856 | | 1 | 13,209,460 | 972,520 |
| 8. WDCE - Graceville Loc | 1 | 86,371 | 6,557 | | 1 | 1,253,083 | 117,426 |
| 9. Dollymount Dairy | 3 | 1,124,273 | 83,074 | | 3 | 9,662,129 | 681,106 |
| 10. Campbell Dairy | 1 | 173,105 | 15,686 | | 1 | 1,530,013 | 137,543 |
| 11. Total Sale of Electric | 3,064 | 6,698,828 | 722,969 | | 3,051 | 79,282,720 | 7,840,068 |
| 12. Other Elec Revenue | | | 2,021 | | | | 20,626 |
| 13. Total (11 + 12) | | | 724,990 | | | | 7,860,694 |

1. $20084 + 2522 = 22606 / 9 = 2511$
2. $3307 + 412 = 3719 / 9 = 413$
3. $96 + 12 = 108 / 9 = 12$
4. $19 + 2 = 21 / 9 = 2$
5. $850 + 109 = 959 / 9 = 106$
9. $24 + 3 = 27 / 9 = 3$

Traverse Electric Cooperative, Inc.
Financial and Operating Report Electric Distribution
Statement of Operations
For the nine months ending 9/30/2019

| | 2018 <u>YTD Actual</u> | 2019 <u>YTD Actual</u> | 2019 <u>YTD Budget</u> | 2019 <u>September</u> |
|--|---------------------------|---------------------------|---------------------------|--------------------------|
| 1. Operating Revenue and Patronage Capital | 7,596,083.33 | 7,860,694.08 | 7,821,413.00 | 724,990.39 |
| 2. Power Production Expense | 0.00 | 0.00 | 0.00 | 0.00 |
| 3. Cost of Purchased Power | 4,715,891.96 | 4,844,707.16 | 4,712,648.00 | 447,881.39 |
| 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 | 458,036.43 | 395,121.55 | 482,270.00 | 29,470.25 |
| 7. Distribution Expense - Maintenance | 442,962.29 | 401,172.37 | 537,045.00 | 39,521.23 |
| 8. Customer Accounts Expense | 129,248.83 | 132,318.80 | 146,025.00 | 11,578.59 |
| 9. Customer Service and Informational Expense | 61,853.16 | 50,301.32 | 71,800.00 | 452.95 |
| 10. Sales Expense | 4,378.40 | 5,375.00 | 7,455.00 | (4,540.00) |
| 11. Administrative and General Expense | 573,880.27 | 712,666.48 | 595,427.00 | 63,955.27 |
| 12. Total Operation & Main. Expense (2 thru 11) | 6,386,251.34 | 6,541,662.68 | 6,552,670.00 | 588,319.68 |
| 13. Depreciation and Amortization Expense | 706,556.73 | 724,957.34 | 745,300.00 | 81,544.03 |
| 14. Tax Expense - Property & Gross Receipts | 0.00 | 0.00 | 0.00 | 0.00 |
| 15. Tax Expense - Other | 140.00 | 349.83 | 0.00 | 0.00 |
| 16. Interest on Long-Term Debt | 480,851.67 | 475,463.76 | 506,080.00 | 50,321.69 |
| 17. Interest Charged to Construction - Credit | 0.00 | 0.00 | 0.00 | 0.00 |
| 18. Interest Expense - Other | 381.31 | 496.32 | 500.00 | 31.48 |
| 19. Other Deductions | 0.00 | 0.00 | 0.00 | 0.00 |
| 20. Total Cost of Electric Service (12 thru 19) | 7,574,181.05 | 7,742,929.93 | 7,804,550.00 | 720,216.88 |
| 21. Patronage Capital & Operating Margins (1 - 20) | 21,902.28 | 117,764.15 | 16,863.00 | 4,773.51 |
| 22. Non Operating Margins - Interest | 177,304.87 | 183,939.31 | 174,749.00 | 18,069.09 |
| 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 | 13,266.78 | (25,766.32) | 9,749.00 | (9,033.27) |
| 26. Generation and Transmission Capital Credits | 0.00 | 0.00 | 0.00 | 0.00 |
| 27. Other Capital Credits and Patronage Dividends | 28,138.17 | 21,260.56 | 0.00 | 3,374.33 |
| 28. Extraordinary Items | 0.00 | 0.00 | 0.00 | 0.00 |
| 29. Patronage Capital or Margins (21 thru 28) | 240,612.10 | 297,197.70 | 201,361.00 | 17,183.66 |

Income Statement Analysis Ratios

For the nine months ending 9/30/2019

$$\begin{aligned}\text{Times Interest Ratio} &= 2 \text{ to } 1 \\ &= \text{Line 29} + \text{Line 16} / \text{Line 16} \\ &= \frac{297,197.70 + 475,463.76}{475,463.76}\end{aligned}$$

$$\begin{aligned}\text{Modified Times Interest Earned Ratio} &= 2 \text{ to } 1 \\ &= \text{Line 29} - \text{Line 26} - \text{Line 27} - \text{Line 28} + \text{Line 16} / \text{Line 16} \\ &= \frac{297,197.70 - 0.00 - 21,260.56 - 0.00 + 475,463.76}{475,463.76}\end{aligned}$$

$$\begin{aligned}\text{Operating Times Interest Earned Ratio} &= 1 \text{ to } 1 \\ &= \text{Line 21} + \text{Line 16} / \text{Line 16} \\ &= \frac{117,764.15 + 475,463.76}{475,463.76}\end{aligned}$$

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

For the period ending 09/30/2019

| | -----2019----- | | -----2018----- | |
|---|------------------------------|-----------------------------|------------------------------|-----------------------------|
| | September <u>Activity</u> | September <u>Balance</u> | September <u>Activity</u> | September <u>Balance</u> |
| <u><i>Assets and Other Debits</i></u> | | | | |
| 1. Total Utility Plant in Service | 19,329.84 | 25,582,815.32 | 133,476.08 | 25,053,852.09 |
| 2. Construction Work in Progress | (69,978.96) | 2,320,450.30 | (10,679.12) | 174,669.66 |
| 3. Total Utility Plant (1+2) | (50,649.12) | 27,903,265.62 | 122,796.96 | 25,228,521.75 |
| 4. Accum. Provision for Depreciation and Amort | (74,418.47) | (11,380,275.04) | (51,323.18) | (10,786,623.79) |
| 5. Net Utility Plant (3-4) | (125,067.59) | 16,522,990.58 | 71,473.78 | 14,441,897.96 |
| 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 | 955.17 | 5,580,407.49 | 0.00 | 4,688,150.37 |
| 9. Invest in Assoc. Org.-Other-General Funds | 0.00 | 26,134.57 | 0.00 | 23,276.57 |
| 10. Invest in Assoc. Org.-Other-Nongeneral Funds | 314.00 | 283,583.05 | 105.01 | 282,134.20 |
| 11. Investments in Economic Development Projects | 0.00 | 0.00 | 0.00 | 0.00 |
| 12. Other Investments | (1,577.75) | 69,314.64 | (1,737.25) | 92,842.55 |
| 13. Special Funds | 0.00 | 0.00 | 0.00 | 0.00 |
| 14. Total Other Property & Investments(6 thru 13) | (308.58) | 5,959,439.75 | (1,632.24) | 5,086,403.69 |
| 15. Cash-General Funds | (180,290.94) | 350,591.41 | 149,523.48 | 552,946.12 |
| 16. Cash-Construction Funds-Trustee | 0.00 | 1.00 | 0.00 | 1.00 |
| 17. Special Deposits | 0.00 | 1,000.00 | 0.00 | 1,000.00 |
| 18. Temporary Investments | (58,366.81) | 2,737,992.26 | (174,932.71) | 4,418,061.25 |
| 19. Notes Receivable - Net | 0.00 | 0.00 | 0.00 | 0.00 |
| 20. Accounts Receivable - Sales of Energy (Net) | (92,164.59) | 755,290.77 | (78,961.23) | 803,819.90 |
| 21. Accounts Receivable - Other (Net) | (5,282.04) | 4,161.41 | (89,837.39) | 41,293.86 |
| 22. Renewable Energy Credits | 0.00 | 0.00 | 0.00 | 0.00 |
| 23. Materials & Supplies - Electric and Other | (19,661.98) | 439,862.15 | 133,670.33 | 523,115.41 |
| 24. Prepayments | (8,918.69) | 49,985.94 | (8,777.50) | 49,573.83 |
| 25. Other Current & Accrued Assets | 6,099.71 | 16,095.45 | 5,787.25 | 30,386.40 |
| 26. Total Current & Accrued Assets (15 thru 25) | (358,585.34) | 4,354,980.39 | (63,527.77) | 6,420,197.77 |
| 27. Regulatory Assets | 0.00 | 0.00 | 0.00 | 0.00 |
| 28. Other Deferred Debits | (4,336.39) | 205,191.43 | 7,351.17 | 252,323.53 |
| 29. Total Assets & Other Debits (5+14+26 thru 28) | (488,297.90) | 27,042,602.15 | 13,664.94 | 26,200,822.95 |
| <u><i>Liabilities and Other Credits</i></u> | | | | |
| 30. Memberships | 0.00 | 0.00 | 0.00 | 0.00 |
| 31. Patronage Capital | (9,405.75) | 12,378,850.05 | (867.54) | 10,960,959.14 |
| 32. Operating Margins - Prior Years | 0.00 | 0.00 | 0.00 | 0.00 |
| 33. Operating Margins - Current Year | 4,773.51 | 117,764.15 | (20,604.05) | 21,902.28 |
| 34. Non Operating Margins | 12,410.15 | 179,435.56 | 23,948.88 | 218,711.19 |
| 35. Other Margins and Equities | 3,848.15 | 455,818.70 | 258.23 | 412,469.94 |
| 36. Total Margins & Equities (30 thru 35) | 11,626.06 | 13,131,868.46 | 2,735.52 | 11,614,042.55 |
| 37. Long-Term Debt RUS (Net) | (16,320.80) | 5,064,029.19 | (15,674.97) | 5,253,256.32 |
| 38. Long-Term Debt - FFB - RUS Guaranteed | (67,786.34) | 9,745,755.12 | (65,283.98) | 10,013,114.10 |
| 39. Long Term Debt - Other - RUS Guaranteed | (21,612.20) | 198,349.42 | (20,623.88) | 452,214.12 |
| 40. Long-Term Debt - Other (Net) | 0.00 | 615,894.56 | 0.00 | 660,553.69 |
| 41. Long-Term Debt - RUS - Econ. Devel. (Net) | 0.00 | 0.00 | 0.00 | 0.00 |
| 42. Payments - Unapplied | 23,439.72 | (2,499,544.85) | 22,264.37 | (2,779,806.45) |
| 43. Total Long-Term Debt (37 thru 41-42) | (82,279.62) | 13,124,483.44 | (79,318.46) | 13,599,331.78 |
| 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 | (367,974.53) | 563,867.50 | 140,334.26 | 804,825.80 |
| 49. Consumer Deposits | (200.00) | 13,150.00 | 400.00 | 13,150.00 |
| 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 | (49,469.81) | 188,132.52 | (50,486.38) | 145,781.01 |
| 54. Total Current & Accrued Liab (47 thru 53) | (417,644.34) | 765,150.02 | 90,247.88 | 963,756.81 |
| 55. Regulatory Liabilities | 0.00 | 0.00 | 0.00 | 0.00 |
| 56. Other Deferred Credits | 0.00 | 21,100.23 | 0.00 | 23,691.81 |
| 57. Total Liab & Other Credits(36+43+46+54 thru 56) | (488,297.90) | 27,042,602.15 | 13,664.94 | 26,200,822.95 |

Balance Sheet Analysis Ratios

For the period ending 09/30/2019

Equity as a Percent of Assets = 48.56 %**= Line 36 / Line 29**

$$= \frac{13,131,868.46}{27,042,602.15}$$

General Funds as a Percent of Total Utility Plant = 11.3173 %**= Line 12 + Line 13 + Line 15 + Line 16 + Line 18 / Line 3**

$$= \frac{69,314.64 + 0.00 + 350,591.41 + 1.00 + 2,737,992.26}{27,903,265.62}$$

Modified Equity as a Percent of Assets = 27.9243 %**= Line 36 - Line 8 / Line 29**

$$= \frac{13,131,868.46 - 5,580,407.49}{27,042,602.15}$$

Current Assets to Current Liabilities Ratio = 5.6917 to 1**= Line 26 / Line 54**

$$= \frac{4,354,980.39}{765,150.02}$$

Total Long-Term Debts as a Percentage of Total Utility Plant = 47.0357 %**= Line 43 / Line 3**

$$= \frac{13,124,483.44}{27,903,265.62}$$

September Comparison 2019

| | 18-Sep | YTD 18 | YTD 19 | 19-Sep |
|-----------------------------------|----------------|-----------------|-----------------|---------------|
| Revenue | \$ 753,594.96 | \$ 7,596,083.33 | \$ 7,860,694.08 | \$ 724,990.39 |
| Cost of Power | \$ 502,604.04 | \$ 4,715,891.96 | \$ 4,844,707.16 | \$ 447,881.39 |
| Distribution Exp - Oper. | \$ 32,238.62 | \$ 458,036.43 | \$ 395,121.55 | \$ 29,470.25 |
| Distribution Exp. - Maint. | \$ 35,507.06 | \$ 442,962.29 | \$ 401,172.37 | \$ 39,521.23 |
| Interest Paid | \$ 53,662.89 | \$ 481,232.98 | \$ 475,960.08 | \$ 50,353.17 |
| Total Cost of Service | \$ 774,199.01 | \$ 7,574,181.05 | \$ 7,742,929.93 | \$ 720,216.88 |
| Margin Operation | \$ (20,604.05) | \$ 21,902.28 | \$ 117,764.15 | \$ 4,773.51 |
| Other Income | \$ 23,948.88 | \$ 218,709.82 | \$ 179,433.55 | \$ 12,410.15 |
| Total Margins | \$ 3,344.83 | \$ 240,612.10 | \$ 297,197.70 | \$ 17,183.66 |
| Total kWh Sold | 7,152,894 | 74,895,129 | 79,282,720 | 6,698,828 |
| Line Loss | 6% | 5% | 5% | 7% |

| USDA - RUS FINANCIAL AND STATISTICAL REPORT | | | BORROWER DESIGNATION MN 84 Traverse | | |
|--|-------------------|------------------|---|-------------------|------------------|
| INSTRUCTIONS - See RUS Bulletin 1717B-2 | | | PERIOD ENDED October 2019 | | |
| PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT | | | | | |
| ITEM | YEAR-TO-DATE | | ITEM | YEAR-TO-DATE | |
| | LAST YEAR (a) | THIS YEAR (b) | | LAST YEAR (a) | THIS YEAR (b) |
| 1. New Services Connected | 30 | 39 | 5. Miles Transmission | | |
| 2. Services Retired | 23 | 6 | 6. Miles Distribution- Overhead | 1,173 | 1,168 |
| 3. Total Services in Place | 3,192 | 3,212 | 7. Miles Distribution- Underground | 529 | 542 |
| 4. Idle Services (Exclude Seasonal) | 0 | 147 | 8. Total Miles Energized (5 + 6 + 7) | 1,702 | 1,710 |
| 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 | 26,234 | 261,973 |
| 2. kWh Purchased | 10,679,839 | 94,000,738 | 7. Total Unaccounted For (4 Less 5 & 6) | 624,253 | 4,426,693 |
| 3. Interchange kWh - Net | | | 8. Percent System Loss (7/4) x 100 | 6 | 5 |
| 4. Total kWh (1 thru 3) | 10,679,839 | 94,000,738 | 9. Maximum Demand (kW) | 21,910 | |
| 5. Total kWh Sold | 10,029,352 | 89,312,072 | 10. Mo When Max Demand Occurred | October | 21910 |
| | | | | | |
| | | | | | |
| | | | | | |

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 | 2,526 | 4,474,120 | 531,821 | | 2,513 | 44,112,094 | 5,075,518 |
| 2. Seasonal Sales | 410 | 137,571 | 30,060 | | 412 | 1,774,338 | 330,110 |
| 3. Irrigation Sales | 12 | 398 | 1,332 | | 12 | 38,205 | 14,818 |
| 4. Comm - 50 kVA or less | 2 | 4,096 | 787 | | 2 | 37,413 | 7,093 |
| 5. Comm - over 50 kVA | 109 | 1,678,292 | 203,261 | | 106 | 9,394,722 | 937,647 |
| 6. Kinder Morgan | 1 | 369,440 | 32,072 | | 1 | 4,935,180 | 365,619 |
| 7. Veblen Dairy | 1 | 1,683,182 | 127,847 | | 1 | 14,892,642 | 1,100,368 |
| 8. WDCE - Graceville Loc | 1 | 327,297 | 37,983 | | 1 | 1,580,380 | 155,409 |
| 9. Dollymount Dairy | 3 | 1,179,093 | 88,887 | | 3 | 10,841,222 | 769,993 |
| 10. Campbell Dairy | 1 | 175,863 | 15,776 | | 1 | 1,705,876 | 153,319 |
| 11. Total Sale of Electric | 3,066 | 10,029,352 | 1,069,827 | | 3,052 | 89,312,072 | 8,909,895 |
| 12. Other Elec Revenue | | | 1,555 | | | | 22,181 |
| 13. Total (11 + 12) | | | 1,071,382 | | | | 8,932,076 |

1. $22606 + 2526 = 25132 / 10 = 2513$
2. $3719 + 410 = 4129 / 10 = 412$
3. $108 + 12 = 120 / 10 = 12$
4. $21 + 2 = 23 / 10 = 2$
5. $959 + 109 = 1068 / 10 = 106$
9. $27 + 3 = 30 / 10 = 3$

Traverse Electric Cooperative, Inc.
Financial and Operating Report Electric Distribution
Statement of Operations
For the ten months ending 10/31/2019

| | 2018 <u>YTD Actual</u> | 2019 <u>YTD Actual</u> | 2019 <u>YTD Budget</u> | 2019 <u>October</u> |
|--|---------------------------|---------------------------|---------------------------|------------------------|
| 1. Operating Revenue and Patronage Capital | 8,888,884.47 | 8,932,076.01 | 9,048,795.00 | 1,071,381.93 |
| 2. Power Production Expense | 0.00 | 0.00 | 0.00 | 0.00 |
| 3. Cost of Purchased Power | 5,484,629.51 | 5,562,009.23 | 5,477,832.00 | 717,302.07 |
| 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 | 482,883.94 | 442,953.33 | 533,200.00 | 47,831.78 |
| 7. Distribution Expense - Maintenance | 482,039.75 | 585,224.93 | 587,690.00 | 184,052.56 |
| 8. Customer Accounts Expense | 146,380.01 | 151,740.36 | 162,250.00 | 19,421.56 |
| 9. Customer Service and Informational Expense | 68,209.41 | 66,052.62 | 79,000.00 | 15,751.30 |
| 10. Sales Expense | 11,328.40 | 7,275.00 | 8,270.00 | 1,900.00 |
| 11. Administrative and General Expense | 637,686.75 | 779,082.74 | 658,709.00 | 66,416.26 |
| 12. Total Operation & Main. Expense (2 thru 11) | 7,313,157.77 | 7,594,338.21 | 7,506,951.00 | 1,052,675.53 |
| 13. Depreciation and Amortization Expense | 785,933.16 | 806,557.42 | 834,800.00 | 81,600.08 |
| 14. Tax Expense - Property & Gross Receipts | 0.00 | 0.00 | 0.00 | 0.00 |
| 15. Tax Expense - Other | 140.00 | 349.83 | 0.00 | 0.00 |
| 16. Interest on Long-Term Debt | 536,077.92 | 527,892.87 | 562,320.00 | 52,429.11 |
| 17. Interest Charged to Construction - Credit | 0.00 | 0.00 | 0.00 | 0.00 |
| 18. Interest Expense - Other | 442.94 | 522.32 | 500.00 | 26.00 |
| 19. Other Deductions | 0.00 | 0.00 | 0.00 | 0.00 |
| 20. Total Cost of Electric Service (12 thru 19) | 8,635,751.79 | 8,929,660.65 | 8,904,571.00 | 1,186,730.72 |
| 21. Patronage Capital & Operating Margins (1 - 20) | 253,132.68 | 2,415.36 | 144,224.00 | (115,348.79) |
| 22. Non Operating Margins - Interest | 199,391.50 | 201,546.92 | 194,166.00 | 17,607.61 |
| 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 | 16,717.76 | (29,137.38) | 11,500.00 | (3,371.06) |
| 26. Generation and Transmission Capital Credits | 0.00 | 0.00 | 0.00 | 0.00 |
| 27. Other Capital Credits and Patronage Dividends | 28,138.17 | 21,260.56 | 24,000.00 | 0.00 |
| 28. Extraordinary Items | 0.00 | 0.00 | 0.00 | 0.00 |
| 29. Patronage Capital or Margins (21 thru 28) | 497,380.11 | 196,085.46 | 373,890.00 | (101,112.24) |

Income Statement Analysis Ratios

For the ten months ending 10/31/2019

$$\begin{aligned}\text{Times Interest Ratio} &= 1 \text{ to } 1 \\ &= \text{Line 29} + \text{Line 16} / \text{Line 16} \\ &= \frac{196,085.46 + 527,892.87}{527,892.87}\end{aligned}$$

$$\begin{aligned}\text{Modified Times Interest Earned Ratio} &= 1 \text{ to } 1 \\ &= \text{Line 29} - \text{Line 26} - \text{Line 27} - \text{Line 28} + \text{Line 16} / \text{Line 16} \\ &= \frac{196,085.46 - 0.00 - 21,260.56 - 0.00 + 527,892.87}{527,892.87}\end{aligned}$$

$$\begin{aligned}\text{Operating Times Interest Earned Ratio} &= 1 \text{ to } 1 \\ &= \text{Line 21} + \text{Line 16} / \text{Line 16} \\ &= \frac{2,415.36 + 527,892.87}{527,892.87}\end{aligned}$$

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

For the period ending 10/31/2019

| | -----2019----- | | -----2018----- | |
|---|----------------------------|---------------------------|----------------------------|---------------------------|
| | October <u>Activity</u> | October <u>Balance</u> | October <u>Activity</u> | October <u>Balance</u> |
| <u>Assets and Other Debits</u> | | | | |
| 1. Total Utility Plant in Service | 36,126.37 | 25,618,941.69 | (8,315.97) | 25,045,536.12 |
| 2. Construction Work in Progress | (498,349.81) | 1,822,100.49 | 205,230.99 | 379,900.65 |
| 3. Total Utility Plant (1+2) | (462,223.44) | 27,441,042.18 | 196,915.02 | 25,425,436.77 |
| 4. Accum. Provision for Depreciation and Amort | (74,046.64) | (11,454,321.68) | (18,817.82) | (10,805,441.61) |
| 5. Net Utility Plant (3-4) | (536,270.08) | 15,986,720.50 | 178,097.20 | 14,619,995.16 |
| 6. Non-Utility Property - Net | 0.00 | 0.00 | 0.00 | 0.00 |
| 7. Investment in Subsidiary Companies | 0.00 | 0.00 | 0.00 | 0.00 |
| 8. Invest in Assoc. Org.-Patronage Capital | 0.00 | 5,580,407.49 | 0.00 | 4,688,150.37 |
| 9. Invest in Assoc. Org.-Other-General Funds | 0.00 | 26,134.57 | 0.00 | 23,276.57 |
| 10. Invest in Assoc. Org.-Other-Nongeneral Funds | (94.39) | 283,488.66 | 0.00 | 282,134.20 |
| 11. Investments in Economic Development Projects | 0.00 | 0.00 | 0.00 | 0.00 |
| 12. Other Investments | 2,278.29 | 71,592.93 | (1,842.89) | 90,999.66 |
| 13. Special Funds | 0.00 | 0.00 | 0.00 | 0.00 |
| 14. Total Other Property & Investments(6 thru 13) | 2,183.90 | 5,961,623.65 | (1,842.89) | 5,084,560.80 |
| 15. Cash-General Funds | 126,355.90 | 476,947.31 | 2,324,844.53 | 2,877,790.65 |
| 16. Cash-Construction Funds-Trustee | 0.00 | 1.00 | 0.00 | 1.00 |
| 17. Special Deposits | (1,000.00) | 0.00 | 0.00 | 1,000.00 |
| 18. Temporary Investments | (41,549.67) | 2,696,442.59 | (2,637,167.23) | 1,780,894.02 |
| 19. Notes Receivable - Net | 0.00 | 0.00 | 0.00 | 0.00 |
| 20. Accounts Receivable - Sales of Energy (Net) | 358,282.58 | 1,113,573.35 | 536,776.49 | 1,340,596.39 |
| 21. Accounts Receivable - Other (Net) | 458,787.90 | 462,949.31 | 13,015.99 | 54,309.85 |
| 22. Renewable Energy Credits | 0.00 | 0.00 | 0.00 | 0.00 |
| 23. Materials & Supplies - Electric and Other | (114,731.58) | 325,130.57 | (9,483.73) | 513,631.68 |
| 24. Prepayments | (8,918.70) | 41,067.24 | (1,932.61) | 47,641.22 |
| 25. Other Current & Accrued Assets | 183.25 | 16,278.70 | (29,481.25) | 905.15 |
| 26. Total Current & Accrued Assets (15 thru 25) | 777,409.68 | 5,132,390.07 | 196,572.19 | 6,616,769.96 |
| 27. Regulatory Assets | 0.00 | 0.00 | 0.00 | 0.00 |
| 28. Other Deferred Debits | (5,397.89) | 199,793.54 | 10,859.35 | 263,182.88 |
| 29. Total Assets & Other Debits (5+14+26 thru 28) | 237,925.61 | 27,280,527.76 | 383,685.85 | 26,584,508.80 |
| <u>Liabilities and Other Credits</u> | | | | |
| 30. Memberships | 0.00 | 0.00 | 0.00 | 0.00 |
| 31. Patronage Capital | (5,955.60) | 12,372,894.45 | (4,416.93) | 10,956,542.21 |
| 32. Operating Margins - Prior Years | 0.00 | 0.00 | 0.00 | 0.00 |
| 33. Operating Margins - Current Year | (115,348.79) | 2,415.36 | 231,230.40 | 253,132.68 |
| 34. Non Operating Margins | 14,236.55 | 193,672.11 | 25,537.61 | 244,248.80 |
| 35. Other Margins and Equities | 2,442.13 | 458,260.83 | 2,065.54 | 414,535.48 |
| 36. Total Margins & Equities (30 thru 35) | (104,625.71) | 13,027,242.75 | 254,416.62 | 11,868,459.17 |
| 37. Long-Term Debt RUS (Net) | (15,777.30) | 5,048,251.89 | (15,107.61) | 5,238,148.71 |
| 38. Long-Term Debt - FFB - RUS Guaranteed | 0.00 | 9,745,755.12 | 0.00 | 10,013,114.10 |
| 39. Long Term Debt - Other - RUS Guaranteed | (21,696.67) | 176,652.75 | (20,704.48) | 431,509.64 |
| 40. Long-Term Debt - Other (Net) | (8,637.69) | 607,256.87 | (10,993.40) | 649,560.29 |
| 41. Long-Term Debt - RUS - Econ. Devel. (Net) | 0.00 | 0.00 | 0.00 | 0.00 |
| 42. Payments - Unapplied | 23,892.35 | (2,475,652.50) | 22,702.19 | (2,757,104.26) |
| 43. Total Long-Term Debt (37 thru 41-42) | (22,219.31) | 13,102,264.13 | (24,103.30) | 13,575,228.48 |
| 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 | 318,587.13 | 882,454.63 | 107,955.49 | 912,781.29 |
| 49. Consumer Deposits | 200.00 | 13,350.00 | (100.00) | 13,050.00 |
| 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 | 24,721.24 | 212,853.76 | 45,517.04 | 191,298.05 |
| 54. Total Current & Accrued Liab (47 thru 53) | 343,508.37 | 1,108,658.39 | 153,372.53 | 1,117,129.34 |
| 55. Regulatory Liabilities | 0.00 | 0.00 | 0.00 | 0.00 |
| 56. Other Deferred Credits | 0.00 | 21,100.23 | 0.00 | 23,691.81 |
| 57. Total Liab & Other Credits(36+43+46+54 thru 56) | 216,663.35 | 27,259,265.50 | 383,685.85 | 26,584,508.80 |

Balance Sheet Analysis Ratios

For the period ending 10/31/2019

Equity as a Percent of Assets = 47.79 %**= Line 36 / Line 29**

$$= \frac{13,027,242.75}{27,259,265.50}$$

General Funds as a Percent of Total Utility Plant = 11.8253 %**= Line 12 + Line 13 + Line 15 + Line 16 + Line 18 / Line 3**

$$= \frac{71,592.93 + 0.00 + 476,947.31 + 1.00 + 2,696,442.59}{27,441,042.18}$$

Modified Equity as a Percent of Assets = 27.2973 %**= Line 36 - Line 8 / Line 29**

$$= \frac{13,027,242.75 - 5,580,407.49}{27,280,527.76}$$

Current Assets to Current Liabilities Ratio = 4.6294 to 1**= Line 26 / Line 54**

$$= \frac{5,132,390.07}{1,108,658.39}$$

Total Long-Term Debts as a Percentage of Total Utility Plant = 47.7470 %**= Line 43 / Line 3**

$$= \frac{13,102,264.13}{27,441,042.18}$$

October Comparison 2019

| | 18-Oct | YTD 18 | YTD 19 | 19-Oct |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|
| Revenue | \$ 8,888,884.47 | \$ 1,292,801.14 | \$ 8,932,076.01 | \$ 1,071,381.93 |
| Cost of Power | \$ 5,484,629.51 | \$ 768,737.55 | \$ 5,562,009.23 | \$ 717,302.07 |
| Distribution Exp - Oper. | \$ 482,883.94 | \$ 24,847.51 | \$ 442,953.33 | \$ 47,831.78 |
| Distribution Exp. - Maint. | \$ 482,039.75 | \$ 39,077.46 | \$ 585,224.93 | \$ 184,052.56 |
| Interest Paid | \$ 536,520.86 | \$ 55,287.88 | \$ 528,415.19 | \$ 52,455.11 |
| Total Cost of Service | \$ 8,635,751.79 | \$ 1,061,570.74 | \$ 8,929,660.65 | \$ 1,186,730.72 |
| Margin Operation | \$ 253,132.68 | \$ 231,230.40 | \$ 2,415.36 | \$ (115,348.79) |
| Other Income | \$ 244,247.43 | \$ 25,537.61 | \$ 193,670.10 | \$ 14,236.55 |
| Total Margins | \$ 497,380.00 | \$ 256,768.01 | \$ 196,085.46 | \$ (101,112.24) |
| Total kWh Sold | 87,433,436 | 12,538,307 | 89,312,072 | 10,029,532 |
| Line Loss | 5% | 7% | 5% | 6% |

OPERATIONS REPORT OCTOBER/NOVEMBER 2019

As of October 23rd 2019, crews have been busy with the following: **November 19th**

- Pole change outs/**had a few poles hit by equipment that needed to be changed also**
- New services/ **several more, new services. This includes installing transformers on existing overhead line for tile pumps. We also energized several more services in the Long Hollow Housing development.**
- Service upgrades
- 1.25 miles, 3 phase to Ben Loll is in and terminated. Waiting on electrician
- 3/4 mile, 3 phase to Justin Deal is in everything is terminated except for the transformer, too wet to set it. Also waiting for electrician. **Transformer has been set and terminated, still waiting on electrician.**
- 3/4 mile, 3 phase to Bruce Conroy is in and energized
- Plowed 2800ft, new tile pump service, Deal
- Plowed 5380ft, new tile pump service, Deal
- Plowed 370ft, new service, Dryer, Herberg
- Plowed 350ft, new service, shop, Summer
- Plowed 380ft to convert from overhead to underground, Johnson
- **Plowed 5300ft, new tile pump service, Davison**
- **Plowed 2700ft, new tile pump service, Coleman**
- **Bore state Hwy and plow 340ft, new tile pump service, Deal**
- Retired 2 short overhead taps and services
- Installed a padmount transformer for the new solar addition, Pederson/ **Bringing this online tomorrow, 11/20/19**
- Delivered and set 3 generators
- **Changed out a few transformers due to overloading. Members added equipment.**

Miscellaneous:

- We do have several requests for new services to tile pumps, that we will need to plow cable to, however, with as wet as things are now, we may not be able to get these done before freeze up.
- Rosebud RV park addition, I met with Dan and his electrician, the plans have changed again, it does not look like this will be getting done this year either. Still planning for 88 new rv sites and at least 4 new services to feed it.
- We recently received the equipment for Bigstone Colony, I will meet with them this week, and get a plan set to get this equipment installed. **This equipment has since been installed and terminated.**
- I also have a contractor lined up to do the overhead retirements in SD, all of these should be done sometime in November. These work orders include all of the East River projects, and also all of the poles up in the hills, west of Sisseton.
- Carrs Tree service has finished up the townships they had for this year, and have also submitted bids for next year as well.
- STAR Energy is still doing underground cabinet inspections, **Completed for this year now.**

- Chapman metering is still working on meter changeouts, they do have 2 guys working on them now. We are also having our guys continue to do them when they can. We have about 2400 meters changed as of now. **3500 meters changed as of today**
- I attended the Engineers/Operations conference in Duluth. Some of the topics covered: Padmounted switchgear failure. Review changes to IEEE Guide for performing arc flash hazard calculations. RUS update with Tim Bohan. Traditional distribution problems, storm restoration, and damage assessment. Business ethics. Legislative update. Combating complacency. Asset management, etc.
- I also attended the ICUEE equipment and trade show in Louisville Kentucky. This is one of the largest equipment shows in the country. We can see all of the newest tools and equipment that are out there, and actually run any of the new equipment.
- **We hosted a 2day mentorship with Jacob Ulrich, Morris Area High School Senior, we conducted a mock interview with him, and went through some of the questions he could expect to be asked in an interview. He was able to ride along with the crew and observe one of our mile underground projects the first day, and observe energized pole change outs the second day.**
- **I spoke with Riverview Dairy about the start up date for the North Ottawa Dairy, we will see the load starting to pick up around the 1st of May, They have a firm milk date of June 22nd, and will be at full capacity within 3 weeks. They are moving cattle in from another facility, that they are planning to rebuild, so North Ottawa will be a fast transition.**
- **We had an outage on Saturday night, the 9th, someone ran over one of our 3 phase cabinets and destroyed it. The license plate was laying at the cabinet, we have not received the report back from Roberts County Sheriff department yet. (pictures attached)**

SAFETY:

- MREA:
 - Conducted a safety meeting on the 22nd of October, Transformer connections/safety
 - Safety Playbook(attached) **Safety playbooks(attachd)**
- STAR:
 - Be safe topics: Minimum approach distance, Animal bite safety, Use of PPE and avoiding complacency, Job site safety. (Examples attached)
 - **Be safe topics**
 - Safety news letter
- Federated Insurance:
 - Litigation Report(attached)

Outage reports attached:

- **Traverse**
- **East river**

Dale Schwagel

Operations Manager





September
2019 Outages

| OUTAGE DATE | LOCATION | CAUSE OF OUTAGE | TIME OFF | TIME ON | No. consumers affected | POWER SUPPLY | No. consumers affected | PRE-ARRANGED | Consumer-Hour Outage Time (in minutes) | | |
|-------------|-------------------|---|----------|----------|------------------------|--------------|------------------------|--------------|---|-------|-------|
| | | | | | | | | | No. consumers affected | STORM | OTHER |
| 9/1/2019 | 52-34-1 | Blown Transformer Fuse - Squirrel | 5:05 PM | 6:39 PM | | | | | | | |
| | Guy Mackner | | | | | | | | 1 | | 94 |
| 9/2/2019 | 21-34-1 | Transformer Fuse - Lightning | 7:11 PM | 8:34 PM | | | | | 1 | 83 | |
| | Paul Viger | | | | | | | | | | |
| 9/2/2019 | 12-12-1 | Blown Line Fuse - Tree on the Line | 8:00 PM | 9:15 PM | | | | | 14 | 1050 | |
| | Andrew Rieder | | | | | | | | | | |
| 9/2/2019 | 12-30-1 | Opened OCR - Tree on the Line | 8:54 PM | 11:00 PM | | | | | 8 | 1008 | |
| | Dale Keller | | | | | | | | | | |
| 9/2/2019 | 21-21-2 | Blown Line Fuse - Lightning - Refused | 7:17 PM | 10:00 PM | | | | | 3 | 489 | |
| | Jeff Christianson | | | | | | | | | | |
| 9/2/2019 | 30-34 | Blown Line Fuse - Refused | 8:40 AM | 10:11 AM | | | | | | | |
| | Carl Glander | | | | | | | | | | |
| 9/3/2019 | 54-30-1 | Tree on Line -Cut, Spliced Rd Phase & Neutra | 7:17 PM | 12:30 AM | | | | | 46 | 14398 | |
| | Paul Holland | | | | | | | | | | |
| 9/2/2019 | 30-33-FM | Tree on Line - Refused | 8:39 PM | 1:25 AM | | | | | 34 | 9724 | |
| | Waldo Johnson Jr | | | | | | | | | | |
| 9/3/2019 | 12-7-3 | Rise Pole Fuse blown - Refused | 6:04 AM | 7:25 AM | | | | | 1 | 81 | |
| | Neal Klindt | | | | | | | | | | |
| 9/3/2019 | 47-19-4 | Tree on Line @ 47-30-2 | 10:18 AM | 11:40 AM | | | | | | | |
| | James Holman | | | | | | | | | | |
| 9/3/2019 | 12-27-2 | Transformer Fuse - Lightning - Refused & Held | 2:37 PM | 4:30 PM | | | | | 1 | 113 | |
| | Jody Coleman | | | | | | | | | | |
| 9/3/2019 | 12-27-2 | Meter Quit Outage Restored | 8:00 AM | 9:00 AM | | | | | | | |
| | Jody Coleman | | | | | | | | | | |
| 9/4/2019 | 45-05-4 | Meter Quit - Trans Fuse Blown - Refused | 8:00 AM | 9:00 AM | | | | | | | |
| | Linda Loberg | | | | | | | | | | |
| 9/5/2019 | 24-20-4 | Meter Quit - Refused Take Off Fuse - Chng M | 8:00 AM | 9:00 AM | | | | | | | |
| | Dean Gallup | | | | | | | | | | |
| 9/6/2019 | 2-3-2 | Outage - Refuse Transformer | 8:00 AM | 9:00 AM | | | | | | | |
| | Eugene Caauwe | | | | | | | | | | |
| 9/6/2019 | 47-9-2 | Blown Main Line Fuse - Refused | 10:45 PM | 12:35 PM | | | | | | | |
| | Bryce Metz | | | | | | | | | | |
| 9/8/2019 | 34-29-1 | One of the Open Secondaries Fell - Blew Tran | 12:25 PM | 12:35 PM | | | 1 | 10 | | | |
| | Wesley Koehler | Fuse - Fixed Wire & Refused | | | | | | | | | |
| 9/8/2019 | 44-12-1 | Main Line Fuse Blown - Patroled & Found | 8:36 AM | 10:00 AM | | | | | | | |
| | Zach Gerard | Nothing - Refused & Held | | | | | | | | | |
| 9/10/2019 | 30-33-F6 | Blown Line Fuse - Tree Branch on the Line | 11:41 AM | 2:00 PM | | | | | | | |
| | Elizabeth Wanke | | | | | | | | | | |
| 9/10/2019 | 44-11-3 | Transformer Fuse Blown - Put on Gray Cover | 7:00 AM | 9:04 AM | | | | | | | |
| | Neil Fritz | Up & Refused. | | | | | | | 1 | 124 | |

September 2019 Outages

| | | | | | No. consumers affected | POWER SUPPLY | No. consumers affected | PRE-ARRANGED | Consumer-Hour Outage Time | | | | |
|-------------|------------------|--|----------|----------|------------------------|--------------|------------------------|--------------|---------------------------|------------------------|-------|----|------|
| | | | | | | | | | (In minutes) | No. consumers affected | OTHER | | |
| OUTAGE DATE | LOCATION | CAUSE OF OUTAGE | TIME OFF | TIME ON | | | | | STORM | | | | |
| 9/11/2019 | 3-32-1 | Cut Out Blown While Trying New Dryer | 2:44 PM | 4:00 PM | 658 | 29610 | | | | 1 | 76 | | |
| | MK AG LLC | Refused & Back On | | | | | | | | | | | |
| 9/13/2019 | 19-14-1 | Blown Transformer - Bird - Put Cover on & | 7:39 AM | 8:31 AM | | | | | | | | 1 | 52 |
| | Larry Raguse | Refused | | | | | | | | | | | |
| 9/16/2019 | 25-23-1 | Rick Shut Power Off to Work on Line | 11:00 AM | 11:30 AM | | | | | | 2 | 60 | | |
| | Michael Larson | | | | | | | | | | | | |
| 9/17/2019 | 40-34-3 | Trans Fuse Fell Out - Refused | 5:50 PM | 6:45 PM | | | | | | | | 1 | 55 |
| | Dennis Hamling | | | | | | | | | | | | |
| 9/17/2019 | Beardsley Sub | Ottertail Dropped Sub | 1:43 AM | 2:28 AM | | | | | | | | | |
| 9/17/2019 | 29A-35-2 | Jumper Burned Off & Bad Terminator | 11:17 AM | 4:00 PM | | | | | | | | 23 | 6509 |
| | Vern Wiertzema | Needed to Replace Elbow & Module | | | | | | | | | | | |
| 9/16/2019 | 16-01-1 | Blown Transformer Fuse | 8:00 AM | 9:00 AM | | | | | | | | 1 | 60 |
| | Ardean Hauschild | | | | | | | | | | | | |
| 9/18/2019 | 8-25-3 | Blown Riser Fuse - Bird - Put on Cover & | 5:00 PM | 6:00 PM | | | | | | | | 1 | 60 |
| | Mark Baldry | Cut Out | | | | | | | | | | | |
| 9/19/2019 | 38-16-3 | Shut Line Off to Install URD | 1:00 PM | 3:30 PM | | | | | | 8 | 1200 | | |
| | Todd Johnson | | | | | | | | | | | | |
| 9/20/2019 | 10-27-4 | Refuse Transformer | 7:00 AM | 12:40 PM | | | | | | | | 1 | 340 |
| | Tony Berger | | | | | | | | | | | | |
| 9/20/2019 | 30-33-3A | Tree Broke Pole & Line - Made Temp Repairs | 8:15 PM | 11:42 PM | | | | | | | | 11 | 2277 |
| | Ann Mattison | Need to Replace | | | | | | | | | | | |
| 9/26/2019 | 18-5-4 | Refuse Transformer | 5:33 PM | 6:15 PM | | | | | | | | 1 | 42 |
| | Ryan Nelk | | | | | | | | | | | | |
| 9/26/2019 | 47-19-4 | Line Fuse Blown - Unknown | 11:30 AM | 1:55 PM | | | | | | | | 8 | 1160 |
| | Jams Holman | | | | | | | | | | | | |
| 9/29/2019 | 52-20-3 | Top of A4 Burned Off - Reframed & Refused | 3:11 PM | 5:35 PM | | | | | | | | 3 | 432 |
| | Martin Borgen | Line Fuse | | | | | | | | | | | |
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October
2019 Outages

| OUTAGE DATE | LOCATION | CAUSE OF OUTAGE | TIME OFF | TIME ON | No. consumers affected | POWER SUPPLY | No. consumers affected | PRE-ARRANGED | Consumer-Hour Outage Time (In minutes) | | |
|-------------|------------------------------|---|----------|----------|------------------------|--------------|------------------------|--------------|---|-------|-------|
| | | | | | | | | | No. consumers affected | STORM | OTHER |
| 10/3/2019 | 40-21-3 Kenneth Hannasch | Blown Transformer Fuse - Replaced | 7:35 AM | 8:35 AM | | | | | | | 60 |
| 10/5/2019 | 22-23-1 | Beardsley Sub Out - OTP | 4:50 PM | 5:14 PM | 658 | 15792 | | | | | |
| 10/5/2019 | Veblin Sub | OTP Transmission Problem | 4:49 PM | 5:14 PM | 1 | 25 | | | | | |
| 10/5/2019 | 43-21-3A Eric Nelson | Blown Fuse & VFI Open - Refused & Reset | 2:07 PM | 4:00 PM | | | | | 13 | | 1469 |
| 10/5/2019 | 8-3-1 Steve Fridgen | Blown Cutout Fuse - Refused | 9:09 AM | 10:30 AM | | | | | 5 | | 405 |
| 10/7/2019 | 18-27-3 Alan Peterson | Bird Tripped OCR in Sub - Cleared Bird & OCR | 3:00 PM | 4:20 PM | | | | | 21 | | 1680 |
| 10/8/2019 | 41-31-3A Brad Eggers | Blown Riser Fuse - Refused | 11:33 AM | 1:30 PM | | | | | 1 | | 117 |
| 10/8/2019 | 47-25-2 Carol Nickolauson | Trans Fuse Blown - Refused | 3:07 PM | 4:40 PM | | | | | 1 | | 93 |
| 10/8/2019 | 44-11-3 Neil Fritz | Blown Fuse - Replaced Cutout & Arrestor | 7:44 AM | 9:00 AM | | | | | 1 | | 76 |
| 10/16/2019 | 1-34-3 Lazy Q Farms | Fuse Door Burned Up | 4:30 PM | 6:55 PM | | | | | 11 | | 1595 |
| 10/17/2019 | 47-25-2 Carol Nickolauson | Trans Fuse Blown - Refused | 8:34 PM | 10:00 PM | | | | | 1 | | 86 |
| 10/16/2019 | 26-12-1 Ronald Zibell | Loose Connection on Transformer | 4:16 PM | 5:15 PM | | | | | 1 | | 60 |
| 10/20/2019 | 38-34 Michael Toelle | Blown Fuse - Refused | 10:35 AM | 12:05 PM | | | | | 1 | | 90 |
| 10/21/2019 | 1-34-1 Dean Quackenbusch | Broken Cutout Blew Fuse | 4:51 AM | 8:00 AM | | | | | 11 | | 2079 |
| 10/22/2019 | 8-8-3 Mary Rinke | Bad Transformer - Changed Out | 10:05 AM | 12:05 PM | | | | | 1 | | 120 |
| 10/22/2019 | 29-9-1B Scott Miller | Transformer Fuse Blown | 9:59 AM | 10:59 AM | | | | | 1 | | 60 |
| 10/24/2019 | 1-34-1 Gary Dierks | Refused Cutout | 8:24 PM | 10:10 PM | | | | | 11 | | 1166 |
| 10/27/2019 | 40-21-3 Lyn Bredvik | Repaired URD Fault | 8:00 AM | 9:18 PM | | | | | 1 | | 798 |
| 10/30/2019 | 1-34-4 Dean Quackenbusch | Replaced Fused Door w/Solid Blade | 9:21 PM | 10:34 PM | | | | | 11 | | 803 |
| 10/30/2019 | 8-10-2 Jon Mathias | Blown Transformer Fuse - Replaced | 10:52 PM | 11:50 PM | | | | | 1 | | 58 |
| 10/31/2019 | 11-16-2A CJ Steffens | Pole Hit - Caused Primary to Float Into Neutral | 8:37 PM | 9:50 PM | | | | | 6 | | 438 |

October 2019 Outages

| OUTAGE DATE | LOCATION | CAUSE OF OUTAGE | TIME OFF | TIME ON | Consumer-Hour Outage Time (in minutes) | | | | | | | |
|-------------|----------|-----------------|------------|---------|---|--------------|------------------------|--------------|------------------------|-------|------------------------|--------|
| | | | | | No. consumers affected | POWER SUPPLY | No. consumers affected | PRE-ARRANGED | No. consumers affected | STORM | No. consumers affected | OTHER |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | TOTALS | | 659 | 15817 | 0 | 0 | 0 | 0 | 100 | 11253 |
| | | | YTD Totals | | 3694 | 145355 | 129 | 4454 | 119 | 23273 | 1066 | 130771 |

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

MANAGEMENT

- ✓ Information Transfer – STAR Energy Services URD Inspections on 09/10/19
- ✓ Safety Committee met on 09/12/19
- ✓ Fire Prevention Plan was reviewed on 09/12/19
- ✓ Exposure Control and Employee Right-to-Know Plans were reviewed on 09/12/19 and revised on 09/13/19
- ✓ Key dates for CDL drivers were updated on 09/16/19
- ✓ Safety Recommendation – Importance of Following Manufacturer's Recommendation for Vehicle Maintenance and Performing Pre-Shift Vehicle Inspections on 09/17/19

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

EDUCATION

| <u>Topic</u> | <u>Audience</u> | <u>Date</u> | <u>Presenter</u> |
|--|-----------------|-------------|------------------|
| Monthly Newsletter – Back to School Safety Checklist | All employees | 08/06/19 | STAR |
| Cooperative Connections – Don't Wait: Be Prepared Before the Storm | Members/Public | 09/19 | TEC |
| Monthly Poster – Active Shooter | All employees | 09/01/19 | STAR |
| Safety Bulletin Board Notice – De-escalation Tips | All employees | 09/01/19 | STAR |
| Be Safe – TEC Safe Work Practices: Hand, Portable Electric, and Stationary Powered Tools | All employees | 09/04/19 | STAR |
| Be Safe – Arc Flash Clothing | Operations/Tech | 09/09/19 | STAR |
| Be Safe – MREA Safety Playbooks | Operations | 09/12/19 | STAR |
| Bucket and Pole-top Rescue | Operations | 09/12/19 | STAR |
| MREA Download on Safety and Safety Pallet | All employees | 09/19/19 | MREA/TEC |
| Be Safe – TEC Safe Work Practices: Trenching, Excavation, and Shoring | Operations | 09/23/19 | STAR |
| Be Safe – Active Shooter and De-escalation Tips | Operations | 09/23/19 | STAR |

INSPECTIONS

- ✓ Monthly fire extinguisher and first aid inspections by TEC on 08/01/19 and 09/03/19
- ✓ Monthly forklift inspections by TEC on 08/01/19 and 09/03/19
- ✓ Crew observations by TEC (3) on 08/28/19, 09/09/19, and 09/11/19 and by STAR (1) on 09/04/19
- ✓ Truck, tools, and climbing gear inspection by STAR on 09/12/19

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: 1 (includes no DOT reportable)
- ✓ Year-to-Date Near Miss: 1

| Date | Type | Description | Actions |
|----------|-----------|--|---|
| 04/30/19 | Near Miss | Wrench slipped and contacted energized transformer | In future, blanket to be placed against tank of pad-mounted transformer when connecting hot secondaries |
| 08/27/19 | Damage | Truck dropped into ditch | Reviewed; no further action |

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

MANAGEMENT

- ✓ Key dates for CDL drivers were updated on 10/21/19
- ✓ MREA Safety Service Day #4 on 10/22/19

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

EDUCATION

| <u>Topic</u> | <u>Audience</u> | <u>Date</u> | <u>Presenter</u> |
|--|------------------|-------------|------------------|
| Monthly Newsletter – Common Causes of Electrical Fires | All employees | 9/13/19 | STAR |
| Cooperative Connections – Fire Prevention Month | Members/Public | 10/19 | TEC |
| Monthly Poster – Smoke Alarms: Change Batteries | All employees | 10/01/19 | STAR |
| Safety Bulletin Board Notice – How to Use a Fire Extinguisher | All employees | 10/01/19 | STAR |
| Be Safe – Job Site Safety | Operations | 10/01/19 | STAR |
| Be Safe – Reminder on Use of PPE and Avoiding Complacency | All employees | 10/03/19 | STAR |
| Be Safe – Animal Bite Safety | All employees | 10/07/19 | STAR |
| Be Safe – Reverse Parking, Safe Backing, and Setting Mirrors | All employees | 10/07/19 | STAR |
| Be Safe – Minimum Approach Distances | Operations | 10/14/19 | STAR |
| Overhead Transformer Connections | Operations | 10/22/19 | MREA |
| New Employee Orientation | New employee | 10/25/19 | STAR |
| Forklift Operator Certification | Select employees | 10/25/19 | STAR |
| Electrical and Arc Flash Burns, Arc Flash Clothing, Minimum Approach, Rubber Goods and Gloving, Pad-mount Safety Issues for Non-qualified Workers, Skid Steer Loader Operator | New employee | 10/25/19 | STAR |

INSPECTIONS

- ✓ Monthly fire extinguisher and first aid inspections by TEC on 10/02/19
- ✓ Monthly forklift inspection by TEC on 10/02/19
- ✓ Facility inspections (2) by MREA on 10/22/19

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: 1 (includes no DOT reportable)
- ✓ Year-to-Date Near Miss: 1

| Date | Type | Description | Actions |
|----------|-----------|--|---|
| 04/30/19 | Near Miss | Wrench slipped and contacted energized transformer | In future, blanket to be placed against tank of pad-mounted transformer when connecting hot secondaries |
| 08/27/19 | Damage | Truck dropped into ditch | Reviewed; no further action |

Safety Playbook 2019

For the game of life



Date Used _____ Co-op/Company _____

Coach _____ Title _____

November 8, 2019

Play of the Week: It's an exciting time of year as we get ready for the Deer Opener tomorrow. Yet, I can't help but remember that early morning in my small town, probably 15 years ago, when I heard the sirens and I just knew it wasn't anything good. A young boy had accidentally shot at what he thought was a bear . . . and instead it was a person. It's a tragic story and I simply tell it to remind you that when we say "be safe" we really do mean it.



BE SAFE this hunting season and good luck!



Safety Pays!

Got a story, a picture, a deer?
Share and be the one
to make a difference today.

Send to Lidia, Chad,
Curt or Andrew.

What happened?

From MN Co-op - As usual, I got the call at 3:00 on a Friday afternoon for a dig-in. When I arrived at the scene, I noticed the URD riser fuse was open. I thought, bummer, this is a primary dig in and not secondary dig in. The homeowner/guy that hit the wire was waiting for us. I asked him about what happened and he told me he was digging in a fence post in the pasture when he felt a jolt in his shoulders and heard a loud bang. I asked if he was feeling ok and said he was but he felt something in his shoulder area after the boom.

I recommended he go to Urgent Care and get checked out. I am not saying he was shocked; it could have been from aggressively gacking on the wire thinking it was a boxelder root, but it was a weird coincidence. He said he was fine but I said if it happened to me or anyone on my crew, we would get checked out. He left shortly after with his wife and I hope he is ok. We spliced the wire and reenergized the line. [see Picture A, B, and C below]

From Regional Co-op - I opened the lid on a padmount transformer that was part of a padmount V phase bank. The transformer was pretty full with copper and also had a free floating utilico used to tie the two transformers together for three phase power. The utilico had a rip in the insulation and when I closed the lid it made contact and arced against the lid. Rubber gloves were worn to open and close the transformer. [note that it may have been pinched in the door before causing the utilico to have a tear in it.]

From MN Co-op - Employee was in substation doing monthly substation inspection and found a tap track error on regulator. He went to clear tap track error. He had stepped it down and as it began to step back up, it was making some strange noises. Employee took off running. The regulator erupted, causing lid to bend up while employee was still trying to get out of substation. Damage to two regulators from flash and eruption. [see Pictures D and E on next page]

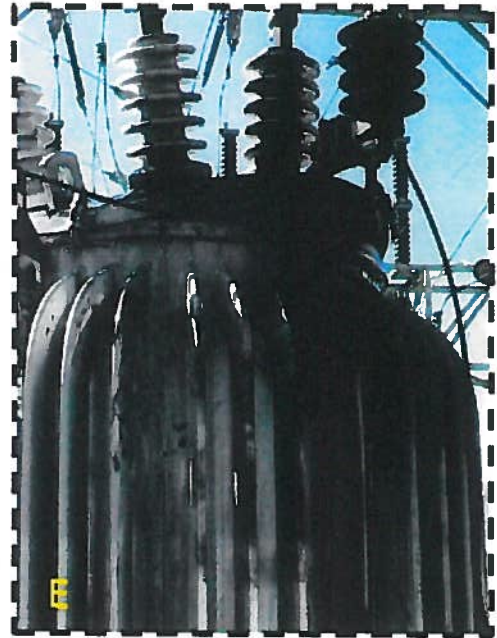


What happens
when lightning hits
a transformer?
See next page to
find out.



Safety Playbook 2019

November 8, 2019



Safety Suggestions

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

MREA

Go Vikings!



Safety Playbook 2019

For the game of life



Date Used _____ Co-op/Company _____

Coach _____ Title _____

October 25, 2019

Play of the Week: Could you answer the question, “What is the weight of your truck and load?” Too many can’t; yet you need know you are not over weight. Each truck’s GVWR is a combination of curb weight and payload. Payload also includes trailer tongue weight on the truck’s hitching system. And, overloading a trailer tongue can compromise steering and stopping and increase risks, especially in emergency maneuvers. Make the effort to find out what you are carrying today and it’s not just for compliance; it’s for safety!



Safety Pays!

What you do often defines you – share your story or photo today and be part of making our industry safer. Send to any SLC Crew today.



What Happened?

From MN Co-op – After restoring an outage around 8 PM, crew head back. They traveled approximately one quarter mile when the driver drifted onto the shoulder of the road. The driver could not correct and bring the truck back onto the paved surface, the road shoulder then began to give way, and pulled the truck into the ditch. After entering the ditch, the truck rolled over onto its side. Both crewmen were wearing seatbelts at the time of the roll over. There were no injuries. The crewmen were able to exit the truck by crawling out of the driver side door window.

At the time of the incident, neither crewman was watching the road. Crewman #1 was driving; he stated he was reaching up to turn off the Garmin (one button touch) when he drifted onto the shoulder. The Garmin was located on the top center of the dash. Crewman #2 was in the passenger seat and stated he was completing the outage ticket and looking at the map while waiting on the cell phone for CRC to complete the outage restoration notice. [see Picture A]

From MN Co-op – The guys were retiring a line in town, they let the wires down slowly to the ground off the dead-end pole, then they racked the truck up and drove around the corner. The member called in and reported that we dropped a pole on her fence and drove away. In talking to the crew, the pole was still standing when they drove away, so it must have held for a bit, then broke. [see Picture B]



Safety Suggestions

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



Go Vikings!



Date of Report

Load Control: **No**

Breaker: _____

Completed By: **Anthony Dold**



9/18/2019
Date of Report

Load Control: **No**

Breaker: _____

Reason Code Legend:

| | |
|----|------------------|
| TR | Trees |
| TS | Thunderstorm |
| UN | Unknown |
| VA | Vehicle Accident |
| WA | Wheeling Agent |
| WI | Wind |

Completed By: **Chad Nowstrup**



20637

OPERATIONS CENTER REPORT

10/5/2019

Date of Report

Daily Events:

Breaker Operation: YesOutage: YesLoad Control: NoDelivery Substation: OTPC

Breaker: _____

| Breaker Operations | | Distribution Substations Affected | Reason Code | Outages | | | | | Number of Consumers | Consumer Hours Off |
|--------------------|--------|-----------------------------------|-------------|----------|-----------|---------|-----------|-----------|---------------------|--------------------|
| Time | Number | | | Time Off | Date Off | Time On | Date On | Hours Off | | |
| | | Veblen (LR) | WA | 16:40 | 10/5/2019 | 17:14 | 10/5/2019 | 0.57 | 71 | 40.23 |
| | | Veblen (TR) | WA | 16:40 | 10/5/2019 | 17:14 | 10/5/2019 | 0.57 | 1 | 0.57 |
| | | Hillhead | WA | 16:40 | 10/5/2019 | 17:08 | 10/5/2019 | 0.47 | 693 | 323.40 |
| | | Beardsley | WA | 16:40 | 10/5/2019 | 18:05 | 10/5/2019 | 1.42 | 630 | 892.50 |
| | | | | | | | | | | |
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Reason Code Legend:

| | |
|----|----------------------------|
| AC | Animal in Circuit |
| CT | Failed Current Transformer |
| FA | Failed Arrestor |
| FI | Failed Insulator |
| FO | Foreign Object in Circuit |
| IS | Ice Storm |

| | |
|----|------------------------------|
| MF | Mechanical Failure |
| OT | Other |
| PM | Preventive Maintenance |
| PS | Power Supplier |
| PT | Failed Potential Transformer |
| SS | Snow Storm |

| | |
|----|------------------|
| TR | Trees |
| TS | Thunderstorm |
| UN | Unknown |
| VA | Vehicle Accident |
| WA | Wheeling Agent |
| WI | Wind |

Crews Dispatched Out: _____

Operations Comments: _____

Targets: _____

Outage Comments: OTPC - Storm damageHandled By: CNDispatch Controlled By: East River

Load Control Comments: _____

MW Demand Control Threshold This Period: _____ MW

High MW Demand This Period: _____ MW Date: _____

High Valid MW Demand This Period: _____ MW Date: _____

High MW Today: _____

AM

Loads Controlled This Date:

WAT DFU AIR HSE DM1 IR1 IN1 IN2 IH1

Control Time In Minutes:

Valid Control:

No

PM

Loads Controlled This Date:

WAT DFU AIR HSE DM1 IR1 IN1 IN2 IH1

Control Time In Minutes:

Valid Control:

No

Completed By: Anthony Dold



BE SAFE: *Guidance for Safety and Compliance*

STAR Energy Services LLC
Safety & Compliance

Reminder on Use of PPE and Avoiding Complacency October 2019

This Be Safe was prompted by a recent close call (almost contacting an energized 480 volt secondary bushing) and should be used as a solid reminder on the use of PPE and avoiding complacency.

The employee involved in the close call was reminded to wearing his rubber gloves while opening and closing the pad-mount transformer doors/lids. The employee had removed his rubber gloves to apply a danger sticker to the inside of the transformer as required by RESAP, Federated Insurance, and NESC. The large amount of secondary wires attached to the secondary bushings made it unfeasible to apply the danger sticker to the inside face of the transformer. So, the employee decided to apply the sticker to the side of the secondary connection area, still visible to anyone entering the transformer.

Here is where complacency became part of the close call....

In previous applications, the secondary bushing had additional fiberglass support rods supporting the bushings and secondary conductors. While applying the stickers in those applications, the parts exposed to the employee were not energized and the employee was therefore protected from the energized secondary bushings.

In the particular transformer where the close call happened, there were no fiberglass rods supporting the secondaries and the employee's bare hand almost touched the exposed bushing energized at 480 volts. Another employee observed the close call and immediately alerted the employee of how close his hand was to the energized bushing.

Lesson learned! Make sure all appropriate PPE is used for the conditions being worked and discipline yourself to not becoming complacent. Always be aware of any changes in the work area that could result in injuries.



STAR Energy Services LLC Safety & Compliance

Minimum Approach Distances

October 2019

Minimum approach distance (MAD) is the closest distance a qualified employee is permitted to approach either an energized or a grounded object, as applicable for the work method being used. The employer must ensure that no employee approaches or takes any conductive object closer to exposed energized parts than set forth in Table R-6 through Table R-10 unless:

- The employee is insulated from the energized part;
- The energized part is insulated from the employee;
- The employee is insulated from any other exposed conductive part.

Table R-6 (AC Live-Line Work Minimum Approach Distance)¹

| Nominal Voltage in Kilovolts (Phase to Phase) | Phase to Ground (Feet-Inches) | Phase to Phase (Feet-Inches) |
|---|-------------------------------|------------------------------|
| 0.05 to 0.3 | Avoid Contact | Avoid Contact |
| 0.301 to 0.75 | 1 ft, 1 in | 1 ft, 1 in |
| 0.751 to 5.0 | 2 ft, 1 in | 2 ft, 1 in |
| 5.1 to 15.0 | 2 ft, 2 in | 2 ft, 3 in |
| 15.1 to 36.0 | 2 ft, 6 in | 2 ft, 11 in |
| 36.1 to 46.0 | 2 ft, 9 in | 3 ft, 3 in |
| 46.1 to 72.5 | 3 ft, 4 in | 3 ft, 11 in |

OSHA'S Table R-6 is a minimum guideline. Your actual minimum approach distance must include:

- **Slip, trip, and fall distances;**
- **Your reach;**
- **The length of anything conductive in your hand.**

OSHA's requirement² is that two employees must be present while performing the installation, removal, or repair of:

- Lines energized at greater than 600 volts;
- De-energized lines if employee is in contact with other parts that are energized at greater than 600 volts;
- Equipment (if employee is exposed to parts energized at greater than 600 volts);
- Mechanical equipment working near parts energized at greater than 600 volts.

Personal Protective Equipment (PPE)

- Types of PPE include rubber gloves, rubber sleeves, rubber blankets, line hoses, and apparel.
- Rubber insulating equipment must be sufficiently rated for the system voltage being worked on.
- Rubber insulating equipment with an ANSI class 1, 2, 3, or 4 should be used as required.

¹ Electric Power Generation, Transmission, and Distribution. OSHA. United States Department of Labor, 2014, accessed June 23, 2014, https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9868.

² Richard E. Fairfax (As Director of the OSHA Directorate of Enforcement Programs), response letter to author, February 3, 2010, accessed June 11, 2014, https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=INTERPRETATIONS&p_id=27809.

Minimum Approach Distance for Equipment

Mechanical equipment, not actually in construction or maintenance, must maintain minimum distances from exposed energized parts.

Mechanical equipment engaged in the construction or maintenance of electric lines or facilities shall not be operated closer to any energized line or equipment than the distances listed in the below table unless:

1. A designated employee, other than the equipment operator, observes the approach distance to exposed lines and equipment, and gives timely warning.
2. The energized lines exposed to contact are covered with insulating protective material that will withstand the type of contact that might be made during the operation.
3. The equipment is insulated for the voltage involved.
4. Each employee shall be protected from hazards that might arise from equipment contact with the energized lines. the measures used shall include all of the following techniques:
 - a. Using the best available ground to minimize the time the lines remain energized;
 - b. Bonding equipment together to minimize potential differences;
 - c. Providing ground mats to extend areas of equipotential;
 - d. Employing insulating protective equipment (barricades) to guard against any remaining hazardous potential differences.

Table 19-1A (Minimum Approach Distances for Equipment)³

| Nominal Voltage | Distance |
|------------------|----------|
| 750 – 50,000 | 10 feet |
| 50,000 – 200,000 | 15 feet |
| Over 200,000 | 20 feet |

***Any time you are nearing the minimum approach distance,
you must wear gloves and sleeves until insulation
(blankets, line hoses, hoods) is applied
and a barrier is created.***

³ B.C. Reg. 312/2010, Effective February 1, 2011, accessed June 9, 2014 <http://www2.worksafebc.com/publications/OHSRegulation/GuidelinePart19.asp?ReportID=18765>.

Safety Playbook 2019

For the game of life



Date Used _____ Co-op/Company _____

Coach _____ Title _____

September 27, 2019

Play of the Week: As we are busy finishing up jobs before the freeze, now is the time to cleanly follow the safety rules . . . or else, it might cost you. OSHA cited an excavation company for willfully exposing employees to excavation hazards at a construction site in Wisconsin. The company faces \$65,921 in penalties. OSHA inspectors cited the company for failing to protect employees working inside an 8-ft-deep trench and provide a safe means of exit from the excavation area. But, let's get to the heart of the matter. It can cost you something more valuable – your life. Stay focused and safe!



Safety Pays!

3rd Quarter drawing at the end of September and you could win \$75! Share today – spend tomorrow!

What happened?

From Federated Near Miss Database – Lineworker was on a trouble call that involved a customer running into a guy wire and breaking an A-2. Lineworker was parked on the inside of the angle with the pole leaning away from the bucket truck and the guy wire slacked. He cut the guy wire causing the pole to fall onto the bucket truck. Line was deenergized and grounded.

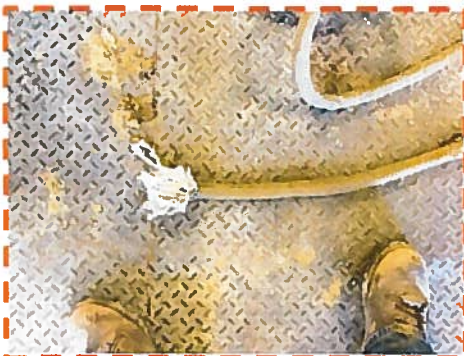
From MN Co-op – Lineworker was bending down to retire guy wire when a small branch went into right ear, poking ear drum.



From Federated Near Miss Database - Crew was working on a job to cut an A1 to an A6. They set up the job site and conducted their job briefing. Crew connected truck grounds to pole ground and began preparing materials. They noticed a thunderstorm approaching and decided to wait until it passed before starting hot work. Crew was working on ground off the back of the digger truck when lightning hit near by causing arcing on the truck. No one was injured.

From MN Co-op – Lineworker was making up a ped and cut the wire; wire spun and hit employee at the top of the eyebrow. He received a small cut above the eye.

From MN Co-op – We had set up to lift a 750kv transformer weighing 8405 lbs which was well within our lifting limits. I had lifted the tub 4 ft off the ground and noticed some material in the way on the bed of truck , so sat the transformer down. When I started to lift transformer a second time, and as it was about to come off the ground, the winch line snapped resulting in the winch line flying into two different directions. No damage was done to the transformer and no employees were injured. The winch line broke about 12 ft from the hook. [see picture below]



Safety Suggestions

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



Go Vikings!



Nice way to remind drivers to follow the law!

Safety Playbook 2019

For the game of life



Date Used _____ Co-op/Company _____

Coach _____ Title _____

October 11, 2019

Play of the Week: With Halloween this month, you don't need a ghost to scare you. In fact, the scariest thing a lineman ever said to me was, "we are just bound to have an accident because we do dangerous work." WHAT?! When that statement is said, it means we have taken safety down to the level of luck . . . and some day your luck will run out. I'm not here to play that game and I truly hope you aren't either. I came to win!!



Safety Pays!

Our 3rd Quarter winner of \$75 is from BENCO Electric. Sharing stories says what about you? You truly are a brother's keeper!



What happened?

From MN Co-op – On Tuesday Sep. 24th we were dispatched to a location where this member had lived for 17 years. He reported to dispatch that his meter was arcing and sparking and needed it disconnected. We arrived within 10 minutes of the call; it happened to be we were on route back to the shop from a previous call. The member came out of the house and mentioned his 6-year boy had opened the box (transfer switch) below the meter and stuck a sprinkler in it. He was inside when this happened and saw the arc flash and heard it. The boy along with some other siblings came running away from the pole scared beyond belief.

Due to the transformer fuse not opening up, the switch was still arcing, so the member tried to kick the sprinkler out with his foot. The transformer fuse was still in upon arrival and no one was injured. It definitely went phase to phase in the switch (for the 120/240v) service. The member had never opened this box since living there or knew what it was for. The people were very lucky in this case; remember to have these boxes secured shut on your property and remind your members also. [See picture A - top right side of picture 120v coming down to sprayer on the sprinkler, center of the sprinkler hit the "grounded" handed to the switch and bottom left of the picture is where the base burnt against the other 120v phase.]

From MN Co-op – Employee entered the middle shed during a weekend outage call and noticed smoke coming from engine of New Holland skid steer. Battery cables were disconnected, shed doors were open to ventilate and unit was moved outside when employee pulled trailer with skid steer out of shed.



A



Safety Suggestions

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



Go Vikings!



Where in the world are the emergency triangle kits located? Look for the orange triangle . . . and now you know!



FEDERATED RURAL ELECTRIC
INSURANCE EXCHANGE

Bulletin

Litigation Report

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

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

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

The Situation:

An ABC Electric crew was cutting a secondary conductor which fed from an old meter pole to an outbuilding. As the crew cut the conductor, the pole broke at ground level and fell on one of the member's vehicles. The ABC crew did not check the old meter pole for stability prior to beginning work. The member was compensated for the damage.

Lessons Learned:

This case illustrates the importance of inspecting poles prior to performing work. Prior to beginning work, the pole being worked and any adjacent poles should be inspected for stability to prevent accidents like the one above as well as more severe accidents involving cooperative employees. Additionally, the property owner may want to observe the work, but it is important to keep him or her or any other member of the public out of the work zone.

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

Form **990**Department of the Treasury
Internal Revenue Service

TENDED TO NOVEMBER 15, 20

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018Open to Public
Inspection**A** For the 2018 calendar year, or tax year beginning and ending**B** Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization

TRAVERSE ELECTRIC COOPERATIVE, INC.

Doing business as

Number and street (or P.O. box if mail is not delivered to street address)

1618 BROADWAY P.O. BOX 66

Room/suite

City or town, state or province, country, and ZIP or foreign postal code

WHEATON, MN 56296-0066

F Name and address of principal officer: ALAN VEFLIN

SAME AS C ABOVE

D Employer identification number

41-0581955

E Telephone number


320-563-8616

G Gross receipts \$ 12,361,266.**H(a)** Is this a group return for subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)**H(c)** Group exemption number ▶**I** Tax-exempt status: ☐ 501(c)(3) ☒ 501(c)(12) (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: WWW.TRAVERSEELECTRIC.COM**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: 1940 **M** State of legal domicile: MN**Part I Summary**

| | | | |
|---|--|--|---------------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: AN ELECTRIC COOPERATIVE PROVIDING ELECTRIC SERVICE TO MEMBERS AT THE LOWEST POSSIBLE COST. | | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | | |
| | 3 Number of voting members of the governing body (Part VI, line 1a) | 3 | 9 |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 9 |
| | 5 Total number of individuals employed in calendar year 2018 (Part V, line 2a) | 5 | 15 |
| | 6 Total number of volunteers (estimate if necessary) | 6 | 0 |
| | | 7a Total unrelated business revenue from Part VIII, column (C), line 12 | 7a |
| b Net unrelated business taxable income from Form 990-T, line 38 | | 7b | 0. |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | Prior Year | Current Year |
| | 9 Program service revenue (Part VIII, line 2g) | 0. | 0. |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 10,363,494. | 10,955,967. |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 199,088. | 251,970. |
| | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 483,343. | 1,104,767. |
| Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 11,045,925. | 12,312,704. |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4) | 0. | 0. |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 1,005,362. | 1,868,245. |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e) | 1,694,584. | 1,832,179. |
| | b Total fundraising expenses (Part IX, column (D), line 25) ▶ | 0. | 0. |
| | 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | 8,345,979. | 8,612,280. |
| | 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 11,045,925. | 12,312,704. |
| Net Assets or Fund Balances | 19 Revenue less expenses. Subtract line 18 from line 12 | 0. | 0. |
| | 20 Total assets (Part X, line 16) | Beginning of Current Year | End of Year |
| | 21 Total liabilities (Part X, line 26) | 24,079,467. | 27,311,439. |
| | 22 Net assets or fund balances. Subtract line 21 from line 20 | 12,667,696. | 14,433,792. |
| | | 11,411,771. | 12,877,647. |

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

| | | | |
|-------------------------------|---|--|-----------------|
| Sign Here |  | Signature of officer | Date |
| | JOEL JANORSCHKE, GENERAL MANAGER | | 11-13-19 |
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date |
| | CRAIG POPENHAGEN | CRAIG POPENHAGEN | 11/13/19 |
| | Firm's name ▶ CLIFTONLARSONALLEN LLP | Check if self-employed <input type="checkbox"/> | PTIN |
| | Firm's address ▶ 1920 TURNING LEAF LANE, SUITE 2 | Firm's EIN ▶ 41-0746749 | |
| | ALEXANDRIA, MN 56308 | Phone no. 320-759-5100 | |

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:

TO PROVIDE ELECTRIC SERVICE AT THE LOWEST POSSIBLE RATES, CONSISTENT WITH SOUND BUSINESS PRINCIPLES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ including grants of \$) (Revenue \$)
SALES OF ELECTRIC POWER TO 2199 MEMBERS.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶

Part IV Checklist of Required Schedules

| | Yes | No |
|---|-----|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A | | X |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors? | | X |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I | | X |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II | | |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III | | X |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I | | X |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II | | X |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III | | X |
| 9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV | | X |
| 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V | | X |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. | | |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI | X | |
| b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII | X | |
| c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII | | X |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX | | X |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X | X | |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X | | X |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII | | X |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional | | X |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | | X |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | | X |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV | | X |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV | | X |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV | | X |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I | | X |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II | | X |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III | | X |
| 20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H | | X |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | | |
| 21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II | | X |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|---|-----|----|
| 22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III | | X |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J | X | |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a | | X |
| 24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | |
| 24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | |
| 24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | |
| 25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I | | |
| 25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I | | |
| 26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II | | X |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III | | X |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions): | | |
| 28a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV | | X |
| 28b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV | | X |
| 28c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV | | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M | | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M | | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I | | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II | | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I | | X |
| 34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1 | | X |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | | X |
| 35b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 | | |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 | | |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI | | X |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? | X | |

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

| | Yes | No |
|--|-----|----|
| 1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable | 19 | |
| 1b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable | 0 | |
| 1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | | |

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

| | Yes | No |
|--|------------------------|----|
| 2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return | | |
| 2a 15 | | |
| b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? | 2b X | |
| Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) | | |
| 3a Did the organization have unrelated business gross income of \$1,000 or more during the year? | 3a X | |
| b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O | 3b X | |
| 4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | 4a | X |
| b If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). | | |
| 5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5a | X |
| b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5b | X |
| c If "Yes" to line 5a or 5b, did the organization file Form 8886-T? | 5c | |
| 6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? | 6a | X |
| b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | 6b | |
| 7 Organizations that may receive deductible contributions under section 170(c). | | |
| a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | 7a | |
| b If "Yes," did the organization notify the donor of the value of the goods or services provided? | 7b | |
| c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | 7c | |
| d If "Yes," indicate the number of Forms 8282 filed during the year | 7d | |
| e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | 7e | |
| f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7f | |
| g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | 7g | |
| h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | 7h | |
| 8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? | 8 | |
| 9 Sponsoring organizations maintaining donor advised funds. | | |
| a Did the sponsoring organization make any taxable distributions under section 4966? | 9a | |
| b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? | 9b | |
| 10 Section 501(c)(7) organizations. Enter: | | |
| a Initiation fees and capital contributions included on Part VIII, line 12 | 10a | |
| b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | 10b | |
| 11 Section 501(c)(12) organizations. Enter: | | |
| a Gross income from members or shareholders | 11a 10,955,967. | |
| b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) | 11b 1,404,785. | |
| 12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | 12a | |
| b If "Yes," enter the amount of tax-exempt interest received or accrued during the year | 12b | |
| 13 Section 501(c)(29) qualified nonprofit health insurance issuers. | | |
| a Is the organization licensed to issue qualified health plans in more than one state? | 13a | |
| Note. See the instructions for additional information the organization must report on Schedule O. | | |
| b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | 13b | |
| c Enter the amount of reserves on hand | 13c | |
| 14a Did the organization receive any payments for indoor tanning services during the tax year? | 14a | X |
| b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O | 14b | |
| 15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? | 15 | X |
| If "Yes," see instructions and file Form 4720, Schedule N. | | |
| 16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? | 16 | X |
| If "Yes," complete Form 4720, Schedule O. | | |

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

☒**Section A. Governing Body and Management**

| | 1a | 1b | 2 | 3 | 4 | 5 | 6 | 7a | 7b | 8a | 8b | 9 | Yes | No |
|--|----|----|---|---|---|---|---|----|----|----|----|---|-----|----|
| 1a Enter the number of voting members of the governing body at the end of the tax year | 9 | | | | | | | | | | | | | |
| If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O. | | | | | | | | | | | | | | |
| b Enter the number of voting members included in line 1a, above, who are independent | | 9 | | | | | | | | | | | | |
| 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | | | 2 | | | | | | | | | | | X |
| 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? | | | | 3 | | | | | | | | | | X |
| 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | | | | | 4 | | | | | | | | | X |
| 5 Did the organization become aware during the year of a significant diversion of the organization's assets? | | | | | | 5 | | | | | | | | X |
| 6 Did the organization have members or stockholders? | | | | | | | 6 | X | | | | | | |
| 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? | | | | | | | | 7a | X | | | | | |
| b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? | | | | | | | | | 7b | X | | | | |
| 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | | | | | | | | | | | | | |
| a The governing body? | | | | | | | | | | 8a | X | | | |
| b Each committee with authority to act on behalf of the governing body? | | | | | | | | | | | 8b | X | | |
| 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O | | | | | | | | | | | | 9 | | X |

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

| | 10a | 10b | 11a | 12a | 12b | 12c | 13 | 14 | 15a | 15b | 16a | 16b | Yes | No |
|--|-----|-----|-----|-----|-----|-----|----|----|-----|-----|-----|-----|-----|----|
| 10a Did the organization have local chapters, branches, or affiliates? | 10a | | | | | | | | | | | | | X |
| b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? | | 10b | | | | | | | | | | | | |
| 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? | | | 11a | X | | | | | | | | | | |
| b Describe in Schedule O the process, if any, used by the organization to review this Form 990. | | | | | | | | | | | | | | |
| 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 | | | | 12a | X | | | | | | | | | |
| b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | | | | | 12b | X | | | | | | | | |
| c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done | | | | | | 12c | X | | | | | | | |
| 13 Did the organization have a written whistleblower policy? | | | | | | | 13 | X | | | | | | |
| 14 Did the organization have a written document retention and destruction policy? | | | | | | | | 14 | | | | | | X |
| 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | | | | | | | | | | | | | |
| a The organization's CEO, Executive Director, or top management official | | | | | | | | | 15a | X | | | | |
| b Other officers or key employees of the organization | | | | | | | | | | 15b | X | | | |
| If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). | | | | | | | | | | | | | | |
| 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | | | | | | | | | | | 16a | | | X |
| b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? | | | | | | | | | | | | 16b | | |

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► **NONE**

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records ►

MELISSA PRZYMUS - 320-563-8616

1618 BROADWAY, WHEATON, MN 56296

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

[illegible]

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

| | | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512-514 |
|---|--|--------------------------------|---------------|----------------------|---|---|--|
| Contributions, Gifts, Grants and Other Similar Amounts | 1 a Federated campaigns | 1a | | | | | |
| | b Membership dues | 1b | | | | | |
| | c Fundraising events | 1c | | | | | |
| | d Related organizations | 1d | | | | | |
| | e Government grants (contributions) | 1e | | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | | | | | |
| | g Noncash contributions included in lines 1a-1f: \$ | | | | | | |
| | h Total. Add lines 1a-1f | | | | | | |
| Program Service Revenue | 2 a ELECTRIC SERVICE | Business Code 221000 | | 10,955,967. | 10,955,967. | | |
| | b | | | | | | |
| | c | | | | | | |
| | d | | | | | | |
| | e | | | | | | |
| | f All other program service revenue | | | | | | |
| | g Total. Add lines 2a-2f | | | 10,955,967. | | | |
| | 3 Investment income (including dividends, interest, and other similar amounts) | | | 241,484. | | | 241,484. |
| 4 Income from investment of tax-exempt bond proceeds | | | | | | | |
| 5 Royalties | | | | | | | |
| Other Revenue | 6 a Gross rents | (i) Real | (ii) Personal | | | | |
| | | 2,784. | | | | | |
| | b Less: rental expenses | | 0. | | | | |
| | c Rental income or (loss) | | 2,784. | | | | |
| | d Net rental income or (loss) | | | | 2,784. | | 2,784. |
| | 7 a Gross amount from sales of assets other than inventory | (i) Securities | (ii) Other | | | | |
| | | | 11,000. | | | | |
| | b Less: cost or other basis and sales expenses | | 514. | | | | |
| | c Gain or (loss) | | 10,486. | | | | |
| | d Net gain or (loss) | | | | 10,486. | | 10,486. |
| | 8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 | a | | | | | |
| | b Less: direct expenses | b | | | | | |
| | c Net income or (loss) from fundraising events | | | | | | |
| | 9 a Gross income from gaming activities. See Part IV, line 19 | a | | | | | |
| | b Less: direct expenses | b | | | | | |
| | c Net income or (loss) from gaming activities | | | | | | |
| | 10 a Gross sales of inventory, less returns and allowances | a | 61,988. | | | | |
| | b Less: cost of goods sold | b | 48,048. | | | | |
| | c Net income or (loss) from sales of inventory | | | | 13,940. | 11,968. | 1,972. |
| | Miscellaneous Revenue | | | Business Code | | | |
| 11 a CAPITAL CREDITS | 221000 | | 1,088,043. | 1,088,043. | | | |
| b | | | | | | | |
| c | | | | | | | |
| d All other revenue | | | | | | | |
| e Total. Add lines 11a-11d | | | | 1,088,043. | | | |
| 12 Total revenue. See instructions | | | | 12,312,704. | 12,055,978. | 1,972. | 254,754. |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 | | | | |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22 | | | | |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | 1,868,245. | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 214,798. | | | |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | 1,617,381. | | | |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | | | | |
| 9 Other employee benefits | | | | |
| 10 Payroll taxes | | | | |
| 11 Fees for services (non-employees): | | | | |
| a Management | | | | |
| b Legal | 5,245. | | | |
| c Accounting | 16,590. | | | |
| d Lobbying | | | | |
| e Professional fundraising services. See Part IV, line 17 | | | | |
| f Investment management fees | | | | |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.) | 5,240. | | | |
| 12 Advertising and promotion | 6,959. | | | |
| 13 Office expenses | 89,994. | | | |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | | | | |
| 17 Travel | | | | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | 36,033. | | | |
| 20 Interest | 644,410. | | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 944,933. | | | |
| 23 Insurance | 6,541. | | | |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a PURCHASED POWER | 6,740,700. | | | |
| b MAINTENANCE OF GENERAL | 68,118. | | | |
| c DUES | 37,964. | | | |
| d SALES EXPENSES | 9,553. | | | |
| e All other expenses | | | | |
| 25 Total functional expenses. Add lines 1 through 24e | 12,312,704. | | | |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. | | | | |

Check here ☐ if following SOP 98-2 (ASC 958-720)

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

| | | (A) Beginning of year | | (B) End of year |
|---|--|--------------------------|-------------|--------------------|
| Assets | 1 Cash - non-interest-bearing | 1,000. | 1 | 1,000. |
| | 2 Savings and temporary cash investments | 2,697,938. | 2 | 4,824,106. |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | 944,236. | 4 | 840,498. |
| | 5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | 5 | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L | | 6 | |
| | 7 Notes and loans receivable, net | | 7 | |
| | 8 Inventories for sale or use | 366,055. | 8 | 294,377. |
| | 9 Prepaid expenses and deferred charges | 296,877. | 9 | 319,194. |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 25,763,229. | | |
| | b Less: accumulated depreciation | 10b 10,727,761. | | |
| | | 14,663,008. | 10c | 15,035,468. |
| | 11 Investments - publicly traded securities | | 11 | |
| | 12 Investments - other securities. See Part IV, line 11 | 5,110,353. | 12 | 5,996,796. |
| | 13 Investments - program-related. See Part IV, line 11 | | 13 | |
| | 14 Intangible assets | | 14 | |
| 15 Other assets. See Part IV, line 11 | | 15 | | |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 24,079,467. | 16 | 27,311,439. | |
| Liabilities | 17 Accounts payable and accrued expenses | 1,073,966. | 17 | 911,052. |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | | 19 | |
| | 20 Tax-exempt bond liabilities | | 20 | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | |
| | 22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | 11,556,298. | 23 | 13,482,460. |
| | 24 Unsecured notes and loans payable to unrelated third parties | 25,582. | 24 | 27,530. |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D | 11,850. | 25 | 12,750. |
| | 26 Total liabilities. Add lines 17 through 25 | 12,667,696. | 26 | 14,433,792. |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | |
| | 27 Unrestricted net assets | | 27 | |
| | 28 Temporarily restricted net assets | | 28 | |
| | 29 Permanently restricted net assets | | 29 | |
| | Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34. | | | |
| | 30 Capital stock or trust principal, or current funds | 0. | 30 | 0. |
| | 31 Paid-in or capital surplus, or land, building, or equipment fund | 386,980. | 31 | 427,016. |
| | 32 Retained earnings, endowment, accumulated income, or other funds | 11,024,791. | 32 | 12,450,631. |
| | 33 Total net assets or fund balances | 11,411,771. | 33 | 12,877,647. |
| | 34 Total liabilities and net assets/fund balances | 24,079,467. | 34 | 27,311,439. |

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

| | | | |
|----|--|----|-------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 12,312,704. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 12,312,704. |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | 0. |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 11,411,771. |
| 5 | Net unrealized gains (losses) on investments | 5 | |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | 1,465,876. |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 12,877,647. |

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☒

| | | Yes | No |
|----|---|-----|----|
| 1 | Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O. | | |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | 2a | X |
| b | Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | 2b | X |
| c | If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O. | 2c | |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____ | 3a | X |
| b | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____ | 3b | |

Form 990 (2018)

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

TRAVERSE ELECTRIC COOPERATIVE, INC.

Employer identification number

41-0581955

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|------------------------------|------------------------------|
| 1 Total number at end of year | | |
| 2 Aggregate value of contributions to (during year) | | |
| 3 Aggregate value of grants from (during year) | | |
| 4 Aggregate value at end of year | | |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

| | |
|--|---|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) | <input type="checkbox"/> Preservation of a historically important land area |
| <input type="checkbox"/> Protection of natural habitat | <input type="checkbox"/> Preservation of a certified historic structure |
| <input type="checkbox"/> Preservation of open space | |

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

| | Held at the End of the Tax Year |
|--|---------------------------------|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register | 2d |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1

▶ \$

(ii) Assets included in Form 990, Part X

▶ \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1

▶ \$

b Assets included in Form 990, Part X

▶ \$

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2018

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition
 b ☐ Scholarly research
 c ☐ Preservation for future generations

- d ☐ Loan or exchange programs
 e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

| | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ☐ %
 b Permanent endowment ☐ %
 c Temporarily restricted endowment ☐ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations ☐ Yes ☐ No
 3a(i) ☐ ☐
 (ii) related organizations ☐ Yes ☐ No
 3a(ii) ☐ ☐

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ☐ Yes ☐ No
 3b ☐ ☐

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--------------------------|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | 16,644. | | 16,644. |
| b Buildings | | 415,192. | 282,861. | 132,331. |
| c Leasehold improvements | | | | |
| d Equipment | | 24,833,069. | 10,444,900. | 14,388,169. |
| e Other | | 498,324. | | 498,324. |

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) ☐ 15,035,468.

Schedule D (Form 990) 2018

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|---|
| (1) Financial derivatives | | |
| (2) Closely-held equity interests | | |
| (3) Other | | |
| (A) ERC LOANS | 87,496. | COST |
| (B) CAPITAL CREDITS IN OTHER | | |
| (C) CO-OPS | 5,909,300. | COST |
| (D) | | |
| (E) | | |
| (F) | | |
| (G) | | |
| (H) | | |
| Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) | 5,996,796. | |

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

| (a) Description of investment | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|---|
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) | | |

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

| (a) Description | (b) Book value |
|---|----------------|
| (1) | |
| (2) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) | |

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

| 1. (a) Description of liability | (b) Book value |
|---|----------------|
| (1) Federal income taxes | |
| (2) CONSUMERS DEPOSITS | 12,750. |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) | 12,750. |

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Schedule D (Form 990) 2018

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

| | | | |
|----------|--|-----------|--|
| 1 | Total revenue, gains, and other support per audited financial statements | 1 | |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | |
| a | Net unrealized gains (losses) on investments | 2a | |
| b | Donated services and use of facilities | 2b | |
| c | Recoveries of prior year grants | 2c | |
| d | Other (Describe in Part XIII.) | 2d | |
| e | Add lines 2a through 2d | 2e | |
| 3 | Subtract line 2e from line 1 | 3 | |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII.) | 4b | |
| c | Add lines 4a and 4b | 4c | |
| 5 | Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.) | 5 | |

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

| | | | |
|----------|---|-----------|--|
| 1 | Total expenses and losses per audited financial statements | 1 | |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | |
| a | Donated services and use of facilities | 2a | |
| b | Prior year adjustments | 2b | |
| c | Other losses | 2c | |
| d | Other (Describe in Part XIII.) | 2d | |
| e | Add lines 2a through 2d | 2e | |
| 3 | Subtract line 2e from line 1 | 3 | |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII.) | 4b | |
| c | Add lines 4a and 4b | 4c | |
| 5 | Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.) | 5 | |

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART XI

THE ORGANIZATION HAS AUDIT REPORTS WITH YEAR-ENDED OF MARCH 31, 2018 AND 2019, WHICH IS DIFFERENT YEAR-END THAN TAX RETURNS.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

TRAVERSE ELECTRIC COOPERATIVE, INC.

Employer identification number

41-0581955

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

☐ First-class or charter travel

☐ Travel for companions

☐ Tax indemnification and gross-up payments

☐ Discretionary spending account

☐ Housing allowance or residence for personal use

☐ Payments for business use of personal residence

☐ Health or social club dues or initiation fees

☐ Personal services (such as maid, chauffeur, chef)

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

☐ Compensation committee

☐ Independent compensation consultant

☐ Form 990 of other organizations

☐ Written employment contract

☒ Compensation survey or study

☒ Approval by the board or compensation committee

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

X

X

X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2018

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

[illegible]

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 3:

THE BOARD OF DIRECTORS LOOKS AT COMPARABLE GENERAL MANAGER COMPENSATION
PACKAGES AND DOES A FULL BOARD APPRAISAL AT THEIR SEPTEMBER MEETING EACH
YEAR.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

TRAVERSE ELECTRIC COOPERATIVE, INC.

Employer identification number

41-0581955

FORM 990, PART VI, SECTION A, LINE 6:

ALL ELECTRIC CUSTOMERS OF THE COOPERATIVE ARE MEMBERS.

FORM 990, PART VI, SECTION A, LINE 7A:

COOPERATIVE MEMBERS ELECT THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION A, LINE 7B:

THE BYLAWS CAN BE ALTERED, AMENDED, OR REPEALED BY THE MEMBERS AT ANY
REGULAR OR SPECIAL BOARD MEETING. THE BOARD OF DIRECTORS NEED AN
AFFIRMATIVE VOTE OF 2/3S OF THE MEMBERS TO SELL, MORTGAGE, LEASE, ETC. ALL
THE PROPERTY, RIGHTS, ETC. OF THE ORGANIZATION.

FORM 990, PART VI, SECTION B, LINE 11B:

THE BOARD OF DIRECTORS RECEIVE A COPY OF THE FORM 990 AND REVIEW AT A BOARD
MEETING.

FORM 990, PART VI, SECTION B, LINE 12C:

A. EACH DIRECTOR AND EMPLOYEE OF TRAVERSE ELECTRIC SHALL MAKE EVERY
REASONABLE EFFORT TO COMPLY WITH THE LETTER AND SPIRIT OF THIS POLICY.

B. THE MANAGER SHALL MAKE EVERY REASONABLE EFFORT TO INFORM ALL EMPLOYEES
ABOUT THE CONTENT OF THIS POLICY AND MAKE EVERY REASONABLE EFFORT BASED ON
THE INFORMATION AVAILABLE TO HIM TO SEE THAT IT IS COMPLIED WITH AND REPORT
TO THE BOARD OF DIRECTORS PERIODICALLY ON HOW THIS POLICY IS BEING CARRIED
OUT.

Name of the organization

TRAVERSE ELECTRIC COOPERATIVE, INC.

Employer identification number

41-0581955

C. CONSISTENT WITH THE BY LAWS OF TRAVERSE ELECTRIC ANY DIRECTOR OR EMPLOYEE WHOSE CONDUCT INFRINGES UPON EITHER THE LETTER AND SPIRIT OF THIS POLICY, SHALL BE SUBJECT TO: (1) IF DIRECTOR OR MANAGER, EXPULSION OR TERMINATION BY APPROPRIATE ACTION OF THE BOARD OF DIRECTORS, OR (2) IF AN EMPLOYEE, TERMINATION BY APPROPRIATE ACTION OF THE MANAGER.

THE ORGANIZATION DOCUMENT PROCEEDINGS RESULTING FROM CONFLICT OF INTEREST IN BOARD MINUTES AND THAT THE BOARD MEMBER ABSTAINED FROM VOTING.

FORM 990, PART VI, SECTION B, LINE 15:

BOARD IS RESPONSIBLE FOR REVIEWING AND APPROVING THE GENERAL MANAGER SALARY. THE GENERAL MANAGER GATHERS COMPARABLE SALARY DATA FOR GENERAL MANAGERS OF COOPERATIVES COMPARABLE IN SIZE FROM MN AND ALSO BY UTILIZING NRECA'S COMPENSATION DATA. THE PROCESS IS DOCUMENTED IN THE BOARD MINUTES AND THE GENERAL MANAGER SALARY IS RECORDED ON THE ANNUAL PERFORMANCE EVALUATION AND THE ACTION IS RECORDED IN THE BOARD MINUTES. THE PROCESS WAS LAST CONDUCTED IN 2018.

THE BOARD AND MANAGER NEGOTIATE UNION EMPLOYEE WAGES THROUGH LABOR CONTRACT NEGOTIATIONS. GENERAL MANAGER SEEKS COMPARABLE SALARY DATA FROM NEIGHBORING COOPERATIVES COMPARABLE IN SIZE IN MN . THE GENERAL MANAGER IS RESPONSIBLE FOR SALARY INCREASES FOR NON UNION EMPLOYEES. THE GENERAL MANAGER REQUESTS FROM THE BOARD AN AMOUNT FOR NON-UNION EMPLOYEE SALARY INCREASES AND DISTRIBUTES THAT AMOUNT TO NON UNION EMPLOYEES AT THE GENERAL MANAGER'S DISCRETION. THE MANAGER SEEKS WAGE COMPARISONS FOR NON-UNION POSITIONS FROM NRECA'S COMPENSATION STUDY DATA. THE PROCESS AND BOARD APPROVAL ARE RECORDED IN THE BOARD MINUTES AND WAS LAST CONDUCTED ON SEPTEMBER 25, 2018. UNION EMPLOYEE WAGES ARE COMPARED TO OTHER CO-OPS EACH TIME CONTRACTS ARE

| | | | |
|--------------------------|-------------------------------------|--------------------------------|------------|
| Name of the organization | TRaverse Electric Cooperative, Inc. | Employer identification number | 41-0581955 |
|--------------------------|-------------------------------------|--------------------------------|------------|

NEGOTIATED.

FORM 990, PART VI, SECTION C, LINE 19:

THE COOPERATIVE MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

| | |
|------------------------------------|------------|
| DONATED CAPITAL | 40,036. |
| PATRONAGE DIVIDENDS ALLOCATED | 1,868,245. |
| CAPITAL CREDITS RETIRED | -442,405. |
| TOTAL TO FORM 990, PART XI, LINE 9 | 1,465,876. |

FORM 990, PART IX LINE 4

THE IRS INSTRUCTIONS STATE THAT PATRONAGE DIVIDENDS PAID BY SECTION 501(C)(12) ORGANIZATIONS TO THEIR MEMBERS SHOULD BE REPORTED ON LINE 4. THE ORGANIZATION HAS INTERPRETED PATRONAGE DIVIDENDS PAID TO MEAN PATRONAGE DIVIDENDS ALLOCATED OR TO BE ALLOCATED FOR THE CURRENT YEAR. SINCE THIS ALLOCATION IS NOT AN EXPENSE UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP), THIS HAS RESULTED IN A RECONCILING ITEM TO NET ASSETS IN PART XI, ON PAGE 12 OF THE FORM 990.

FORM 990, PART XII LINE 2

THE ORGANIZATION'S FINANCIAL STATEMENTS ARE AUDITED BY AN INDEPENDENT ACCOUNTANT FOR YEAR ENDED MARCH 31 ANNUALLY. THE 990 IS REPORTED WITH A YEAR END OF DECEMBER 31.

TOTAL ESTATES PAID OUT IN 2019

| Name | Amount | Date Pd | |
|-----------------------------------|---------------|----------------|---|
| Kathleen Bates Estate | 200.74 | 1/11/2019 | |
| Gene Kohl/Ron Kohl | 1153.94 | 1/11/2019 | |
| Bernice Differding/Cindy Lommel | 443.21 | 1/11/2019 | |
| Joan Olson/Michael Olson | 23.21 | 1/11/2019 | |
| Thomas Wolney/Carol Wolney | 37.44 | 1/11/2019 | |
| Robert M Johnson/Vickie Johnsor | 808.10 | 1/21/2019 | v |
| Wayne Weick/Randal Weick | 682.19 | 1/21/2019 | |
| Henry Wilberts/Todd Cty | 1003.75 | 1/28/2019 | |
| Riley Williamson/Janet Williamso | 1007.72 | 1/28/2019 | |
| Ray/Helen Spindler - Spindler Far | 1161.41 | 2/4/2019 | |
| Calvin Bertram - Linda Flaten | 1933.75 | 2/26/2019 | v |
| Wayne Hamner/Rae Hamner | 4052.90 | 3/18/2019 | v |
| Vastana James/Donna James | 2794.94 | 3/29/2019 | |
| Richard Weber/Brian Weber | 368.61 | 3/29/2019 | |
| Janice Wiester Estate | 476.86 | 4/23/2019 | |
| Gary Johnson/Vicky Johnson | 3894.47 | 5/13/2019 | |
| Marvin Maskewit/Rose Maskewit | 2163.78 | 5/13/2019 | |
| Ruth Drexler Estate | 2213.07 | 6/24/2019 | |
| Helmuth Henke Jr | 295.06 | 7/15/2019 | |
| Edwin/Darlys Kuschel | 1674.62 | 7/15/2019 | |
| James Reynolds | 1429.55 | 7/15/2019 | |
| Liddie Moeller/Brad Moeller | 602.30 | 7/29/2019 | |
| Gilbert Braun Estate | 3180.81 | 8/13/2019 | |
| Sherman Peterson/Marcia | 2530.52 | 9/9/2019 | |
| Roy Petersen/Mavis Peterson | 1630.89 | 9/30/2019 | |
| Kenneth Gruneich/Sandra Rumle | 497.43 | 10/14/2019 | |
| George Libbon/Shirley Libbon | 3429.28 | 10/14/2019 | |
| Herbert Beyer/Craig Hess | 580.16 | 10/25/2019 | |
| Terry Dohman/Gloria Dohman | 699.39 | 10/25/2019 | |
| Clinton Schultz Jr/Mary Schultz | 2233.92 | 11/4/2019 | |
| | 43204.02 | | |

Operating Revenue and Patronage Capital

| Account # | Revenue | 2020B | 2019B | 2019P |
|-----------|---|------------------|------------------|------------------|
| 440.10 | Residential Sales - Rural | \$ 6,353,000.00 | \$ 6,089,000.00 | \$ 6,356,545.68 |
| 440.20 | Residential Sales - Seasonal | \$ 392,500.00 | \$ 400,500.00 | \$ 392,451.75 |
| 441.00 | Irrigation Sales | \$ 16,700.00 | \$ 21,575.00 | \$ 16,657.18 |
| 442.10 | Comm & Ind Small Under 50 KVA | \$ 10,300.00 | \$ 29,800.00 | \$ 10,226.81 |
| | Big Stone Radio | | | |
| 442.20 | Comm & Ind Large Over 50 KVA | \$ 1,217,700.00 | \$ 1,624,000.00 | \$ 1,217,763.79 |
| 442.30 | Comm & Ind Over 1000 KVA | \$ 2,157,300.00 | \$ 1,647,200.00 | \$ 1,693,459.30 |
| | Campbell Dairy, Dollymount Dairy, North Ottawa Dairy, Kinder Morgan, WDCE | | | |
| 442.40 | Comm & Ind Over 1000 KVA - Marshall Dairy | \$ 1,287,200.00 | \$ 1,474,000.00 | \$ 1,288,654.43 |
| 450.00 | Forfeited Discount (Late Penalty) | \$ 15,000.00 | \$ 14,400.00 | \$ 15,267.64 |
| 451.00 | Misc. Service Revenue (Reconnect Fee) | \$ 4,000.00 | \$ 2,400.00 | \$ 5,208.29 |
| 454.00 | Rent from Electric Property | \$ 2,820.00 | \$ 2,784.00 | \$ 2,812.00 |
| | (1) TOTAL OPERATING REVENUE AND PATRONAGE CAPITAL | \$ 11,456,520.00 | \$ 11,305,659.00 | \$ 10,999,046.87 |
| | (2) TOTAL POWER PRODUCTION EXPENSE | \$ - | \$ - | \$ - |

| Average | 2018 | 2017 | 2016 |
|------------------|------------------|------------------|-----------------|
| \$ 5,894,815.99 | \$ 6,188,907.75 | \$ 5,853,867.04 | \$ 5,641,673.18 |
| \$ 368,950.95 | \$ 385,183.08 | \$ 365,656.79 | \$ 356,012.98 |
| \$ 25,313.06 | \$ 18,298.81 | \$ 27,272.93 | \$ 30,367.44 |
| \$ 27,014.80 | \$ 23,624.99 | \$ 31,323.29 | \$ 26,096.12 |
| \$ 1,416,971.71 | \$ 1,390,840.77 | \$ 1,512,691.06 | \$ 1,347,383.31 |
| \$ 1,222,317.31 | \$ 1,607,266.71 | \$ 1,185,499.16 | \$ 874,186.07 |
| \$ 1,336,354.61 | \$ 1,316,848.67 | \$ 1,360,756.44 | \$ 1,331,458.73 |
| \$ 15,250.94 | \$ 16,364.01 | \$ 14,269.33 | \$ 15,119.47 |
| \$ 7,955.84 | \$ 5,736.54 | \$ 9,373.89 | \$ 8,757.09 |
| \$ 2,780.00 | \$ 2,784.00 | \$ 2,784.00 | \$ 2,772.00 |
| \$ 10,317,725.22 | \$ 10,955,855.33 | \$ 10,363,493.93 | \$ 9,633,826.39 |
| \$ - | \$ - | \$ - | \$ - |

Power Purchased

| Account # | Expense | 2020B | 2019B | 2019P |
|-----------|--|-----------------|-----------------|-----------------|
| 555.00 | Purchased Power | \$ 6,000,942.00 | \$ 5,600,000.00 | \$ 5,616,170.18 |
| 555.20 | Power/Marshall Dairy Cost | \$ 1,169,000.00 | \$ 1,220,000.00 | \$ 1,199,213.48 |
| 555.30 | Purchase Power-Distributed Generated (Excess Solar/Wind) | \$ 3,500.00 | \$ 2,200.00 | \$ 2,695.96 |
| | (3) TOTAL COST OF PURCHASED POWER | \$ 7,173,442.00 | \$ 6,822,200.00 | \$ 6,818,079.62 |
| | (4) TOTAL TRANSMISSION EXPENSE | \$ - | \$ - | \$ - |
| | (5) TOTAL REGIONAL MARKET EXPENSE | \$ - | \$ - | \$ - |

| Average | 2018 | 2017 | 2016 |
|-----------------|-----------------|-----------------|-----------------|
| \$ 5,049,656.32 | \$ 5,512,097.26 | \$ 5,213,623.42 | \$ 4,423,248.28 |
| \$ 1,246,222.51 | \$ 1,226,750.11 | \$ 1,281,663.63 | \$ 1,230,253.78 |
| \$ 1,441.47 | \$ 1,852.53 | \$ 1,700.36 | \$ 771.53 |
| \$ 6,297,320.30 | \$ 6,740,699.90 | \$ 6,496,987.41 | \$ 5,654,273.59 |
| \$ - | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | \$ - |

Operation Expense

| Account # | Expense | 2020B | 2019B | 2019P |
|-----------|---|--------------|--------------|--------------|
| 580.00 | Operation Supervision & Engineer | \$ 40,000.00 | \$ 50,500.00 | \$ 39,500.00 |
| | iPad / AVL / Mobile Service Orders (PCS) | | | |
| 581.00 | Load Dispatching | \$ 7,500.00 | \$ 5,500.00 | \$ 7,200.00 |
| | Line switching done by TEC crews | | | |
| 583.00 | Overhead Line Expense | \$ 80,000.00 | \$ 95,000.00 | \$ 74,500.00 |
| | Installation of transformers and special equipment & glove testing | | | |
| 583.10 | Overhead Line Patrol | \$ 30,000.00 | \$ 12,000.00 | \$ 37,230.52 |
| | TEC crews - North half of system | | | |
| 583.20 | After Hours Dispatch | \$ 15,000.00 | \$ 15,000.00 | \$ 14,286.86 |
| | CRC - Cooperative Response Center | | | |
| 583.50 | Lineman Meeting, Training & Travel Expense | \$ 12,000.00 | \$ 10,560.00 | \$ 11,815.14 |
| | Safety & Loss control meeting held outside of TEC headquarters | | | |
| 583.60 | Safety Program Expense | \$ 57,000.00 | \$ 26,000.00 | \$ 59,000.00 |
| | MREA Safety & Loss Control / Star Energy Safety Coordinator and safety sessions | | | |
| 584.00 | Underground Line Expense | \$ 35,000.00 | \$ 58,000.00 | \$ - |
| | URD Transformer Installation Labor | | | |
| 586.00 | Meter Expense | \$ 45,000.00 | \$ 58,000.00 | \$ 79,500.00 |
| | Labor for installation and replacement; SAAS Fee - \$950.00 monthly; MDM - \$1,025.00 monthly | | | |
| 587.00 | Customer Installation Expense | \$ 54,000.00 | \$ 55,000.00 | \$ 58,500.00 |
| | Installation of security lights | | | |
| 587.02 | Customer Install Exp - Marshall Dairy | \$ - | \$ - | \$ 2,173.78 |

| Average | 2018 | 2017 | 2016 |
|---------------|---------------|--------------|---------------|
| \$ 34,998.49 | \$ 38,347.27 | \$ 31,909.34 | \$ 34,738.85 |
| \$ 5,770.71 | \$ 7,336.57 | \$ 7,413.47 | \$ 2,562.09 |
| \$ 107,837.10 | \$ 120,962.16 | \$ 89,461.91 | \$ 113,087.24 |
| \$ - | \$ - | \$ - | \$ - |
| \$ 1,430.62 | \$ 4,291.86 | \$ - | \$ - |
| \$ 465.00 | \$ 1,395.00 | \$ - | \$ - |
| \$ 11,762.22 | \$ 35,286.66 | \$ - | \$ - |
| \$ 39,715.41 | \$ 55,354.61 | \$ 32,362.22 | \$ 31,429.40 |
| \$ 52,330.35 | \$ 59,394.24 | \$ 36,045.99 | \$ 61,550.81 |
| \$ 53,310.35 | \$ 53,060.46 | \$ 53,388.06 | \$ 53,482.54 |
| \$ - | \$ - | \$ - | \$ - |

| | | | | | | | | | | | | | | | |
|--------|---|----|------------|----|------------|----|------------|----|------------|----|------------|----|------------|----|------------|
| 588.00 | Misc. Distribution Expense (Shop) | \$ | 160,000.00 | \$ | 250,000.00 | \$ | 150,000.00 | \$ | 206,098.41 | \$ | 170,312.60 | \$ | 260,099.36 | \$ | 187,883.28 |
| | Time during inclement weather / GIS Mapping & updates | | | | | | | | | | | | | | |
| | (6) TOTAL DISTRIBUTION EXPENSE - OPERATIONS | \$ | 535,500.00 | \$ | 635,560.00 | \$ | 533,706.30 | \$ | 513,718.66 | \$ | 545,741.43 | \$ | 510,680.35 | \$ | 484,734.21 |

Maintenance Expense

| Account # | Expense | 2020B | 2019B | 2019P | Average | 2018 | 2017 | 2016 |
|-----------|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 590.00 | Maint. Supervision & Engineering | \$ 40,000.00 | \$ 50,500.00 | \$ 39,500.00 | \$ 35,237.88 | \$ 38,346.73 | \$ 32,889.56 | \$ 34,477.36 |
| | iPad / AVL / Mobile Service Orders (PCS) | | | | | | | |
| 593.00 | Maint. OH Lines | \$ 180,000.00 | \$ 236,280.00 | \$ 160,000.00 | \$ 241,966.27 | \$ 227,548.55 | \$ 262,886.85 | \$ 235,463.41 |
| | Overhead repairs and expensed parts | | | | | | | |
| 593.10 | Overhead Tree Trimming | \$ 170,000.00 | \$ 152,100.00 | \$ 152,100.00 | \$ 88,157.35 | \$ 74,367.91 | \$ 67,503.30 | \$ 122,600.84 |
| | Right-of-way clearing (See ROW maps) and spraying | | | | | | | |
| 593.20 | Overhead Pole Testing/Treatments | \$ 35,000.00 | \$ 35,000.00 | \$ 30,654.50 | \$ 35,851.42 | \$ 36,023.75 | \$ 37,411.00 | \$ 34,119.50 |
| | Completed by Utility Inspection Services - Maintain 10-year rotation (Includes saws) | | | | | | | |
| 593.30 | Maint. of Line Breakers | \$ 43,000.00 | \$ 25,700.00 | \$ 40,213.83 | \$ 33,234.23 | \$ 300.02 | \$ 47,030.54 | \$ 52,372.12 |
| | Completed by TEC employees - Maintain 4-year rotation | | | | | | | |
| 593.40 | Overhead Outages | \$ 80,000.00 | \$ 60,000.00 | \$ 79,000.00 | | \$ 61,809.36 | | |
| | OMS Monthly Fee included | | | | | | | |
| 594.00 | Maint. of URD Lines | \$ 32,000.00 | \$ 45,000.00 | \$ 26,000.00 | \$ 83,482.87 | \$ 67,317.05 | \$ 84,205.93 | \$ 98,925.63 |
| | TEC crews install fault indicators and general URD maintenance | | | | | | | |
| 594.10 | Underground Locating | \$ 48,500.00 | \$ 41,800.00 | \$ 51,500.00 | \$ 4,170.90 | \$ 12,512.71 | \$ - | \$ - |
| | | | | | | | | |
| 594.20 | Underground Infrared | \$ 2,700.00 | \$ 2,700.00 | \$ 2,165.50 | \$ - | \$ - | \$ - | \$ - |
| | Thermal scanning of URD Equip. done by Star Energy - Maintain 5-year rotation of system | | | | | | | |
| 594.30 | Underground Inspection | \$ 13,000.00 | \$ 13,000.00 | \$ 13,693.11 | \$ - | \$ - | \$ - | \$ - |
| | Completed by Star Energy - Maintain 5-year rotation of system | | | | | | | |
| 594.40 | Underground Outages | \$ 25,000.00 | \$ 20,500.00 | \$ 28,000.00 | \$ 6,092.22 | \$ 18,276.66 | \$ - | \$ - |
| | OMS Monthly Fee included | | | | | | | |
| 595.00 | Maint. of Line Transformers | \$ 2,500.00 | \$ 2,500.00 | \$ 1,649.54 | \$ 3,297.63 | \$ 2,121.14 | \$ 2,256.29 | \$ 5,515.46 |
| | Repairs sent to T&R; Shipping cost for oil samples | | | | | | | |
| 597.00 | Maint. of Meters | \$ 3,000.00 | \$ 3,000.00 | \$ 14,500.00 | \$ 12,897.56 | \$ 5,785.48 | \$ 16,527.02 | \$ 16,380.18 |
| | Programing meters | | | | | | | |
| 597.10 | AMI Monitoring | \$ 20,000.00 | | | | | | |
| | Office Administration, Member Service, Operations | | | | | | | |
| | (7) TOTAL DISTRIBUTION EXPENSE - MAINTENANCE | \$ 694,700.00 | \$ 688,080.00 | \$ 638,976.48 | \$ 544,388.33 | \$ 544,409.36 | \$ 550,710.49 | \$ 599,854.50 |

Customer Accounts Expense

| Account # Expense | | 2020B | 2019B | 2019P | Average | 2018 | 2017 | 2016 |
|-------------------------------------|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 902.00 | Meter Reading Expense | \$ 5,000.00 | \$ 6,000.00 | \$ 7,050.00 | \$ 3,144.58 | \$ 5,652.50 | \$ 3,105.61 | \$ 675.63 |
| | Operations Manager, Facility Technician | | | | | | | |
| 903.00 | Customer Records & Collection Expense | \$ 165,000.00 | \$ 164,700.00 | \$ 171,000.00 | \$ 172,098.23 | \$ 160,524.77 | \$ 183,892.46 | \$ 171,877.47 |
| | PCS - Mobile Customer Access & monthly fee included; New statements | | | | | | | |
| 903.10 | Collections, Disconnects & Reconnect Expense | \$ 12,000.00 | \$ 24,000.00 | \$ 11,800.00 | \$ 2,380.92 | \$ 7,142.75 | \$ - | \$ - |
| | Dairyland fees included | | | | | | | |
| 904.00 | Uncollectible Accounts | \$ 1,000.00 | \$ 1,000.00 | \$ 1,013.40 | \$ 687.56 | \$ 633.51 | \$ 364.01 | \$ 1,065.17 |
| (8) TOTAL CUSTOMER ACCOUNTS EXPENSE | | \$ 183,000.00 | \$ 195,700.00 | \$ 190,863.40 | \$ 178,311.29 | \$ 173,953.53 | \$ 187,362.08 | \$ 173,618.27 |

Customer Service and Information Expense

| Account # Expense | | 2020B | 2019B | 2019P | Average | 2018 | 2017 | 2016 |
|-------------------|--|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 908.00 | Customer Assistance Expense | \$ 100,000.00 | \$ 96,000.00 | \$ 96,100.00 | \$ 62,628.19 | \$ 73,746.87 | \$ 59,960.76 | \$ 54,176.94 |
| | TEC Member Service Representative, LM Repairs, Reverse rotation & WH inspections | | | | | | | |
| 909.00 | Information & Instructional Advertising Expense | \$ 1,050.00 | \$ 1,050.00 | \$ 1,350.00 | \$ 804.33 | \$ 779.40 | \$ 1,177.60 | \$ 456.00 |
| | Advertising for safety | | | | | | | |
| (9) | TOTAL CUSTOMER SERVICE AND INFORMATION EXPENSE | \$ 101,050.00 | \$ 97,050.00 | \$ 97,450.00 | \$ 63,432.52 | \$ 74,526.27 | \$ 61,138.36 | \$ 54,632.94 |

Sales Expense

| Account # Expense | 2020B | 2019B | 2019P | Average | 2018 | 2017 | 2016 |
|-----------------------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|
| 912.00 Water Heater Rebate | \$ 4,500.00 | \$ 5,600.00 | \$ 4,050.00 | \$ 3,181.67 | \$ 4,365.00 | \$ 1,920.00 | \$ 3,260.00 |
| 912.30 Off Peak Heat Rebate | \$ 4,000.00 | \$ 3,200.00 | \$ 5,800.00 | \$ 3,600.00 | \$ 3,800.00 | \$ 1,400.00 | \$ 5,600.00 |
| 912.40 Appliance Rebate | \$ - | \$ 1,100.00 | \$ 1,200.00 | \$ 812.53 | \$ 1,388.40 | \$ 600.00 | \$ 449.20 |
| (10) TOTAL SALES EXPENSE | \$ 8,500.00 | \$ 9,900.00 | \$ 11,050.00 | \$ 7,594.20 | \$ 9,553.40 | \$ 3,920.00 | \$ 9,309.20 |

Administrative and General Expense

| Account # Expense | 2020B | 2019B | 2019P | Average | 2018 | 2017 | 2016 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 919.00 Administrative & General Expense | \$ - | \$ - | \$ - | \$ (10.13) | \$ (30.39) | \$ - | \$ - |
| 920.00 Administrative & General Salaries | \$ 450,000.00 | \$ 335,000.00 | \$ 424,000.00 | \$ 349,522.91 | \$ 383,201.23 | \$ 342,010.78 | \$ 323,356.73 |
| 920.10 Administrative & General Salaries - Meetings | \$ 87,000.00 | \$ 62,000.00 | \$ 89,500.00 | \$ 11,399.98 | \$ 34,199.94 | \$ - | \$ - |
| 920.20 MIP Training Wages | \$ - | \$ 6,000.00 | \$ 7,956.66 | \$ 3,915.80 | \$ 11,747.40 | \$ - | \$ - |
| 920.90 Salary Normalized Pay | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 921.00 Office Supplies & Expense | \$ 90,000.00 | \$ 86,000.00 | \$ 86,000.00 | \$ 104,269.74 | \$ 89,994.06 | \$ 82,603.45 | \$ 140,211.70 |
| 921.10 Staff Meeting, Training & Travel Expense | \$ 17,500.00 | \$ 16,300.00 | \$ 15,500.00 | \$ 2,470.58 | \$ 7,411.75 | \$ - | \$ - |
| 921.20 MIP Training Expense | \$ - | \$ 3,200.00 | \$ 5,388.05 | \$ 3,381.11 | \$ 10,143.32 | \$ - | \$ - |
| 923.00 Outside Services - Engineers | \$ 7,200.00 | \$ 8,500.00 | \$ 6,200.00 | \$ 6,036.74 | \$ 5,029.88 | \$ 11,934.29 | \$ 1,146.05 |
| 923.10 Outside Services - Lawyers | \$ 5,000.00 | \$ 4,000.00 | \$ 13,200.00 | \$ 1,919.67 | \$ 5,245.00 | \$ 374.00 | \$ 140.00 |
| 923.20 Outside Services - Auditing | \$ 14,000.00 | \$ 13,800.00 | \$ 11,665.30 | \$ 13,644.78 | \$ 16,590.00 | \$ 12,444.66 | \$ 11,899.69 |
| 923.30 Outside Services - IT | \$ 24,000.00 | \$ 35,000.00 | \$ 18,000.00 | \$ - | \$ 210.00 | \$ - | \$ - |
| 923.40 Outside Services - HR | \$ 6,000.00 | \$ - | \$ 10,500.00 | \$ - | \$ - | \$ - | \$ - |
| 924.00 Property Insurance | \$ 6,700.00 | \$ 6,700.00 | \$ 6,608.00 | \$ 7,851.00 | \$ 6,541.22 | \$ 7,762.80 | \$ 9,248.98 |
| 925.00 Injuries & Damages (Insurance) | \$ 30,000.00 | \$ 30,000.00 | \$ 29,617.00 | \$ 27,508.34 | \$ 29,095.00 | \$ 27,352.00 | \$ 26,078.02 |
| 926.10 Employee Benefits - Retirements | \$ - | \$ - | \$ 4,045.72 | \$ - | \$ - | \$ - | \$ - |
| 926.20 Employee Benefits - Health Insurance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 926.30 Employee Benefits - Life Insurance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 926.40 Employee Benefits - Disability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 926.50 Employee Benefits - Uniforms/Glasses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 926.70 Employee Benefits - Savings | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 926.80 Employee Benefits - Workmen's Comp | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 926.90 Employee Benefits - Cafeteria | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 926.91 Employee Sick Expense | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 926.92 Employee Vacation Expense | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 926.93 Employee Floater Expense | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 926.94 Employee Holiday Expense | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 929.00 Credit for REA Energy Use | \$ (22,000.00) | \$ (20,000.00) | \$ (21,866.74) | \$ (18,644.35) | \$ (20,378.59) | \$ (18,137.97) | \$ (17,416.49) |
| TEC energy consumption | | | | | | | |
| 930.11 Directors Expense - Per Diem | \$ 37,000.00 | \$ 27,000.00 | \$ 34,500.00 | \$ 31,762.50 | \$ 32,175.00 | \$ 34,312.50 | \$ 28,800.00 |
| 930.13 Director Expense - Mileage | \$ 4,600.00 | \$ 4,000.00 | \$ 4,413.21 | \$ 3,832.89 | \$ 3,899.86 | \$ 4,095.45 | \$ 3,503.36 |
| 930.14 Director Expense - Other | \$ 21,000.00 | \$ 14,250.00 | \$ 18,000.00 | \$ 14,005.01 | \$ 14,615.62 | \$ 12,238.93 | \$ 15,160.48 |
| 930.20 Goodwill Adv. Expense | \$ 7,500.00 | \$ 6,000.00 | \$ 7,500.00 | \$ 5,198.83 | \$ 6,289.64 | \$ 4,350.84 | \$ 4,956.01 |
| 930.29 1099 Correction Account | \$ - | \$ 6,150.00 | \$ 6,150.00 | \$ - | \$ - | \$ - | \$ - |
| 930.30 Dues for Associated Coops | \$ 42,000.00 | \$ 38,000.00 | \$ 38,600.00 | \$ 36,666.75 | \$ 37,964.29 | \$ 35,983.11 | \$ 36,052.86 |
| MREA, SDREA | | | | | | | |
| 930.40 Misc. General Expense | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 930.50 Communication Services - Newsletter | \$ 6,300.00 | \$ 6,300.00 | \$ 6,300.00 | \$ 6,113.42 | \$ 6,180.08 | \$ 6,240.29 | \$ 5,919.90 |
| 930.70 Annual Meeting Expenses | \$ 16,000.00 | \$ 12,000.00 | \$ 14,313.25 | \$ 11,621.54 | \$ 8,120.78 | \$ 16,151.76 | \$ 10,592.07 |
| 930.71 District Meeting Expense | \$ 4,500.00 | \$ 3,600.00 | \$ 4,155.67 | \$ 3,330.52 | \$ 3,593.21 | \$ 2,675.01 | \$ 3,723.33 |
| 930.74 National Annual Meeting Expenses | \$ 15,000.00 | \$ 4,500.00 | \$ 4,998.33 | \$ 790.85 | \$ 1,502.54 | \$ 870.00 | \$ - |
| Budget for 3 Board of Directors - NRECA - New Orleans, LA | | | | | | | |
| 930.80 Pat Cap Div. & Other Fin Notice | \$ 2,300.00 | \$ 2,300.00 | \$ 2,216.45 | \$ 2,359.62 | \$ 2,838.06 | \$ 1,968.97 | \$ 2,271.82 |

| Accounts time for annual Capital Credits notice | | | | |
|---|---|----|------------|-----------------------------|
| 930 90 | Youth Tours | \$ | 1,900.00 | \$ 1,500.00 \$ 1,832.64 |
| 930 91 | Basin Tour | \$ | - | \$ - \$ - |
| 932 00 | Maint. of General Plant (Truck DOT Repairs) | \$ | 118,000.00 | \$ 66,000.00 \$ 81,838.58 |
| Resurface Tar (\$35,000) | | | | |
| 999 00 | Default Vendor Exp. Acct. | \$ | - | \$ - \$ - |
| 999 99 | UP Cleaning Account | \$ | - | \$ - \$ - |
| (11) TOTAL ADMINISTRATIVE AND GENERAL EXPENSE | | \$ | 991,500.00 | \$ 778,100.00 \$ 931,132.12 |

| | | | |
|--|----|--------------|---------------------------------|
| (12) TOTAL OPERATIONS & MAINT. EXPENSE (2 THRU 11) | \$ | 9,687,692.00 | \$ 9,226,590.00 \$ 9,221,257.92 |
|--|----|--------------|---------------------------------|

Depreciation and Amortization Expense

| Account # Expense | 2020B | 2019B | 2019P |
|--|---------------|-----------------|---------------|
| 403 60 Depreciation Expense - Distribution Plant | \$ 780,000.00 | \$ 997,000.00 | \$ 948,919.76 |
| 403 70 Depreciation Expense - General Plant | \$ 25,360.00 | \$ 16,800.00 | \$ 20,837.82 |
| Computers, Monitors, etc. | | | |
| (13) TOTAL DEPRECIATION AND AMORTIZATION EXPENSE | \$ 805,360.00 | \$ 1,013,800.00 | \$ 969,757.58 |

| | | | |
|--|----|---|-----------|
| (14) TOTAL TAX EXPENSE - PROPERTY & GROSS RECEIPTS | \$ | - | \$ - \$ - |
|--|----|---|-----------|

Tax Expense - Other

| Account # Expense | 2020B | 2019B | 2019P |
|---|-------|-------|------------|
| 408 20 Tax Expense - US Unemployment | \$ - | \$ - | \$ - |
| 408 30 FICA | \$ - | \$ - | \$ - |
| 408 40 Tax Expense - State Unemployment | \$ - | \$ - | \$ - |
| 408 50 Tax Expense - State Sales Cons | \$ - | \$ - | \$ (95.61) |
| 408 70 Tax Expense - Other | \$ - | \$ - | \$ 776.42 |
| (15) TOTAL TAX EXPENSE - OTHER | \$ - | \$ - | \$ 680.81 |

Interest on Long-Term Debt

| Account # Expense | 2020B | 2019B | 2019P |
|---|---------------|---------------|---------------|
| 427 10 Interest - RUS Construction Loan | \$ 102,982.62 | \$ 240,000.00 | \$ 219,000.00 |
| 427 20 Interest - CFC Construction Loan | \$ 38,112.61 | \$ 33,600.00 | \$ 30,883.90 |
| 427 30 Interest - FFB Construction Loan | \$ 166,533.08 | \$ 379,200.00 | \$ 355,205.00 |
| 427 40 Interest - Co-Bank | \$ 2,193.34 | \$ 22,000.00 | \$ 13,865.00 |
| Paid off 6/20 | | | |
| (16) TOTAL INTEREST ON LONG-TERM DEBT | \$ 309,821.65 | \$ 674,800.00 | \$ 618,953.90 |

| | | | |
|--|----|---|-----------|
| (17) TOTAL INTEREST CHARGED TO CONSTRUCTION - CREDIT | \$ | - | \$ - \$ - |
|--|----|---|-----------|

Interest Expense - Other

| Account # Expense | 2020B | 2019B | 2019P |
|-------------------------------------|-----------|-----------|-----------|
| 431 00 Interest Expense - Other | \$ 600.00 | \$ 500.00 | \$ 574.32 |
| (18) TOTAL INTEREST EXPENSE - OTHER | \$ 600.00 | \$ 500.00 | \$ 574.32 |
| (19) TOTAL OTHER DEDUCTIONS | \$ | - | \$ - \$ - |

| | | | |
|---------------|---------------|---------------|---------------|
| \$ 1,345.33 | \$ 1,461.64 | \$ 1,328.76 | \$ 1,245.58 |
| \$ - | \$ - | \$ - | \$ - |
| \$ 52,697.73 | \$ 68,123.32 | \$ 42,677.92 | \$ 47,291.95 |
| \$ - | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | \$ - |
| \$ 682,991.15 | \$ 765,763.86 | \$ 629,237.55 | \$ 654,182.04 |

| | | | |
|-----------------|-----------------|-----------------|-----------------|
| \$ 8,287,756.46 | \$ 8,854,647.75 | \$ 8,440,036.24 | \$ 7,630,604.75 |
|-----------------|-----------------|-----------------|-----------------|

| Average | 2018 | 2017 | 2016 |
|---------------|---------------|---------------|---------------|
| \$ 861,000.93 | \$ 929,727.05 | \$ 961,522.48 | \$ 691,753.27 |
| \$ 16,594.86 | \$ 15,205.73 | \$ 16,082.01 | \$ 18,496.84 |
| \$ 877,595.79 | \$ 944,932.78 | \$ 977,604.49 | \$ 710,250.11 |

| | | | |
|------|------|------|------|
| \$ - | \$ - | \$ - | \$ - |
|------|------|------|------|

| Average | 2018 | 2017 | 2016 |
|------------|------------|------------|------------|
| \$ - | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | \$ - |
| \$ (83.40) | \$ (95.61) | \$ (89.94) | \$ (64.65) |
| \$ 464.85 | \$ 566.59 | \$ 422.57 | \$ 405.38 |
| \$ 381.45 | \$ 470.98 | \$ 332.63 | \$ 340.73 |

| Average | 2018 | 2017 | 2016 |
|---------------|---------------|---------------|---------------|
| \$ 236,368.15 | \$ 228,898.05 | \$ 236,369.74 | \$ 243,836.66 |
| \$ 41,935.36 | \$ 38,817.58 | \$ 40,849.97 | \$ 46,138.53 |
| \$ 326,166.24 | \$ 350,725.80 | \$ 308,188.76 | \$ 319,584.15 |
| \$ 36,717.84 | \$ 25,507.59 | \$ 36,841.51 | \$ 47,804.43 |
| \$ 641,187.59 | \$ 643,949.02 | \$ 622,249.98 | \$ 657,363.77 |

| | | | |
|------|------|------|------|
| \$ - | \$ - | \$ - | \$ - |
|------|------|------|------|

| Average | 2018 | 2017 | 2016 |
|-----------|-----------|-----------|-----------|
| \$ 387.94 | \$ 460.42 | \$ 340.22 | \$ 363.19 |
| \$ 387.94 | \$ 460.42 | \$ 340.22 | \$ 363.19 |
| \$ - | \$ - | \$ - | \$ - |

| | | | | | | |
|--|----|---------------|----|---------------|----|---------------|
| (20) TOTAL COST OF ELECTRIC SERVICE (12 THRU 19) | \$ | 10,803,473.65 | \$ | 10,915,690.00 | \$ | 10,811,224.53 |
|--|----|---------------|----|---------------|----|---------------|

| | | | | | | |
|---|----|------------|----|------------|----|------------|
| (21) TOTAL PATRONAGE CAPITAL & OPERATING MARGINS (1-20) | \$ | 653,046.35 | \$ | 389,969.00 | \$ | 187,822.34 |
|---|----|------------|----|------------|----|------------|

Non Operating Margins - Interest

| Account # Expense | 2020B | 2019B | 2019P |
|---|--------------|---------------|---------------|
| 419 00 Interest & Div - Income | \$ 90,000.00 | \$ 87,000.00 | \$ 108,000.00 |
| 419 10 Interest Income - RUS Adv. Pym Int | \$ - | \$ 146,000.00 | \$ 129,000.00 |

| | | | | | | |
|---|----|-----------|----|------------|----|------------|
| (22) TOTAL OPERATING MARGINS - INTEREST | \$ | 90,000.00 | \$ | 233,000.00 | \$ | 237,000.00 |
|---|----|-----------|----|------------|----|------------|

| | | | | | | |
|---|----|---|----|---|----|---|
| (23) TOTAL ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION | \$ | - | \$ | - | \$ | - |
|---|----|---|----|---|----|---|

| | | | | | | |
|--|----|---|----|---|----|---|
| (24) TOTAL INCOME (LOSS) FROM EQUITY INVESTMENTS | \$ | - | \$ | - | \$ | - |
|--|----|---|----|---|----|---|

Non Operating Margins - Other

| Account # Expense | | 2020B | 2019B | 2019P |
|--|---|----------------|----------------|----------------|
| 415 00 | Revenue from Merchandise | \$ 79,000.00 | \$ 98,000.00 | \$ 72,500.00 |
| | Water Heater - Damage from equipment | | | |
| 415 10 | Revenue from Merchandise - Main St. Messenger | \$ - | \$ - | \$ - |
| 415 20 | Revenue from Electrician Services | \$ 15,000.00 | \$ 15,000.00 | \$ 14,252.00 |
| | TEC Electrician | | | |
| 415 30 | Revenue from Generator Program | \$ 5,000.00 | \$ - | \$ 30,000.00 |
| 416 00 | Cost & Expense of Merchandising | \$ (74,000.00) | \$ (81,000.00) | \$ (65,000.00) |
| 416 10 | Cost & Expense of Merch-Main St. Messenger | \$ - | \$ - | \$ - |
| 416 20 | Cost of Electrician Services | \$ (10,000.00) | \$ (10,000.00) | \$ (38,500.00) |
| | Material and Labor | | | |
| 416 30 | Expense from Generator Program | \$ (2,500.00) | \$ (6,000.00) | \$ (40,000.00) |
| 417 00 | Revenues from Non-Utility Operations (75% from REED) | \$ - | \$ - | \$ - |
| 421.20 | Loss of Disposition of Property | \$ 5,000.00 | \$ (1,000.00) | \$ (1,000.00) |
| (25) TOTAL NON OPERATING MARGINS - OTHER | | \$ 17,500.00 | \$ 15,000.00 | \$ (27,748.00) |

Generating & Transmission CC

| Account # | Expense | 2020B | | 2019B | | 2019P | |
|--|------------------------------|-------|------------|-------|------------|-------|------------|
| 423.00 | Generating & Transmission CC | \$ | 250,000.00 | \$ | 250,000.00 | \$ | 650,000.00 |
| (26) TOTAL GENERATING AND TRANSMISSION CAPITAL CREDITS | | \$ | 250,000.00 | \$ | 250,000.00 | \$ | 650,000.00 |

Other Cap Cr - CFC - Resco

| Account # Expense | | 2020B | 2019B | 2019P |
|--|----------------------------|--------------|--------------|--------------|
| 424 00 | Other Cap Cr - CFC - Resco | \$ 22,000.00 | \$ 24,000.00 | \$ 21,260.56 |
| (27) TOTAL OTHER CAPITAL CREDITS AND PATRONAGE DIVIDENDS | | \$ 22,000.00 | \$ 24,000.00 | \$ 21,260.56 |

| | | | | | | | |
|----|--------------|----|---------------|----|---------------|----|--------------|
| \$ | 9,807,309.23 | \$ | 10,444,460.95 | \$ | 10,040,563.56 | \$ | 8,998,922.55 |
|----|--------------|----|---------------|----|---------------|----|--------------|

| | | | | | | | |
|----|------------|----|------------|----|------------|----|------------|
| \$ | 510,415.98 | \$ | 511,394.38 | \$ | 322,930.37 | \$ | 634,903.84 |
|----|------------|----|------------|----|------------|----|------------|

| Average | 2018 | 2017 | 2016 |
|---------------|---------------|---------------|---------------|
| \$ 57,483.88 | \$ 99,189.48 | \$ 43,175.29 | \$ 30,086.87 |
| \$ 135,340.62 | \$ 142,294.60 | \$ 142,924.15 | \$ 120,803.11 |

| | | | | | | | |
|----|------------|----|------------|----|------------|----|------------|
| \$ | 192,824.50 | \$ | 241,484.08 | \$ | 186,099.44 | \$ | 150,889.98 |
|----|------------|----|------------|----|------------|----|------------|

| | | | | | | | |
|----|---|----|---|----|---|----|---|
| \$ | - | \$ | - | \$ | - | \$ | - |
|----|---|----|---|----|---|----|---|

| | | | | | | | |
|----|---|----|---|----|---|----|---|
| \$ | - | \$ | - | \$ | - | \$ | - |
|----|---|----|---|----|---|----|---|

| Average | 2018 | 2017 | 2016 |
|--------------|--------------|---------------|---------------|
| \$ 96,382.73 | \$ 61,987.83 | \$ 115,946.31 | \$ 111,214.04 |

| | | | | | | | |
|----|---|----|---|----|---|----|---|
| \$ | - | \$ | - | \$ | - | \$ | - |
|----|---|----|---|----|---|----|---|

| | | | | | | | |
|----|----------|----|-----------|----|---|----|---|
| \$ | 5,030.05 | \$ | 15,090.16 | \$ | - | \$ | - |
|----|----------|----|-----------|----|---|----|---|

| | | | | | | | |
|----|---|----|---|----|---|----|---|
| \$ | - | \$ | - | \$ | - | \$ | - |
|----|---|----|---|----|---|----|---|

| | | | | | | | |
|----|-------------|----|-------------|----|--------------|----|-------------|
| \$ | (81,401.83) | \$ | (48,047.93) | \$ | (100,652.48) | \$ | (95,505.07) |
|----|-------------|----|-------------|----|--------------|----|-------------|

| | | | | | | | |
|----|---|----|---|----|---|----|---|
| \$ | - | \$ | - | \$ | - | \$ | - |
|----|---|----|---|----|---|----|---|

| | | | | | | | |
|----|------------|----|-------------|----|---|----|---|
| \$ | (4,065.24) | \$ | (12,195.71) | \$ | - | \$ | - |
|----|------------|----|-------------|----|---|----|---|

| | | | | | | | |
|----|---|----|---|----|---|----|---|
| \$ | - | \$ | - | \$ | - | \$ | - |
|----|---|----|---|----|---|----|---|

| | | | | | | | |
|----|---|----|---|----|---|----|---|
| \$ | - | \$ | - | \$ | - | \$ | - |
|----|---|----|---|----|---|----|---|

| | | | | | | | |
|----|-----------|----|-----------|----|-----------|----|-----------|
| \$ | 14,592.52 | \$ | 10,486.08 | \$ | 12,989.39 | \$ | 20,302.10 |
|----|-----------|----|-----------|----|-----------|----|-----------|

| | | | | | | | |
|----|-----------|----|-----------|----|-----------|----|-----------|
| \$ | 30,538.24 | \$ | 27,320.43 | \$ | 28,283.22 | \$ | 36,011.07 |
|----|-----------|----|-----------|----|-----------|----|-----------|

| Average | 2018 | 2017 | 2016 |
|---------------|-----------------|---------------|---------------|
| \$ 702,649.60 | \$ 1,059,904.58 | \$ 443,978.28 | \$ 604,065.95 |

| | | | | | | | |
|----|------------|----|--------------|----|------------|----|------------|
| \$ | 702,649.60 | \$ | 1,059,904.58 | \$ | 443,978.28 | \$ | 604,065.95 |
|----|------------|----|--------------|----|------------|----|------------|

| Average | 2018 | 2017 | 2016 |
|--------------|--------------|--------------|--------------|
| \$ 27,100.28 | \$ 28,138.17 | \$ 24,070.52 | \$ 29,092.16 |

| | | | | | | | |
|----|-----------|----|-----------|----|-----------|----|-----------|
| \$ | 27,100.28 | \$ | 28,138.17 | \$ | 24,070.52 | \$ | 29,092.16 |
|----|-----------|----|-----------|----|-----------|----|-----------|

| | | | | | | |
|--|----|--------------|----|------------|----|--------------|
| (28) TOTAL EXTRAORDINARY ITEMS | \$ | - | \$ | - | \$ | - |
| (29) TOTAL PATRONAGE CAPITAL OR MARGINS (21 THRU 28) | \$ | 1,032,546.35 | \$ | 911,969.00 | \$ | 1,068,334.90 |

| | | | | | | | |
|----|--------------|----|--------------|----|--------------|----|--------------|
| \$ | - | \$ | - | \$ | - | \$ | - |
| \$ | 1,463,528.61 | \$ | 1,868,241.64 | \$ | 1,005,361.83 | \$ | 1,454,963.00 |

2020 TEC Capital Budget

| Department | Item # | Description | Quantity | Unit Amount | Extended Amount |
|-------------------------------------|--------|---|----------|---------------|----------------------|
| Operations & Maintenance | | | | | |
| | 1 | Combination Bucket/Digger | 1 | \$ 275,000.00 | \$ 275,000.00 |
| | 2 | Resurface tar driveway | 1 | \$ 35,000.00 | \$ 35,000.00 |
| | 3 | Vehicle | 1 | \$ 50,000.00 | \$ 50,000.00 |
| Information Technology | | | | | |
| | 4 | MDM - PCS | 1 | \$ 32,700.00 | \$ 32,700.00 |
| | 5 | OMS - Star Energy | 1 | \$ 6,000.00 | \$ 6,000.00 |
| | 6 | email domain | 1 | \$ 1,584.00 | \$ 1,584.00 |
| | 7 | Printer | 1 | \$ 500.00 | \$ 500.00 |
| | 8 | Desktop | 1 | \$ 1,700.00 | \$ 1,700.00 |
| | 9 | Laptop | 2 | \$ 2,500.00 | \$ 5,000.00 |
| | 11 | Computer Monitors 24" | 3 | \$ 250.00 | \$ 750.00 |
| | 12 | Monitor 70" | 1 | \$ 1,200.00 | \$ 1,200.00 |
| | 13 | White noise machine | 3 | \$ 200.00 | \$ 600.00 |
| | 14 | Portable projector (w/speaker & screen) | 1 | \$ 500.00 | \$ 500.00 |
| Administrative & General | | | | | |
| | 15 | Boardroom Chairs | 13 | \$ 400.00 | \$ 5,200.00 |
| | 16 | GM Office | 1 | \$ 5,000.00 | \$ 5,000.00 |
| | 17 | Furniture | 1 | \$ 5,000.00 | \$ 5,000.00 |
| | 18 | Doors | 5 | \$ 250.00 | \$ 1,250.00 |
| | 19 | New statement design | 1 | \$ 6,300.00 | \$ 6,300.00 |
| | 20 | Office Maintainance | 1 | \$ 1,000.00 | \$ 1,000.00 |
| Safety | | | | | |
| | 21 | AED | 1 | \$ 1,800.00 | \$ 1,800.00 |
| | 22 | Gas cylinder cabinet | 1 | \$ 800.00 | \$ 800.00 |
| Total | | | | | \$ 436,884.00 |

**TRAVERSE
ELECTRIC
COOPERATIVE, INC.**

2020

**WORK PLAN
SUMMARY**

TRAVERSE ELECTRIC
2020 WORK PLAN SUMMARY
ADMINISTRATIVE SECTION

WAGE AND SALARY

On October 1, 2019 Traverse Electric's union employees saw their wages increase by 2.75% or \$1.07 per hour, which is the amount negotiated in the new four-year contract. Other employees were awarded raises based on their position with TEC. To be competitive job descriptions were updated and an outside HR company reviewed them and compared to other MN co-ops similar in size. Raises varied depending on where their currently salary was at.

PERSONNEL RECORDS AND HUMAN RESOURCE DEPT.

Our Office Manager is Karen Lupkes and Karen will oversee the administration of employee benefits, employee personnel records, along with the daily time sheets and trouble reports. Karen's responsibilities will also include reviewing the bills received at the Co-op and all Aid to Contribution work done by our employees.

WASHINGTON DC TOUR AND LOBBYING

Traverse Electric will send one area student to Washington D.C. with the MREA Youth Tour in 2020; Possibly one staff or Board Member will travel with MREA staff and other lobbyists when possible or necessary.

BOARD ACTIVITIES

To stay informed on the challenges in our industry and to maintain relations with other Board Members, TEC Directors will try to attend the following meeting schedule.

SDREA Annual Meeting, Pierre, SD – January 16-17, 2020 (3 Directors)
East River Energize Forum – February 5-6, 2020
NRECA Annual Meeting, New Orleans, LA – March 1-4, 2020 (3 Directors)
MREA Annual Meeting, St. Paul, MN – March 17-18, 2020 (3 Directors)
Traverse Electric Annual Meeting, Wheaton, MN – March 19, 2020
MN District III Meeting, Alexandria, MN – July 9, 2020
East River Annual Meeting, Sioux Falls, SD – September 9, 2020
NRECA Regional Meeting, Des Moines, IA – September 15-17, 2020
Basin Annual Meeting, Bismarck, ND – November 4-5, 2020 (3 Directors)
MID-WEST Annual Meeting, Denver, CO – December 7-10, 2020

GENERAL MANAGER MEETINGS

East River Manager Meetings

NRECA National CEO Meeting, Palm Desert, CA – January 12-15, 2020
SDREA Annual Meeting, Pierre, SD – January 16-17, 2020
East River Energize Forum – February 5-6, 2020
NRECA Annual Meeting, New Orleans, LA – March 1-4, 2020
MREA Annual Meeting, St. Paul, MN – March 17-18, 2020
Traverse Electric Annual Meeting, Wheaton, MN – March 19, 2020
MREA REMA Meeting – Spring Conference, Waite Park, MN - April 8-10, 2020
CFC Forum – Salt Lake City, UT – June, 15-17, 2020
MN District III Meeting, Alexandria, MN – July 9, 2020
MREA Energy Issue Summit, St. Cloud, MN – August 12-13, 2020
MREA REMA Meeting – Fall Conference, September 9-11, 2020
East River Annual Meeting, Sioux Falls, SD – September 9, 2020
NRECA Region 5 & 6 Annual Meeting, Des Moines, IA – September 15-17, 2020
Basin Annual Meeting, Bismarck, ND – November 4-5, 2020
MID-WEST Annual Meeting, Denver, CO – December 7-10, 2020

MEMBER SERVICES

Stephen Powers is our Member Services Representative/Electrician and in 2020 will assist with the installation of our new AMI system (Landis & Gyr Gridstream RF) and verify load control receivers are working correctly. Stephen will also meet and answer any questions regarding our new generator program. Stephen will also oversee reporting our compliance with the State CIP (conservation program in Minnesota). All rebates, electric load control programs and meeting presentations will be his responsibility. Stephen will provide electrician work for the Co-op and its members.

SAFETY COMMITTEE

Dale Schwagel will continue to be our Safety Coordinator in 2020. Dale will see that all safety meetings are on schedule and report on the activities. He will also do unannounced crew observations and document the crew visits.

Dale will continue to oversee that TEC is meeting the requirements to maintain our Safety Accredited Cooperative status. In the spring of 2020 TEC will be going through the process of updating our safety accreditation (RESAP – Rural Electric Safety Achievement Program). In 2020, we will continue to utilize MREA and Star Energy for safety services.

MEMBER RELATIONS

We will continue with SDREA to have our news published in the monthly publication called Co-op Connections. We will also keep our website up to date, and we are currently

on Facebook. Facebook will continue to grow as our members adapt to using social media to reach the Co-op.

We will also hold district meetings in January and February to provide information about the Cooperative. In the past, we have found that combining two or more districts for one meeting works well.

Traverse Electric will hold its Annual Membership Meeting the third Thursday in March 2020 (March 19) at the Wheaton High School, providing prizes, a meal, entertainment, and the financial condition of the Co-op at that time.

BUSINESS SERVICES DEPARTMENT

2020 WORK PLAN SUMMARY

CASH MANAGEMENT

The office personnel will continue to manage our cash reserves in a low risk and prudent manner. We will also explore and take advantage of refinancing long-term loans to save on interest expense if possible. We will start to draw down on our RUS loan as needed. In November 2019, Traverse Electric used the RUS Cushion of Credit (CoC) to prepay existing long-term RUS & FFB loans with higher than 5% interest rates without penalties.

PERSONNEL

Current number of employees at Traverse Electric is 13 full-time, plus a once a week cleaning service.

CAPITAL CREDITS

To be able to continue our long-standing commitment to our members, Traverse Electric will plan on paying out patronage to estates and all members in 2019. The amount paid out will depend on our RUS Tier Ratio and will require action from the board. We will retire \$450,000 total in December 2019 pending board approval, to estates and members through general retirement by paying out the remaining 2002 capital credits and about 78% of the 2003 capital credits.

OPERATIONS 2020

WORK PLAN SUMMARY

CONSTRUCTION WORK PLAN

With Board approval of the new four-year workplan (2019-2022) in September of 2018 we will move forward with the process. We will look at the need to prepare a 10-year work plan for future improvement to our system.

Maintenance Schedules

LINE BREAKER TESTING

In 2020, we will continue with maintaining a four-year rotation for the maintenance and testing of OCR's.

Rotation Schedule:

2020 – MN Substations: Dumont, Wheaton (64 OCR's)
2021 – MN Substations: Beardsley, Graceville (70 OCR's)
2022 – SD Substations: Sisseton, Victor (78 OCR's)
2023 – MN Substations: Doran, Wendell (44 OCR's)

*2020 Line Breaker Testing: \$43,000.00

OVERHEAD LINE INSPECTION

Half the system will be inspected annually
Full system Bi-annually

2020 – South half of system
2021 – North half of system

*2020 South half of system: \$30,000.00

POLE TESTING AND TREATING

With 22,753 poles to test, TEC will maintain a ten-year rotation cycle. The rotation will result in 2,275 poles tested, inspected and GPS. In 2020, we will continue with pole testing in Minnesota.

*2020 Pole Testing / Treating & GPS: \$35,000.00

TREE TRIMMING

We anticipate spending some extra dollars for tree trimming in 2020. We have fallen behind on tree trimming and will look at the cost for a contractor for right-away-clearing and trimming. Dale has created a five-year rotation for our system for right-away-clearing.

*2020 Right-Away-Clearing and spraying: \$170,000.00

UNDERGROUND INSPECTIONS

TEC will maintain a five-year rotation on visually inspecting pad mount transformers, single phase and three phase modules.

TEC has roughly 1600 modules/pad mount transformers system wide and will be set to inspect 320 modules/transformers for a five-year rotation.

As this equipment is being inspected, each module/pad mount transformer will also be tested for hotspots with an infrared camera.

These inspections will be done by a contractor.

*2020 URD Inspections: \$13,000.00

*2020 Infrared: \$2,700.00

2020 WORK PLAN SUMMARY

EXPENSES AND REVENUE

SALES OF ELECTRICITY

Star Energy recently providing TEC with a Cost of Service Study / Rate Design. Star Energy recommended restructuring our rates classes. In April of 2019, we restructured our rates to allow for proper cost allocation for the appropriate rate class. We anticipate no rate increase in 2020 but will continue to evaluate rates periodically.

Market Rate:

Our rates to the Marshall Dairy East will be the market rate which is set by East River where we will see an increase with Coincident Demand of \$22.64/kw-month (\$0.20 increase) and Energy charge of 36.79 mills/kWh (.28 mills/kWh decrease). Traverse Electric's board will set the monthly facility charge, kWh and demand charges for the dairy based on East River's rates to us.

- Market Rate Schedule (East River to Traverse Electric)
 - Coincident Demand (\$/kW-mo.) 22.64
 - Energy (mills/kWh) 36.79

East River Rate:

East River's demand rate per KW will remain at \$17.50. As a whole TEC will see a .25 mill increase from East River due to their construction workplan in 2020. See East River letter on following page.

East River Rate Schedule (East River to Traverse Electric)

- Base Demand (\$/kW-mo.) 17.50
- Base Energy (mills/kWh) 30.40
- Fixed Charge (\$/mo.) 1,450.00
- Substation Delivery Point Charge (\$/sub/mo.) 1,175.00
- Substation Capacity Charge (\$/kW-year) 4.00
- Electric Heat (mills) 35.60
- 5/7 Interruptible (mills) 30.40

OTHER INCOME AND INTEREST INCOME

Other income is payments made by our members due to late fees, collection charges, and reconnect fees. The amount generated by other income will be around \$19,000.

Interest Income is generated through interest paid by our members through ERC loans, interest on our general fund checking account balance, and interest from our short-term investments with CFC. In 2020, we expect to earn around \$90,000 in interest from these sources.

2020 WORK PLAN SUMMARY

EXPENSES

PURCHASED POWER

Purchased power is the largest portion of our operating expenses and accounts for over 62.62% of all expenditures. East River will be implementing a rate increase of .25 mills in 2020. We expect our average wholesale power costs for the upcoming year to stay around 59.14 mills.

OPERATION AND MAINTENANCE

In order to maintain our system and requirements for RUS and our insurance provider, these are the breakdown of expenses:

Line Breaker Testing - \$43,000.00
Overhead Line Inspection - \$30,000.00
Pole Testing and Treating - \$35,000.00
Tree Trimming - \$170,000.00
Underground Inspection - \$13,000.00
Underground Infrared - \$2,700.00

CONSUMER ACCOUNTING EXPENSE

We will continue with our rebates on air conditioner/heat pumps, water heaters, and third-party remote managed irrigation systems in 2020.

We will be updating our billing statement look in 2020 at the cost of approximately \$6,300.

There may be additional expenses for software and IT upgrades.

ADMINISTRATIVE EXPENSE

Our administrative expenses will increase slightly due to salary increases.

INTEREST AND DEPRECIATION

Interest on our long-term debt will decrease in 2020 with paying off over \$2.4 million in FFB & RUS loans using our CoC. Our Co-Bank loan will also be paid off in June of 2020.

Depreciation for plant & general plant will be approximately \$805,000.00, which includes TEC's new AMI RF metering system in 2020.

2020 ESTIMATED DUES DONATIONS CAPITAL EXPENSES

| | |
|-----------------|---------------------|
| MREA | \$26,500 (2020) |
| NRECA | \$5,300 |
| SDREA | \$6,851.80 (actual) |
| WHEATON CHAMBER | \$200 |

We will continue with our tradition of good will donations to local effort, and radio ads with Board approval. TEC will stay close to the amount of \$7,500.00 in 2020.

OPTION 1 (No changes)

TRAVERSE ELECTRIC COOPERATIVE, INC.

Wheaton, Minnesota

BOARD POLICY NO. 108

ATTENDANCE OF DIRECTORS AT MEETINGS

I. OBJECTIVE

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

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

II. POLICY

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

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

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

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

III. RESPONSIBILITY

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

Date Adopted: 12-2-86

Date Reviewed: 11-26-19

~~Lyle Raguse~~ Mark Pearson, Secretary

OPTION 2 (Change allows any director to attend the national meeting)

TRAVERSE ELECTRIC COOPERATIVE, INC.

Wheaton, Minnesota

BOARD POLICY NO. 108

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Date Adopted: 12-2-86

Date Reviewed: 11-26 -19

~~Lyle Raguse~~ Mark Pearson, Secretary

TRAVERSE ELECTRIC COOPERATIVE, INC.

Wheaton, Minnesota

BOARD POLICY NO. 110

FRINGE BENEFITS FOR DIRECTORS

I. OBJECTIVE

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

II. POLICY

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

A. 24 Hour Accident and High Limit Business Travel

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

III. RESPONSIBILITY

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

Date Adopted: 12-2-86

Date Reviewed: 01-15-90

Date Reviewed: 11-26-19

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

TRAVERSE ELECTRIC COOPERATIVE, INC.

Wheaton, Minnesota

BOARD POLICY NO. 111

SERVICES OF LEGAL COUNSEL

I. OBJECTIVE

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

II. POLICY

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

1. Assisting Traverse Electric's officers and the General Manager with the interpretation of the Articles of Incorporation and the By-laws; the calling and holding of special and regular meetings of the Board and the annual meeting and the amendment of the Articles of Incorporation and the By-laws and review of minutes of such meetings.
2. Rendering oral or written legal opinions and advice on contemplated actions of the Board, General Manager, or his staff.
3. Attending Board meetings, if so requested, and to serve as legal advisor on matters for which responsible.
4. Serving as advisor to the parliamentarian at all Board meetings and at the annual membership meeting.
5. Serving as a legal liaison and advising Traverse Electric on all substantive procedures that materially affect Traverse Electric's legal status and relationship with RUS, CFC, CoBank any bondholders, and other federal, state and local administrative or regulatory agencies.
6. Either prepare or coordinate the preparation of documents and the rendering of legal opinions and certificates in obtaining loan funds from RUS or other financial institutions.

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

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

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

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

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

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

III. RESPONSIBILITY

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

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

Date Adopted: 12-2-86

Date Reviewed: 11-26-19

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



Policy 513 TRAVERSE ELECTRIC COOPERATIVE, INC

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

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CONTROLLED SUBSTANCE AND ALCOHOL POLICY

I. Introduction and Policy Statement:

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

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

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

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

Employer Contact for Questions About Policy.

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

II. Definitions:

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

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

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

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

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

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

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

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

Safety-sensitive function means a job, including any supervisory or management position, in which an impairment caused by a drug or alcohol usage would threaten the health or safety of any person and all time from the time a driver begins to work or is required to be in readiness to work until he/she is relieved

from work and all responsibility for performing work. Safety-sensitive functions shall include all time at an employer or shipper plant, terminal, facility, or other property, or on any property, waiting to be dispatched, unless the driver has been relieved from duty by the employer; all time inspecting equipment, servicing, or conditioning any commercial motor vehicle at any time; all the time spent at the driving controls of a commercial motor vehicle except time spent resting in a sleeper berth; all time loading or unloading, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded; and all time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

III. Prohibited Conduct:

This Policy prohibits the following conduct:

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

IV. Tests Required:

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

- Pre-Employment testing
 - All applicants, including but not limited to drivers, must undergo testing for controlled substances,

after a conditional offer of employment has been made, and the Employer must receive a verified negative test result from the Medical Review Officer before the first time they are placed on duty, perform any work tasks, enter or remain on the Employer's or a customer's premises (except to process an application), or operate or be transported in a commercial motor vehicle or any other vehicle used in the service of the Employer (except to be transported home or to a testing rehabilitation site facility).

- Post-Accident testing
 - As soon as possible after any work-related vehicular or other accident involving personal injury or property damage, a moving violation involving serious reckless driving, or a serious safety violation, the Employer will administer alcohol and controlled substances tests to each surviving driver or other employee involved in the accident, irrespective of fault in connection with the accident.
 - Drivers and other employees subject to post-accident testing must remain readily available after the accident for testing or they will be deemed to have refused to submit to testing. In addition, drivers and other employees must refrain from using alcohol or controlled substances for a period of up to eight hours after the accident or until the post-accident test have been performed.
- Reasonable Suspicion Testing
 - The Employer will conduct reasonable suspicion drug and/or alcohol tests if one or more supervisors, trained to detect suspected drug or alcohol use, witnesses suspicious behavior on the part of the driver or other employee to be tested. The decision to engage in reasonable suspicion testing will be based upon specific, articulable observations about the employee's appearance, behavior, speech, body odors, or other subjective symptoms of the use or withdrawal effects of use of alcohol or controlled substances.
 - If a reasonable suspicion determination of drug or alcohol use is made, the driver or other employee will not be allowed to drive or perform any work duties until obtaining a negative result on a return to duty test.
- Return to Duty testing
 - Once drivers or other employees have engaged in conduct prohibited by FMCSA or DOT drug and alcohol regulations or this Policy, including receiving a positive drug or alcohol test, refusing to test, adulterating or substituting a urine specimen, or otherwise failing to cooperate with testing procedures, they are subject to alcohol or controlled substances before returning to work. Return-to-duty tests will be administered after the SAP has determined that the driver or other employee has successfully complied with prescribed education and/or treatment. In addition, in order to return to work, 24 hours must have elapsed since the positive test or other violation(s), alcohol tests must indicate a verified negative result for any use, controlled substances tests must indicate a verified negative result for any use of controlled substances. In addition, before returning to work, employees who have tested positive are required to submit to a reemployment interview and confirmation procedure to be requalified for work.
- Follow-up testing
 - Drivers or other employees who have previously tested positive for alcohol or controlled substances, have refused to test, adulterated or substituted a urine specimen, or have otherwise failed to cooperate with testing procedures, have otherwise violated FMCSA or DOT prohibitions on drug or alcohol use or this Policy, or have submitted to voluntary or other referral for assistance to resolve problems associated with alcohol misuse and/or controlled substances tests.
 - Follow-up tests will be performed as directed by the SAP involved, but will consist of a minimum

of six (6) tests in the first twelve (12) months following the driver's or other employee's return to duty.

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

V. Procedures for testing

- All testing procedures will be conducted in compliance with applicable federal and state laws and regulations, including specimen collection, laboratory testing, and communication of results. Laboratories utilized by the Employer shall be federally and/or state certified and otherwise comply with applicable federal and state regulations and standards. Relevant portions of these regulatory testing requirements are summarized below:
 - **Controlled substance testing**
 - When conducting substances tests, the Employer, or its designated testing service provider, will test for marijuana, cocaine, opiates, amphetamines and phencyclidine, and may test for other controlled substances for which testing may be required or authorized under law. The Employer has designated one or more collection sites to collect, store and transport urine specimens. As required under federal regulations, the Employer will use a "split urine specimen" testing procedure.
 - Under this procedure, this specimen from a single test is divided into two portions. If the test on the first portion is positive, the employee can request (within five (5) working days of notification of a positive test) that the second portion be tested for presence of the substance(s) found in the first specimen. The Employer may implement any actions required by federal regulations or this Policy while the second (confirmatory) test is being processed.
 - When the laboratory completes testing, it will report the test results to the Employer's Medical Review Officer (MRO) within an average of five (5) working days of the laboratory's receipt of the specimen. The MRO will analyze the testing procedures and results and certify that the positive tests are due to use of prohibited drugs. Before making a final decision to verify a positive test result, the MRO will give the employee the opportunity to discuss the test results. If the MRO is unable to contact the employee to do so, a management official will attempt to contact the employee on temporary medical unqualified status or medical leave, or the MRO may verify results without discussion with

the employee. After verifying a positive result, the MRO will communicate this result to the Employer.

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

VI. Limited Access to Results and Testing Records:

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

VII. Notification of Test Results:

The Employer will notify employees and applicants of negative test results. The MRO will notify employees and applicants of positive test results and their right to explain a positive test. Employees or applicants with positive results can then submit any information they believe will serve to explain that result or the reliability of that result (within three (3) working days of notification); request a confirmatory retest of the original sample (within five (5) working days of notification); or request a copy of the test result report.

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

The Employer reserves the right to investigate and to interview employees in the course of implementing and enforcing this Policy, and other policies of the Employer, to require truthful answers to inquiries in connection with such investigations and interviews, to conduct searches of employees' persons, vehicles, work stations

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

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

- Prohibited conduct/positive tests results
 - Drivers and other employees committing violations under Section III of this Policy (including testing positive for controlled substances or receiving alcohol test results showing alcohol concentration of at least 0.04), will be removed from all driving and any other work duties.
 - After removal from driving and other work duties, such employees will be referred to a Substance Abuse Professional (SAP) and will be notified of resources to evaluate and resolve problems associated with controlled substances use and misuse of alcohol. The SAP will evaluate whether the employee needs assistance with alcohol or controlled substances problems and will prescribe and oversee any necessary rehabilitation programs.
 - After referral to the SAP, drivers and other employees will not be allowed to return to duty until: (1) at least 24 hours have passed; (2) the driver or other employee has passed a return-to-duty alcohol and/or controlled substances test; (3) the driver or other employee has reported to the SAP and has cooperated with and commenced any SAP referrals or treatment or rehabilitation recommendations to the Employer's satisfaction; and (4) appropriate discipline has been imposed. In addition, once back on duty, drivers and other employees will be required to pass unannounced follow-up alcohol and/or controlled substances tests, consistent with the SAP's evaluation (See Section IV. of this Policy).
 - Drivers and other employees will bear the costs of referral, treatment or rehabilitation under this provision, unless such services are routinely (and without additional cost to the Employer) covered by existing insurance programs. Applicants who refuse to submit to or fail a pre-employment controlled substance test are not eligible for such referral, treatment or rehabilitation assistance. In addition to the proceeding consequences, any driver or other employee who violates this Policy, tests positive for controlled substances, or shows alcohol concentrations of 0.04% or more, will be subject to disciplinary action up to and including discharge, and will not be paid for any period he or she is removed from duty, as a consequence of such violation or positive test.
 - The Employer will discharge an employee based on the first positive drug or alcohol test for that driver or other employee, in the absence of a prior record of other disciplinary violations, or if: (1) the driver employee has been given a chance to participate, at the employee's expense, in an appropriate rehabilitation program; and (2) has either refused to participate in or has failed to successfully complete the program. For purposes of this provision, the Employer will determine the appropriate counseling or rehabilitation program after consultation with an appropriate chemical use counselor or specifically trained physician.
- Low Level Alcohol Test Results
 - If a driver's or other employee's alcohol test shows an alcohol concentration between 0.02 and

0.039 percent, the employee shall be removed immediately from driving, or any other safety sensitive duty, and placed on unpaid status for 24 hours. The employee will also be subject to additional disciplinary action if he or she has previously had low (or high) level positive alcohol test results or other drug or alcohol related policy violations, or if this result represents failure to adhere to a rehabilitation program.

- **Suspected Driver Impairment**
 - If the Employer suspects a driver or other employee of controlled substance or alcohol use, the driver or other employee shall be removed immediately from driving and from other work duties until a reasonable suspicion test is performed.
- **Refusal to Submit to Alcohol or Controlled Substances Testing**
 - If a driver or other employee refuses to submit to testing, a first refusal will be treated in same manner as a violation of this DOT Controlled Substances and Alcohol Use Testing Policy for the purposes of follow-up actions and discipline. A second refusal will be treated as a resignation of employment.
 - A refusal or alleged inability to produce a full urine, breath or saliva sample for an alcohol or controlled substance test, in the absence of a legitimate satisfactory medical explanation confirmed by a licensed physician (after applicable DOT procedures regarding insufficient urine, saliva, and breath production for testing have been followed.), is considered a refusal to submit to testing under this Policy, for purposes of follow-up actions and discipline.
 - A verified test result of specimen adulteration or substitution is considered a refusal to submit to testing under this Policy, for purposes of follow-up actions and discipline.

X. Employee Admission of Alcohol and Controlled Substance Use:

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

XI. Voluntary Self-Identification Program:

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

XII. Release of Test Records:

- The Employer will not release information regarding driver or other employee drug and alcohol tests. Except

as prescribed in Section V. upon written request, a driver or other employee can obtain copies of records regarding his other violations, tests, discipline and follow-up actions under this Policy.

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

- Beginning January 6th, 2020, a repository created by the FMCSA will collect information on drivers' DOT drug and alcohol violations occurring under a motor carrier's testing program.
- Employers and service providers are called up on to report DOT drug and alcohol testing program violations to the Drug and Alcohol Clearinghouse database. Motor carriers, medical review officers, third-party administrators, and substance abuse professionals must provide information when a driver:
 - Tests positive for drugs and alcohol
 - Refuses drug and alcohol testing; and
 - Undergoes the return-to-duty drug and alcohol rehabilitation process
- The following records will be collected and maintained in the Clearinghouse:
 - A verified positive, adulterated, or substituted drug test result;
 - An alcohol confirmation test with a concentration of 0.04 or higher;
 - A refusal to submit to any testing knowledge, as defined at 382.107, including:
 - On duty alcohol use pursuant to 382.205
 - Pre-duty alcohol use pursuant to 382.207
 - Alcohol use following an accident pursuant to 382.209; and
 - Controlled substance use pursuant to 382.213
 - A substance abuse professional report of the successful completion of the return-to-duty process;
 - An employer's report of completion of follow-up testing.
- The Clearinghouse will aid the company in learning of a driver's need to start or continue with the necessary steps in the DOT return-to-duty process (i.e. Substance Abuse Professional (SAP) program in order to operate a commercial motor vehicle (CMV)).
- FMCSA requires motor carrier employers to:
 - Query the system for information on drivers' applicants, and
 - Search the database annually for current employees
- Before a motor carrier may gain access to the information in the Drug and Alcohol Clearinghouse database, the driver must grant consent. Failure to provide consent prevents the motor carrier from using the CDL driver in a safety-sensitive function.
- A driver can review his or her report at no cost by registering with the Drug and Alcohol Clearinghouse database.

COPY A

**ACKNOWLEDGMENT OF RECEIPT, REVIEW AND UNDERSTANDING OF TRAVERSE ELECTRIC COOPERATIVE, INC
CONTROLLED SUBSTANCES AND ALCOHOL USE TESTING POLICY**

I certify that I have received and reviewed a copy of the Employer's DOT Controlled Substances and Alcohol Use Testing Policy, and understand that the Employer requires its drivers and all other employees performing safety sensitive functions to work under and to abide by this Policy. I understand that the Employer and its agents may, in the course of implementation and enforcement of this Policy: (1) investigate and interview me; (2) search my person, my work locations and vehicles, and any property, documents or other articles in my possession or control; (3) administer to me urine and/or breath analysis tests for drugs or alcohol; and (4) use the results of such interviews, investigations, searches and tests, as well as other relevant evidence, in determining whether to hire me as an employee, to refer me for evaluation or rehabilitation, or to discipline or discharge me as an employee at Traverse Electric Cooperative. I also acknowledge receipt of a copy of this signed Acknowledgement Form.

Employee/ Applicant: _____
(Signature)

Name of Employee/ Applicant: _____
(Printed)

Dated: _____

Copy A for Applicant/ Employee

Copy B for Personnel File

COPY B

ACKNOWLEDGMENT OF RECEIPT, REVIEW AND UNDERSTANDING OF TRAVERSE ELECTRIC COOPERATIVE, INC DOT CONTROLLED SUBSTANCES AND ALCOHOL USE TESTING POLICY

I certify that I have received and reviewed a copy of the Employer's DOT Controlled Substances and Alcohol Use Testing Policy, and understand that the Employer requires its drivers and all other employees performing safety sensitive functions to work under and to abide by this Policy. I understand that the Employer and its agents may, in the course of implementation and enforcement of this Policy: (1) investigate and interview me; (2) search my person, my work locations and vehicles, and any property, documents or other articles in my possession or control; (3) administer to me urine and/or breath analysis tests for drugs or alcohol; and (4) use the results of such interviews, investigations, searches and tests, as well as other relevant evidence, in determining whether to hire me as an employee, to refer me for evaluation or rehabilitation, or to discipline or discharge me as an employee at Traverse Electric Cooperative. I also acknowledge receipt of a copy of this signed Acknowledgement Form.

Employee/ Applicant: _____
(Signature)

Name of Employee/ Applicant: _____
(Printed)

Dated: _____

Copy A for Applicant/ Employee

Copy B for Personnel File

Date Adopted: _____10-26-98_____

Date Reviewed: _____05-29-12_____

Date Revised: _____03-28-17_____

Date Revised: _____11-26-19_____

TRAVERSE ELECTRIC COOPERATIVE, INC.

WHEATON, MN

BOARD POLICY 513.1

NON-DOT DRUG AND ALCOHOL TESTING POLICY

I. Purpose

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

II. Scope

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

III. Definitions

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

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

C. "Under the influence of illegal drugs" means (1) the presence of any detectable amount of an illegal drug or its metabolites demonstrated by a verified/confirmed positive drug test result, or (2) behavior, appearance, speech, or bodily odors that lead a supervisor or manager to reasonably suspect that the employee is impaired by illegal drugs or is using illegal drugs during working time or on Company property.

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

IV. Non-Discrimination

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

V. Prohibitions

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

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

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

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

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

F. Subject to applicable law, employees are prohibited from failing to consent to,

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

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

VI. Alcohol and Drug Testing

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

B. Testing Circumstances

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

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

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

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

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

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

C. Conducting the Testing.

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

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

3. The Laboratory. The laboratory selected to perform testing will be certified

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

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

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

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

7. Test Results: Notices and Rights.

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

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

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

An applicant or employee may request a confirmatory retest of the original sample at his or her own expense. Within five working days after notice of a positive test result, the applicant or employee must notify the Human Resources dept in writing of his or her intention to obtain a confirmatory retest. Within three working days after receipt of any such notice, Traverse

Electric Cooperative will notify the original testing laboratory that the applicant or employee has requested the laboratory to conduct the confirmatory retest or transfer the sample to another laboratory licensed per the requirements of the Minnesota Drug and Alcohol Testing in the Workplace Act. If the confirmatory retest does not confirm the original positive result, no adverse action based on the original confirmatory test will be taken against the applicant or employee.

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

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

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

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

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

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

F. Privacy of Test Results.

1. Test results and other information acquired as a result of the testing program are private and confidential information and will not be disclosed by Traverse Electric Cooperative or the testing laboratory to another employee or to third parties, government agencies, or private

organizations without written consent of the applicant or employee being tested.

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

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

G. Reservation of Rights.

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

Date Approved: 11-26-19

Mark Pearson, Secretary

BOARD POLICY 513.1
APPENDIX A
ACKNOWLEDGMENT AND INFORMATION FORM
TO BE PROVIDED BEFORE REQUESTING TESTING

(For Applicants and Employees)

1. I acknowledge that I have received, seen and understand Traverse Electric Cooperative Drug and Alcohol Testing Policy.

2. I understand it is my obligation to read this Policy and its contents so that I will understand what conduct is prohibited by the Policy, my rights, and the consequences of engaging in prohibited conduct. I agree to comply with the Policy and I understand that failure to comply with the Policy may result in withdrawal of a conditional job offer and/or discipline up to and including termination of employment.

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

4. By signing below, I hereby voluntarily consent to an employee or agent of Traverse Electric Cooperative or other persons or entities acting for or with them to collect a blood, urine or saliva sample from me for testing for alcohol or illegal drugs in accordance with Traverse Electric Cooperative policy. I further voluntarily authorize the laboratory selected by Traverse Electric Cooperative to conduct testing or other analysis on the sample provided by me, and to disclose to a Medical Review Officer, the Company's third party administrator with respect to this Policy, and Traverse Electric Cooperative the test results and related data. I further authorize disclosure of my test results and related data to other parties permitted by law to receive the results.

5. In the event of a post-accident test, I authorize disclosure of the drug and/or alcohol test results to Traverse Electric Cooperative workers' compensation insurance carrier.

Date: _____

Signature of Individual to be Tested

Printed Name of Individual to be Tested