

**Minutes of the Regular Board Meeting of the
Jump River Electric Cooperative, Inc.
Thursday, March 28, 2024**

A Regular Meeting of the Board of Directors of the Jump River Electric Cooperative, Inc. was held on Thursday, March 28, 2024, at the Cooperative headquarters building in Ladysmith, Rusk County, Wisconsin.

Thank you cards from Flambeau Cancer Benefit, Sawyer County Lac Courte Oreilles Economic Development, Hope Hospice & Palliative Care, Inc., and Holcombe High School were circulated by Chairman Brooks.

1. **Call the Meeting to Order.** Chairman Brooks called the Regular Board Meeting to Order at 8:56 a.m.
2. **Roll Call.** Chairman Brooks stated that the following Board Members were in person at the start of the meeting: District 1, Jane Reich; District 2, Myron Brooks; District 3, Joe Lorence; District 4, Jay Waeltz; District 5, Bill van Doorn; District 6, Bill Amery; District 7, Jason Weaver; District 8, Wally Kruk; and District 9, Sandy Schara. Also present in person was General Manager/CEO, Kurt Harris; Finance Manager, Dawn Zahurones; Operations Manager, Jordan Behreandt; and Executive Assistant Jennifer Belk.
3. **The Pledge of Allegiance** was recited.
4. **Acceptance of the Agenda.** A motion was made by Kruk and seconded by van Doorn to accept the agenda as presented. Unanimously approved.
5. **Open Comment Session.** No one present.
6. **Safety Moment.** Brooks presented on grain bin safety.
7. **February Minutes.** A motion was made by Reich and seconded by Schara to approve the February Board minutes as presented. Unanimously approved.
8. **Check Register.** A motion was made by Schara and seconded by Lorence to approve the February Check Register as presented. Unanimously approved.
9. **Consent Agenda.** Member refunds, membership applications, outages, director expense reports, and director reports were posted to Call of Order prior to the meeting for review by the Board. A motion was made by Weaver and seconded by Waeltz to approve the consent agenda as presented. Unanimously approved.
10. **Operations Report.** Operations Manager Behreandt reported on pole changes, road restrictions being lifted, GPS & mapping progress, brushing progress, and takeaways from Tech Advantage. A motion was made by van Doorn and seconded by Kruk to approve the Operations Report as presented. Unanimously approved.
11. **Financial Report.** Finance Manager Zahurones reported on the income statement comparison, monthly margins, year-to-date margins, tier/o-tier, year-to-date balance sheet summary, equity, year-to-date highlights, monthly kilowatts sold, year-to-date kilowatts sold, and operating statement, balance sheet, supplemental data for February 2024. A motion was made by Kruk and seconded by Weaver to approve the financial report as presented. Unanimously approved.

The Board moved to 15. New Business a. 2023 Audit Report.

CliftonLarsonAllen Auditor, Jim Halverson entered the meeting at 9:43a.m.

12. **General Manager Report.** General Manager/CEO Harris reported on no PCA for March, grant submissions, Conexon broadband feasibility study, Annual Meeting, manager expenses and strategic plan status. A motion was made by Kruk and seconded by Waeltz to approve the General Manager report as presented. Unanimously approved.
13. **Dairyland Power Cooperative (DPC).** DPC Director reported on board actions, CEO update, MISO Market, nuclear energy, and Nemadji Trail. A motion was made by Waeltz and by seconded Schara to approve the DPC Director report as presented. Unanimously approved.

The board took a break for lunch at 12:10p.m. until 12:39p.m.

A motion was made by Kruk and seconded by Schara to send Reich, Brooks, Lorence, and Harris to the DPC Annual Meeting on June 5, 2024. Unanimously approved.

A motion was made by Waeltz and seconded by van Doorn to approve Joe Lorence as voting delegate at the Annual Meeting. Unanimously approved.

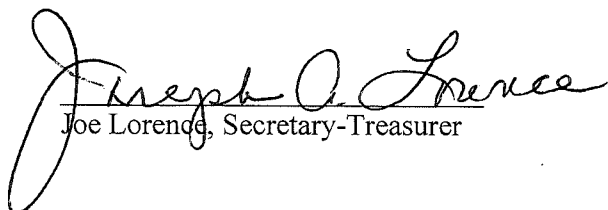
14. **National Rural Electric Cooperative Association (NRECA).** Director reports for attendees were loaded to Call to Order prior to the meeting.
15. **New Business.**
 - a. 2023 Audit Report. Auditor Jim Halverson presented the 2023 annual audit report.

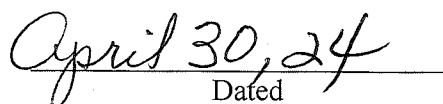
Halverson left the meeting at 10:49a.m.

The Board took a break from 10:50a.m. to 10:59a.m. and moved back to Item 12. General Manager report.

- b. Resolution for Non-Operating Margins. A motion was made by Kruk and seconded by Amery to approve the Resolution to Retain Non-Operating Margins. Unanimously approved.
 - c. Hayward Chair Nomination. A motion was made by Weaver and seconded by Lorence to designate Schara as Hayward Chairperson for the remote Annual Meeting. Approved by consent.
16. **Next Meeting Date.** The date for the regular April Board Meeting was set as Tuesday, April 30, 2024.

A motion was made by Waeltz and seconded by Weaver to **Adjourn the Meeting at 1:03p.m.** Unanimously carried.


Joe Lorence, Secretary-Treasurer


Dated

(CORPORATE SEAL)

District 1, Director Report
Jane Reich
March 2024

The NRECA Annual Meeting in San Antonio, Texas is over. I networked with other members from Alaska, Montana, Georgia, Arkansas, Alabama, North Carolina, New Mexico, an RUS representative called Louis, Utah, Oregon, Missouri just to name a few. So, there were concerns from the Montana and Missouri folks with the looming gloom of the push to close four dams on the Colorado and Snake Rivers. These dams furnish 30 percent of the power for these co-ops and have been there for around 100 years. This is a major concern for all. This has to do with a push due to the salmon and other fish by tribes of the area and the DNR. Pray for the best turn out for all.

The first breakout I attended was RELIABILITY JEOPARDY— THE BOARDS ROLE IN KEEPING THE LIGHTS ON. This is what I got out of this seminar. Approve investments in infrastructure to increase reliability, allocate resources for this, and always promote member education on what's going on. Pay attention to interruptions in service, set policies to insure resiliency. Have a disaster communication Ma plan, work plan, and secure a maintenance and strategy around it and a policy on that. ALSO be flexible to your G & T's needs and challenges. OPTIMIZE OUR GRID

BREAKOUT LESSONS LEARNED IN THE WAKE OF SCANDAL. TRI COUNTY ELECTRIC in South Carolina in 2018. The board overcompensated themselves. The board went from paying themselves \$200 to \$450 per dime. The problem with that was the big jump and then many unnecessary meetings. To the tune of making \$80,000 per year. They also awarded themselves health and life insurance for life. They even awarded themselves the employees Christmas bonuses. Any controversy, the board president spoke for all of them. Well in the end after years of corruption the co-op prevailed and with the help of an attorney and law enforcement this was shut down. But just to make you realize what a tyrant the board chair was even to run for the board you paid him a \$5000 fee just for the opportunity to run. There are still two pending cases in this terrible case.

Transforming into a future ready generation starts at the top. Getting the culture right, member-driven innovation for the future. Set a long-term vision, 5-10 years out with engagement from all. Get your members involved, educate, and actively listen to them. We will deliver exceptional service and value to our members.

Become more adaptive, optimistic, proactive, and agile. Put this in the strategic plan and business plan. FOSTER THE CULTURE Grow employees into it by development, job descriptions, and bench marking. THE FUTURE IS ALREADY HERE IT JUST ISN'T EVENLY DISTRIBUTED.

I can say I made many, many connections thru this conference/annual meeting of NRECA. I am grateful for the opportunity. The insight from this will help all of us going forward.

BREAKOUT SESSION. LEADING ACROSS GENERATIONS

EMPLOYALTY== Has changed. It used to be the employee felt he owed the company. And now a good employee feels the business owes him. To engage these new generations, it is thought there are three drivers, being connection, authentic self, and tools and resources. Two out of three of these drivers is said not to be enough to keep them.

Millennium's 1980-1995 2/3rds of them thought that in less than two years they should get a substantial improvement in both salary and position and the remainder thought this should happen in less than a year. This generation define themselves as developers and expect to do just that. Also, 72 percent of millennials have read books in the last year, so do not underestimate them.

The Gen X generation, 1966-2010 have a whole new set of skills, and such because of the Covid area. Number 1 with this group is the work/life balance. This means different ways this group communicates. They came from not going to school, doing all kinds of technical work from home and have the skills to prove it. This generation missed proms, plays, games, and many watched their own graduations on a television monitor at home. **THEY ARE WIRED DIFFERENTLY!** They are reactors, they are wired to be challenged for that was their life for some time. They are people that respect matters to.

So, along with this I may add these employees will look for meaningful connections, tools to prevent burnout, TRUST, fairness. Communicate that we value their presence.

Speak to their values, younger people are about change. Know your audience.

It was said that what was learned from employees working from home productivity was either the same or increased. What was lost was creativity.

How great leaders inspire action is with the WHY of things. We need to have connection, harmony, and enrichment.

In ending I will say we need a balance, MIX IT UP AND VALUE ALL.

Jay Waeltz
District 4 Director Report
March 2024

On March 19th & 20th I attended the 2640 NRECA Financial Decision Making course. The presenter was Rod Crile and it was done by teleconference in the JREC boardroom.

Key topics included:

Identifying the key financial decisions boards make.

Recognizing the uniqueness of the cooperative business model and the typical cooperative's financial attributes.

Recognizing financial documents and related key financial ratios.

Explaining board decisions and the impacts on their financial position and financial statements.

Understanding the difference between reporting a cooperative's financial results and understanding a cooperative's financial position.

An in depth description of the audit function.

My key takeaways are:

Do not be afraid to extensively question the cooperative's staff while in the boardroom.

The importance of changing auditors often to avoid conflict and complacency.

I would like to thank Jennifer and Sebastian for their assistance in setting this up for me in Ladysmith. They were very helpful.

Respectfully submitted,

Jay Waeltz

March 2024 Report
District 5 Director
William van Doorn

Another busy month with meetings here and far away. Last month we had Lobby Days in Madison and a district meeting in Eau Claire for Dairyland Power. This month on the 3rd through the 6th was the NRECA annual Power Xchange 2024 in San Antonio. Jane Reich, Bill Amery, and I were so busy with seminars and other presentations we never took time to view the Alamo and we were in a hotel that was only two blocks away from there.

Other than me being a country boy in the metro, it was an enjoyable and informative adventure. Jane and I did not run into Bill A. or Jordon, JREC's operations manager, until we made contact with the phones a day after arriving. The facility was huge and there was well over five thousand in attendance.

After a general assembly, my first breakout workshop was "How to Navigate the Dynamics Between G&T and Distribution Co-ops" (JREC). There were two presenters, and they were good. They explained to us that inflation, fuel costs, shortages and infused money are a problem. The last two together are a huge problem.

It was advised to have a long-range plan and visit it every year. Don't be afraid to change it because things are changing out there faster than we realize. The good thing to remember is that all Co-ops are different and separate but, yet in the end we are all together. Also noted that Cooperative G&Ts (generation and transmission) are big and can absorb more than distribution Co-ops and that's why we are together at times.

"Taking it to the Hill" was my next break out session. This was a five-person panel discussion. The gist of this discussion was to not be partisan and stay on subject and make sure they (your representatives) know who you are. The Panel was in total agreement that Cooperative G&Ts must always emphasize dependability. These panel members have all testified at the federal level and all agree that now is not the time to get rid of fossil fuel generation. It is not wise to plan on replacing a known source with an unknown or underdeveloped power source. They were emphatic that our government must not mandate unproven or undeveloped innovations in our base load power supply.

On the following day, my first session was "Natural Disasters-Are You Prepared?" It was suggested to take a scenario and check all the boxes. How does your Coop communicate with law enforcement, suppliers, the membership and do we have the personnel available to handle the disaster. We are not always the primary victim in a disaster, but are we prepared to do our part in dealing with a community disaster? Can we address permits and others hoops to jump ahead of time? Do we have exercises including state and federal agencies that may be involved in a real emergency? I must note at this time that our Co-op performed better than the for-profit power providers during our December 2022 snowstorm. The Co-op system (ROPE) where neighboring

Co-ops that do not have an emergency come and help a fellow Co-op helped us so much in a well organize fashion.

As a Co-op we can communicate with local news agencies how they can help a situation, rather than juicing up a story. Government is not always there to help. As an example, there was a fire in Montana and crews went ahead of the fire cutting and removing fire tinder. The wind died down earlier than forecasted and as a result, the government agency billed the power company \$5.2 million for cutting too much (not for causing the fire).

Another breakout session was “Transforming Into a Future-Ready Organization.” Some new innovations work out but not all will, so beware. All Co-ops are different and so are their needs and situations. It was noted to stay in touch with your membership and let them actively make suggestions. One of the three Co-ops participating in the panel said their membership opted for home battery storage rather than home generation. The membership must beware that not all sales pitches are accurate or honest. Examples were given, but here is not the place to get into particulars.

These three different Co-ops (two from Texas and one from Ohio), all have a huge industrial load which gives them a lot of management flexibility. I asked what their equity was before and after their huge investment in diversification was and I only got one partial answer. This told me to be careful.

There was so much information that I already have forgotten, and I apologize for that. What I will not forget is to keep my eyes open but careful as we move forward as a Co-op. It's good to be home.

Respectfully Submitted
District 5 Director
Bill van Doorn

Report on NRECA Power Exchange meeting, San Antonio, TX March 3-6. 2024

Bill Amery

This was my first “big” electric co-op meeting. It was a worthwhile learning experience. I have attended my share of meetings over the years, and at this one I found something very familiar -- the true value of these meetings is in the people you meet. The morning breakfasts were especially good. I met people from all over the place, all of them willing to share their stories and opinions. Many of them were old timers who had served on their co-op boards for decades, and they hadn’t missed a meeting for all those years. So, unlike me, they were way past the basic learning stages, and their purpose was more about surveilling the environment for anything new or particularly relevant to their co-op. They may get a little of this through the formal sessions but most of what they pick up is through kibbitzing with others.

I learned two things over coffee: First, it is true that co-ops are very different. I talked with a director from a 5,000-member co-op in rural Iowa, a co-op and GT combination in Worthington MN and a similar co-op/GT organization in Kodiak Island AK, where they generate most of the electricity from a lake that drains from the top of the island to the ocean, and the rest with wind power. These people were interesting, knowledgeable, and laser-focused on issues specific to their organization. They were also generous in sharing with a new guy, like me. The second thing I learned is that there is a healthy dynamic tension going on all over the place, especially between distribution co-ops and their G&T partners. To be honest, I was curious to learn more about what was going on in this area, since it’s such an obvious friction point. I was not disappointed.

General Sessions: There were three general sessions, including one speech by Jim Matheson. Matheson’s message was generally positive, with some of the expected concerns about risking the nation’s electric generation capabilities by forcing out old technology before the new technology is developed and proven reliable. He highlighted what makes co-ops strong, emphasizing how lawmakers respect the close bonds that co-ops have with their local communities. He really drove home the point that, in the political world of Washington, DC, this gives us an edge on large, investor-owned utilities.

The three general session speakers were polished and entertaining. The first session was a woman, Liv Boeree, talking about her career as a professional poker player. Her theme was mostly about the difference between making decisions with your “heart” and with your “head.” Poker players need to understand the difference between the two, as do leaders of organizations. In poker, the game is moving away from reading the other card players by observing their body language and mannerisms (using your “heart”) to guess what kind of hand they have, to more of a data-driven approach, which is a “doing math probabilities in your head” tactic. In other words, the math nerds are replacing the crafty old gamblers these days. She suggests the same is true in business, meaning there is a growing trend toward using your head (objective information) rather than trusting your heart in business decisions; although

both still have a part to play. The second general session was a career retrospective with the baseball player, Cal Ripken, Jr. Cal Ripken was a very good player, but his real claim to fame is playing in the most consecutive games. His message was in 8 or nine nuggets of wisdom, most of which boiled down to finding ways to make yourself valuable beyond your basic role, and that just showing up every day, ready to go to work, can be a highly valuable trait. The third general session was about artificial intelligence. The speaker was Mike Walsh, a very polished guy with a British accent who was both personable and condescending at the same time – sort of like “I know you are frightened by AI so I’m here to help, but let’s all agree that you are hopelessly in over your head and only people of my intelligence and sophistication can really understand this thing and dumb it down enough so you no longer fear that robots are taking over the world.” His pitch was exactly like another AI expert I listened to in one of the breakout sessions. The other guy blithely claimed that AI allowed him to handle 500 -1,000 emails a day, no sweat. They both recommended *DoNotPay* as a good AI app for helping you get out of parking tickets, and an app called ChatGPT as a simple, and free, way to stick your toe into the water on AI. I tried ChatGPT and it works well. It is like a Google search, but better.

Breakout sessions:

Enhancing Synergy: Navigating the Dynamics between G&T and Distribution Co-ops:

This session was organized around a survey being conducted to evaluate three topics: quantitative economic analysis, communications strategies and education/training opportunities. The survey is being sent out to 59 G&Ts and 832 distribution co-ops, and the end product will be a white paper published on the NRECA website. The strategic challenges to be addressed in the survey include balancing affordability and reliability, grid resilience, the commitment to decarbonization and clean energy, customer and stakeholder education, and talent management/innovation in rural areas.

Here are some of the comments from the discussion:

- The co-op model has a long-standing problem with fragmentation. There is a need for more collaboration – 900 independent cooperatives is too unstructured.
- The G&T functions to offer economies of scale that go beyond production, and by reducing “tail risk.”
- Contracts that “go forever” are problematic for distribution co-ops. They want greater flexibility and new thinking about a different approach, like maybe a subscription concept.
- DER should not be ignored. AI and other technologies are making DER more workable.
- IOUs have the advantage in strategic planning. The CEO can design and lead the process, using a dedicated planning staff, and with minimal Board oversight. This is not possible with 900 disparate organizations.
- Understanding all this means increasing Board activism and leadership.

How to Plan for Reliability and Resiliency in a Changing Environment

This was a panel discussion of co-op CEOs. A guy from Texas talked about their unique issues going back to the freeze of 2021. The guy from Colorado manages a rapidly growing co-op near the Denver airport. His main problem is inadequate generation, which they are addressing with several novel solutions, including pushing solar and wind and encouraging residents to get battery storage. The guy from North Dakota talked about how his state remains very supportive of coal, but is also working diligently at developing a vertically integrated model for DER. There was wide-ranging discussion of all these strategies. One comment that stuck with me was “MISO is on the verge of needing a backup generator.”

Situational Awareness; Bringing Together Utility, DER and Third-Party Data

I couldn't find my assigned course, so I jumped into this session because it sounded interesting. Here is what I learned -- I think. If you are really smart and not fearful of tackling complex problems, there is a chance that by linking SKADA with AMI data and the Camus software, you will have better ability to manage load, at least at the substation level, if not at the meter level. Also, there may be some benefit to capturing these data to avoid blowing up transformers from too much DER backflow. Also, you need to be careful about obtaining user participation in data gathering before new tech is installed behind the meter. The rest of the session sounded pretty good, but largely went over my head. Later that night, over dinner, Jordan explained to me that I had attended a *Tech Advantage* course, rather than a *Power Xchange* session. Of course! I had wandered into a discussion about electricity among people that actually understand it, rather than the bonehead electricity discussions where I belonged. This made me feel a little better.

Disaster Preparedness

This was an unstructured panel discussion, with each panel member giving a brief synopsis of the problems they had faced. Most of the discussion was responding to questions from the audience. One major topic was about having an Emergency Response Plan in place, with encouragement along the lines of “plan the work, then work the plan.” Regardless of how well you plan, there are always unforeseen problems that require lots of coordination. State and federal agencies are a challenge to work with, and you should do your homework on all their rules (e.g. FEMA will not reimburse for diesel purchased off site unless you have a paper receipt). I was tempted to ask what you do if you have a bad storm and are in the middle of a blackout because MISO is failing, but I didn't.

Demystifying Artificial Intelligence

AI was a hot topic at the meeting. This presentation was good, but along the way it felt more like an infomercial to sell his services than an attempt to demystify. His message seemed directed at a large organization that needs some assistance in designing an AI strategy on a global scale. There was nothing specific to electric co-ops. One takeaway: China is way ahead of us on developing AI because they don't allow for data privacy – with all the data at their disposal, they are much better at figuring it out.