




# Jump River Electric Cooperative, Inc.

Since 1938

Your Touchstone Energy® Cooperative 

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## Cooperative Policy No. 101

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I. **SUBJECT:** Capital Credits

II. **PURPOSE:**

The purpose of this policy is to establish procedure for the Jump River Electric Cooperative, Inc. (the “Cooperative”) Board of Directors (the “Board”) when allocating and retiring capital credits to its patrons.

III. **POLICY:**

The Cooperative shall allocate and retire capital credits according to the manner, method, timing, and amount approved by the Board, subject to applicable law, the Cooperative’s Articles of Incorporation and Bylaws, and specific resolution of the Board.

The Cooperative shall allocate and retire capital credits in a manner that: (i) is consistent with State and Federal law; (ii) is consistent with operating on a cooperative basis; (iii) is fair and reasonable to the Cooperative’s patrons and former patrons; (iv) provides the Cooperative with sufficient equity and capital to operate effectively and efficiently; and (v) protects the Cooperative’s financial condition.

A. Allocation.

1. The Cooperative shall utilize a capital credit allocation method or combination of methods that are generally recognized by the consumer-owned electric utility industry and that fairly and equitably allocate annual margins on a pro-rata basis to all patrons receiving service during a calendar year.
2. If the Board deems it reasonable and prudent to do so, the Board may allocate on the basis of classes of business, as provided in the Articles and Bylaws.
3. As authorized by the Bylaws and if approved by the Board, the Cooperative may use, retain, or equitably allocate the Cooperative’s non-operating earnings.
4. As approved by the Board, the Cooperative may offset non-patronage losses with the Cooperative’s patronage earnings during any calendar year.

5. Within eight and one-half (8½) months following the close of the Cooperative's fiscal year, the Cooperative shall notify each patron in writing of the amount of capital credits allocated to the patron for the preceding fiscal year.

B. Assignment.

1. As authorized by the Bylaws, the Cooperative may assign or transfer all of an existing patron's or former patrons on the books of the Cooperative to a single assignee, provided that: (i) the Cooperative receives a written request signed by the member to assign or transfer the capital credits; and (ii) the member and the assignee or transferee comply with all reasonable requirements specified by the Cooperative.
2. Except as otherwise ordered by a court of competent jurisdiction, upon the notarized affidavit of an heir or the personal representative or legal counsel for the estate of a deceased member, the Cooperative may assign a deceased member's capital credits on the books of the Cooperative to the heirs of the deceased. Except as otherwise ordered by a court or instructed by a dissolved, liquidated, sole, or transferred entity member's legal representative, the Cooperative may assign or transfer the entity member's capital credits to the successor entity.

C. Retirement.

1. The Cooperative shall generally retire capital credits with the goals of: (i) maintaining an equity in accordance with Cooperative Policy No. 102; (ii) retiring capital credits on a first-in, first-out basis or such other basis as the Board determines is in the best interest of the Cooperative; (iii) to the extent feasible consistent with the other goals set forth here, retiring capital credits within thirty (30) years after their allocation; (v) communicating and promoting the cooperative principles; (vi) fostering loyalty and support among patrons and former patrons; and (vii) maximizing member relations and goodwill.
2. The Cooperative shall not retire any capital credits unless the Board first (i) determines by specific resolution that the retirement will not adversely impact the Cooperative's financial condition and (ii) determines the specific method and order of retirement.
3. The Cooperative shall not retire and pay capital credits in an amount less than ten dollars (\$10), unless the retirement is: (i) for the last year of allocated capital credits, (ii) for all remaining capital credits allocated to a former patron, or (iii) fully applied an active patron billing account.

4. The Board, in its discretion, may specially retire capital credits upon a patron becoming a former patron, as deemed financially feasible by the Cooperative.
5. The Board, in its discretion, may allow for early retirement to estates or heirs of deceased members, as provided in the Bylaws, at net present value. The Board shall establish the discount rate for calculating that net present value.
6. After declaring for retirement but before paying capital credits allocated to a patron or former patron, the Cooperative shall recoup, offset, or set off any amount owed to the Cooperative by the patron or former patron by reducing the amount of retired capital credits paid to the patron or former patron by the amount owed.
7. After the Cooperative authorizes the retirement of capital credits allocated to a patron, the Cooperative shall pay the retired amount by crediting the amount on the patron's next bill or sending a check for the amount to the patron's most current address listed on the Cooperative's records.
8. If a patron or former patron fails to claim a retired capital credits amount after three (3) years and no later than five (5) years, the Board may declare the amount forfeited, as authorized by law and by the Bylaws. Notification procedures are set forth in the Bylaws. If a patron or former patron fails to claim the retired amount by the specified date, then the Cooperative shall dedicate any funds remaining unclaimed to Federated Youth Foundation within one (1) year after the funds are declared forfeited or otherwise dedicate the funds as permitted by law.
9. The Cooperative shall separately identify and allocate to the Cooperative's patrons capital credits and similar amounts allocated to the Cooperative by an entity in which the Cooperative is a member, patron, or owner. The Cooperative may only retire these separately identified and allocated capital credits after the entity retires and pays the amounts to the Cooperative.

#### **IV. RESPONSIBILITY:**

The General Manager/CEO shall be responsible for ensuring compliance with this policy.

Date Adopted: October 30, 2018  
Date Revised: September 27, 2022

PREVIOUSLY BOARD POLICY No. 13



## Cooperative Policy No. 102

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I. **SUBJECT:** Financial Planning & Operations

II. **PURPOSE:**

The purpose of this policy is to provide oversight and general direction from the Jump River Electric Cooperative, Inc. (the “Cooperative”) Board of Directors (the “Board”) to the Cooperative management in order to maintain a sound financial position and to provide for the security of the financial resources of the Cooperative.

The Cooperative is organized under the laws of the State of Wisconsin and will always operate on a cooperative not-for-profit basis for the mutual benefit of its Members. In addition to these legal requirements, the Cooperative is guided in its operations by regulations and operational practices prescribed by various regulatory bodies and or lenders. Beyond these legal, regulatory, and lending requirements, the Cooperative has an obligation to its members to ensure the financial integrity of the Cooperative so that it can provide high quality electric service at the lowest possible long-term cost consistent with prudent business practices not only for today, but long into the future.

III. **POLICY:**

In order to maintain a sound financial position and to provide for the security of the financial resources of the Cooperative, the planning documents, financial goals and parameters, and financial forecasting set forth in this policy shall be implemented.

The Cooperative shall implement the foregoing in accordance with applicable law and guided by various regulatory bodies and/or lender(s), including but not limited to the guidance of the Rural Utilities Service (“RUS”).

IV. **PLANNING DOCUMENTS:**

A. The General Manager and Chief Executive Officer (the “GM/CEO”) shall create and update the following planning documents on a regular basis:

- Wholesale Power Contract;
- Load Forecast Study;
- Cost of Service/Rate Study;
- Long Range Construction Plan;
- Construction Work Plan;
- 10-Year Financial Forecast;

- Annual Capital Budget; and
  - Annual Operating Budget.
- B. Creating or updating the foregoing planning documents shall be subject to Board review and approval.

**V. FINANCIAL GOALS AND PARAMETERS:**

- A. The Cooperative management shall operate the Cooperative so that its financial operating results are within the following financial goals and parameters:
1. Equity Ratio. In order to minimize the risks associated with insolvency and to maintain an optimal cost of capital, the Cooperative management shall strive to achieve and maintain an equity ratio between thirty-two percent (32%) and forty-two percent (42%).
  2. Patronage Capital.
    - a. The Cooperative shall allocate and retire patronage capital dividends in a manner that is: (i) consistent with all legal and regulatory requirements; (ii) consistent with operating on cooperative basis under federal tax law; (iii) fair and reasonable to the Cooperative's current and former members; (iv) sufficient in equity and capital to operate effectively and efficiently; (v) compliant with debt covenants; and (vi) consistent with the Cooperative's financial integrity.
    - b. The Cooperative shall not allocate or retire any patronage dividends unless and until the Board first determines that the allocation or retirement of patronage will not adversely impact the Cooperative's financial condition.
    - c. The allocation and retirement of patronage dividends is at the sole discretion of the Board, subject to applicable law, the Cooperative's Articles of Incorporation and Bylaws, and specific resolution of the Board.
  3. Coverage Ratios. In order to minimize the risk of liquidity and insolvency, the Cooperative management shall strive to achieve the following coverage ratios:
    - a. Modified Debt Service Coverage ("MDSC"). A minimum MDSC of 1.35 for the highest two (2) of three (3) consecutive years but, in no event, shall the MDSC be less than 1.00 for any given year.
    - b. Times-Interest-Earned-Ratio ("TIER"). A minimum TIER of 1.50.

- c. Short-Term Debt. The Cooperative shall maintain a line of credit for short-term operating purposes in an amount not to exceed six million dollars (\$6,000,000). The GM/CEO may establish emergency lines of credit as necessary to support the capital and operating needs of the Cooperative.
  - d. Long-Term Debt. The aggregate amount of all loans drawn or available to be drawn by the Cooperative shall not exceed the maximum debt limit established by the Board, as contained in the Cooperative's mortgage documents.
  - e. Debt Portfolio Management. The GM/CEO shall report the status of debt portfolio to the Board on a regular basis.
- B. Prior Board approval is required for the unbudgeted purchase of large equipment, machinery, and office machines valued over twenty-five thousand dollars (\$25,000).
- C. The Cooperative management shall review the above financial goals and parameters annually and recommend changes to the Board, if necessary.

## **VI. FINANCIAL FORECASTING:**

- A. The Cooperative management shall create financial forecasts that include an annual budget and a 10-year financial forecast, as further described below. The financial forecasts shall use the planning documents identified in Section III, above, and incorporate the financial goals and parameters identified in Section IV, above.
- B. Annual Budget.
- 1. Based upon the planning documents identified in Section III, above, and the financial goals and parameters identified in Section IV, above, the Cooperative management shall prepare, or cause to be prepared, a preliminary annual financial budget for the following calendar year no later than the October Board meeting. The final annual financial budget shall then be prepared and presented to the Board for approval no later than January of each year.
  - 2. The annual financial budget shall include, at a minimum, the following sections:
    - Assumptions used to prepare the annual financial budget;
    - A description of the primary changes and projects contemplated for the coming calendar year;
    - A statement of operations by month;

- Capital expenditures; and
- Charged depreciation.

C. 10-Year Financial Forecast.

1. Based upon the planning documents identified in Section III, above, and the financial goals and parameters identified in Section IV, above, the Cooperative management shall prepare, or cause to be prepared, a 10-year financial forecast on an every other calendar year basis. The first financial forecast year will contain the financial data from the annual financial budget above. A summary of the financial forecast shall be reported to the Board no later than October of each year.
2. The 10-year financial forecast shall include and comply with all of the financial goals and parameters identified in Section IV, above, and identify significant assumptions utilized in its preparation. The 10-year financial forecast shall include all items required by lending institutions.

D. The Cooperative management shall recommend to the Board retail electric rates to meet the financial goals and parameters set forth in Section IV, above. The rates may include a power cost factor adjustment designed to adjust revenues based on changes in the Cooperative's wholesale power cost.

E. If the financial goals and parameters set forth in Section IV, above, conflict with each other to such a degree that the financial forecast of this section cannot reasonably achieve all goals and parameters at the same time, the Cooperative management shall communicate such conflict to the Board. The Board shall, with the management's guidance, discuss and resolve any such conflict.

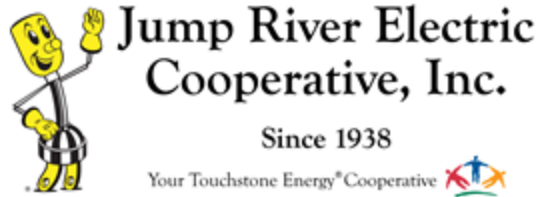
**VII. RESPONSIBILITY:**

The Board and General Manager/CEO shall be responsible for ensuring compliance with this policy.

Date Adopted: October 13, 2018  
Date Revised: August 30, 2022

PREVIOUSLY BOARD POLICY NO. 8





## Cooperative Policy No. 103

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I. **SUBJECT:** Cooperative Donations

II. **PURPOSE:**

The purpose of this policy is to establish guidelines that the Jump River Electric Cooperative, Inc. (the “Cooperative”) Board of Directors (the “Board”) may follow when processing donation requests to the Cooperative.

III. **POLICY:**

A. Cooperative management may make donations from the Cooperative to the extent of the amount approved as part of the Cooperative’s annual budget.

B. This policy does not apply to donations made by Community Cents, Inc.

IV. **RESPONSIBILITY:**

The General Manager/CEO shall be responsible for ensuring compliance with this policy.

Date Adopted: October 30, 2018  
Date Reviewed: December 9, 2021

PREVIOUSLY BOARD POLICY No. 9



## Cooperative Policy No. 104

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**I. SUBJECT:** Federated Youth Foundation Funds

**II. PURPOSE:**

The purpose of this policy is to establish guidelines that the Jump River Electric Cooperative, Inc. (the “Cooperative”) Board of Directors (the “Board”) and General Manager/CEO shall follow for distribution of the assets of the Federated Youth Foundation, Inc. (“FYF”) fund.

**III. POLICY:**

The Cooperative may grant scholarships, make donations to charitable groups and organizations, and use funds for other educational purposes from the assets of its FYF fund, provided the Cooperative complies with the following provisions of this policy:

- A. The Cooperative shall be a member of the FYF.
- B. If, after proper notice has been given, any Cooperative capital credits and/or other monies have been forfeited, such capital credits and/or other monies shall be paid to the FYF annually and upon specific resolution by the Board pursuant to applicable statute and Bylaw.
- C. Cooperative Scholarships to High School Students
  - 1. The Board may make available scholarships to graduating high school students residing at premises served by the Cooperative, including but not limited to high school students of Ladysmith, Flambeau, Chetek-Weyerhaeuser, Hayward, Holcombe, L.C.O., Gilman, Bruce, Winter, Stanley-Boyd and Rib Lake. The number and amount of high school scholarships shall be set by the Board annually.
  - 2. The Board may make available scholarships to graduating homeschooled students whose parent(s) or guardian is an active member of the Cooperative. Scholarships will be awarded to students from each of the following areas: Hayward, Ladysmith, and the greater Jump River area. The number and amount of the homeschool scholarships shall be set by the Board annually.

3. All scholarships provided to high school students shall be recognized as the 'Jump River Electric Cooperative Scholarship.' The scholarship provided to the Gilman high school shall be given in honor of Marge Raether, and the scholarship provided to the L.C.O. high school shall be given in honor of Charles Kagigebi.

D. Cooperative Scholarships to Non-Traditional Students

1. The Board may make available scholarship(s) to non-traditional students who reside at premises served by the Cooperative. 'Non-traditional student' is defined as an adult student who has received their GED or high school diploma for a minimum of one (1) year prior to applying for the non-traditional scholarship. The number and amount of non-traditional student scholarships shall be set by the Board annually and shall be recognized as the 'Jump River Electric Cooperative – Allen Beadles Memorial Scholarship'.

E. Cooperative Scholarships for Post-High School Education

1. The Board may make available scholarship(s) to a current member attending the L.C.O. Community College. The number and amount of this scholarship shall be set by the Board annually and shall be recognized as the 'Jump River Electric Cooperative – Charles Kagigebi Memorial Scholarship'.
2. The Board may make available scholarship(s) to a current member or student of a current member who attends a post-secondary vocational school program that will lead to a one (1) year Electric Power Distribution/Lineworker diploma. The number and amount of this scholarship shall be set by the Board annually and shall be recognized as the 'Jump River Electric Cooperative – John Hirschfield Jr. Memorial Lineworker Scholarship'.

- F. If, after the above scholarships are awarded, any scholarship remains unused, the scholarship amount shall remain in the Cooperative's FYF fund for future disbursement.

- G. The Cooperative may utilize FYF funds for educational and charitable purposes that qualify under the Guidelines for Use of Funds for Educational and Charitable Purposes as established by Federated Youth Foundation, Inc. Educational purposes shall not include political purposes as defined in Section 11.01(16), Wisconsin Statutes.

1. Situations not clearly falling within the qualifying purposes for FYF fund use must be examined on a case-by-case basis, to determine whether the proposed use will meet the requirements of Wisconsin Statute 185.03 (10) and the criteria for maintaining the Foundation's tax-exempt status.

The responsibility and authority for making such determinations is vested in the Board of Directors of the Foundation.

2. General Manager/CEO may utilize funds from FYF for educational and charitable purposes to the extent of the amount approved by the Board annually. Any requests to utilize the FYF fund after the annual budgeted amount has been reached shall require Board approval.

- H. Selection of scholarship recipients and use for educational and charitable purposes shall meet all applicable requirements of state and federal law.

#### **IV. RESPONSIBILITY:**

The Board and General Manager/CEO shall be responsible for ensuring compliance with this policy.

Date Adopted:	October 30, 2018
Date Revised:	October 26, 2021
Date Reviewed:	November 29, 2022
Date Revised:	December 27, 2022

PREVIOUSLY BOARD POLICY No. 10



## Cooperative Policy No. 105

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I. **SUBJECT:** Check Signing & Adjustment of Bills

II. **PURPOSE:**

The purpose of this policy is to set forth the general terms and conditions that apply for check signing and adjustment of bills.

III. **POLICY:**

A. General Funds

1. Authorization to sign or countersign checks not to exceed the bond of anyone is given to the Secretary/Treasurer, or other authorized Board Member, General Manager/CEO, Finance Manager, and Senior Accountant.
2. Dual signatures are required on all checks and in no case may the same individual both sign and countersign.

B. Special Construction Funds - Checks drawn on this fund are to be signed or countersigned by the Chairman, Secretary/Treasurer, or General Manager/CEO.

C. Capital Credit Checks - Checks drawn on this fund are to be signed or countersigned by the Secretary/Treasurer and General Manager/CEO.

D. Adjustment of Bills

1. Accounts receivable bills may be adjusted at the discretion of management or department head.
2. Department heads will report to their supervisor any adjustments made.
3. Adjustments that are questionable should be referred to the Board of Directors for action.

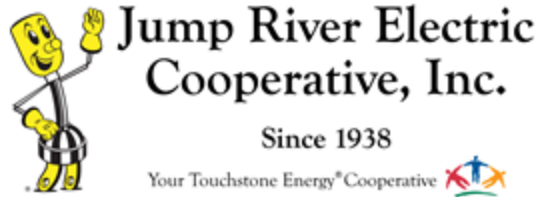
#### **IV. RESPONSIBILITY:**

The General Manager/CEO shall be responsible for ensuring compliance with this policy.

Date Adopted: October 30, 2018

Date Revised: October 25, 2022

PREVIOUSLY EMPLOYEE GUIDELINE NO. 1



## Cooperative Policy No. 106

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I. **SUBJECT:** Disposition of Property

II. **PURPOSE:**

If the Cooperative receives any offer to sell, lease, or otherwise dispose of or encumber all or any substantial portion of the Cooperative's property, the Board shall follow the procedures set forth in this policy, subject to applicable law, the Cooperative's Articles of Incorporation and Bylaws, and specific resolution of the Board.

III. **POLICY:**

A. **Bona Fide Offer:** A "Bona Fide Offer" is a written offer to sell, lease, or otherwise dispose of or encumber all or any substantial portion of the Cooperative's property that:

1. Is binding upon the party who submitted the offer (the "Interested Party") until a specified date upon which it will expire if not accepted or rejected by the Cooperative;
2. Contains the acquisition price and all other material terms, including but not limited to the identity of the Interested Party and any other persons the Interested Party contemplates may have a beneficial interest in the proposed transaction and the names, addresses, and telephone numbers of persons representing the Interested Party with whom the Cooperative may communicate and from whom the Cooperative may secure authoritative answers regarding the Bona Fide Offer;
3. Is accompanied by an Escrow Agreement and deposit acceptable to the Cooperative, which shall provide that the principal amount of the deposit may be drawn on by the Cooperative to pay for:
  - a. All costs incurred by the Cooperative for the accounting, engineering, legal, tax, and other studies, reviews, analyses, and appraisals by and for the Cooperative in its evaluation of the Bona Fide Offer; and
  - b. All costs incurred by the Cooperative in seeking the Rural Utilities Service's ("RUS's"), and all other, required regulatory and contractual approvals.

4. Contains an agreement that the Interested Party will not, without the prior written consent of the Board, issue press releases, discuss the Bona Fide Offer with the media, or otherwise publicly disclose the Bona Fide Offer, and will not issue misleading statements in any form; and
5. Is not in conflict with any applicable law or with the terms of the Cooperative's Articles of Incorporation, Bylaws, policies, or contractual obligations.

B. Received Offer is a Bona Fide Offer:

If the Cooperative receives an offer from an Interested Party that the Board determines does constitute a Bona Fide Offer, the Board shall perform all of the following:

1. Designate the General Manager and Chief Executive Officer (the "GM/CEO") as the Cooperative representative to receive and respond to communications from the Interested Party, the Cooperative members, and the media. The GM/CEO shall not have the authority to bind the Cooperative on any matter regarding the Bona Fide Offer, unless specifically authorized by the Board.
2. Notify the Cooperative membership of the receipt of the Bona Fide Offer. The notice shall include:
  - a. A summary of the Bona Fide Offer,
  - b. A statement that the Board has taken the Bona Fide Offer under advisement pursuant to the terms of this policy,
  - c. A brief description of any preliminary assessment of the Bona Fide Offer and of the procedures the Board will follow in completing its evaluation,
  - d. A statement that if the Board determines by two-thirds (2/3) vote that the Offer preliminarily appears to be in the best interest of the Cooperative and that the Cooperative should pursue the Bona Fide Offer, the Board will hold a meeting of the Cooperative membership to vote on whether the Cooperative should pursue the Bona Fide Offer,
  - e. A statement that the Cooperative members may review a copy of the Bona Fide Offer at the Cooperative's office during regular business hours, and



- f. The name of the General Manager / CEO or other person whom the Cooperative members may contact with questions regarding the Bona Fide Offer.
3. Send a copy of the Bona Fide Offer to the Cooperative's attorney(s).
4. Send a copy of the Bona Fide Offer to Dairyland Power Cooperative ("DPC") and request from DPC a statement as to how the proposed transaction will comport with the Cooperative's obligations under the wholesale power contract.
5. Send a copy of the Bona Fide Offer to RUS and any applicable lenders and request from each a statement as to how the proposed transaction will comport with the Cooperative's loan and security agreement.
6. Obtain at least two (2) independent appraisals concerning the value of the Cooperative and the assets that are the subject of the Bona Fide Offer.
7. Obtain a comparison of the Cooperative's and the Interested Party's present and reasonably foreseeable future rates; fees and charges, including service extension requirements, other service rules and regulations, adequacy and reliability of service, and any other considerations relevant to the provision of electric service.
8. Obtain detailed information from the Interested Party, such as annual reports, tax returns, and form 10-K filings dating back at least five (5) years; full copies of all relevant audits, internal planning documents, employee policy manuals and union contracts; a current stockholder list; a list of all pending court and administrative proceedings; and any relevant operations manuals, engineering studies, construction plans, and environmental impact statements.
9. Obtain an independent expert opinion on the potential tax liabilities of the transaction to the Cooperative and its members.
10. Undertake any other investigations, studies, or comparisons that the Board considers relevant to its evaluation of whether to pursue the Bona Fide Offer.
11. Evaluate the Bona Fide Offer and any information obtained from the above requirements based on any criteria the Board deems relevant, including but not limited to the following:
  - a. Whether the Bona Fide Offer is in the best interest of the Cooperative's present and future membership, both economically and non-economically,

- b. Whether the Bona Fide Offer represents fair value, specifically weighing the results of the independent appraisals,
- c. Whether the Bona Fide Offer complies with all applicable laws and regulations and the Cooperative's Articles of Incorporation, Bylaws, and policies,
- d. Whether the Bona Fide Offer complies and would allow the Cooperative to comply with all requirements of the Cooperative's mortgage and loan documents, wholesale power contracts, and any other contractual obligations, and
- e. Whether the Interested Party is financially able to consummate the transaction.

12. Vote on whether to pursue the Bona Fide Offer.

C. Received Offer is Not a Bona Fide Offer

If the Cooperative receives an offer from an Interested Party that does not constitute a Bona Fide Offer:

- 1. The Cooperative recipient of such offer shall notify the Board and GM/CEO, and
- 2. The Board shall reject the offer and notify the Interested Party of the rejection. The Interested Party shall have three (3) months from the date of notice to submit the information necessary to constitute a Bona Fide Offer.

**IV. BOARD VOTE OF "BONA FIDE OFFER":**

If the Cooperative receives a Bona Fide Offer, the Board shall vote on whether the Cooperative should pursue the transaction presented in the Bona Fide Offer.

A. Board Vote to Pursue "Bona Fide Offer".

If there is a two-thirds (2/3) vote of the Board to pursue the transaction, all of the following shall be performed:

- 1. The Board shall notify the Interested Party, the Cooperative membership, DPC, RUS, and any applicable Lenders of the Cooperative's intent to further pursue the transaction, subject to negotiation and approval of a final written agreement and a two-thirds (2/3) affirmative vote of all of the Cooperative's members, as required in the Articles of Incorporation and Bylaws.

2. The final written agreement shall provide:
  - a. That all existing Cooperative employees are offered continued employment for at least three (3) years upon terms at least equal to those enjoyed by the Cooperative's employees at the time the Bona Fide Offer was submitted to the Board. The terms to be considered shall include wages, salaries, insurance, pension and other fringe benefits, rank and job title, place of employment, and residence,
  - b. That the total consideration for the acquisition will be paid directly to the Cooperative or its account; provided, however, that a Bona Fide Offer of merger may provide for acquisition of stock by the Cooperative's members in exchange for their capital credits and membership,
  - c. That all obligations under the wholesale power contract with DPC shall be satisfied by the Interested Party,
  - d. That the transaction will become void if all member, shareholder, regulatory, and contractual approvals are not obtained within a reasonable time after execution of the final written agreement, and
  - e. That the Interested Party shall agree in writing to indemnify and hold harmless any employees, directors, officers, agents, servants, attorneys, accountants, consultants, representatives, affiliates, subsidiaries, and insurers of, and all others acting in privity with, the Cooperative for any actions taken in connection with the Bona Fide Offer and to carry insurance covering this indemnification, if available.
3. The Board shall provide prior notice of and shall hold a meeting of the Cooperative members to vote on whether to pursue the Bona Fide Offer. Such notice shall be provided, and such meeting shall be held in accordance with applicable law and the Cooperative's Articles of Incorporation, Bylaws, and specific resolution of the Board.

B. Board Votes Not to Pursue "Bona Fide Offer".

If there is not a two-thirds (2/3) vote of the Board to pursue the transaction, the Board shall notify the Interested Party and the Cooperative membership of the Cooperative's rejection of the Bona Fide Offer and the Board's reasons for rejection and shall notify DPC, RUS, and any applicable lenders of the Cooperative's decision not to pursue the transaction.

**V. COOPERATIVE MEMBERSHIP VOTE OF “BONA FIDE OFFER”:**

If the Cooperative receives a Bona Fide Offer and the Board, by a two-thirds (2/3) vote, decides to pursue the transaction, the Cooperative membership shall then vote on whether they want the Cooperative to pursue the transaction presented in the Bona Fide Offer.

**A. Cooperative Membership Votes to Pursue “Bona Fide Offer”.**

If there is a two-thirds (2/3) affirmative vote of all of the Cooperative membership to pursue the transaction, the Board shall take all actions necessary to finalize the transaction and, if necessary, dissolve and wind up the business of the Cooperative; provided, however, that the Interested Party is responsible for obtaining all necessary regulatory and contractual approvals. Unless such approvals are obtained within a reasonable time, the transaction shall be deemed null and void.

**B. Cooperative Membership Votes Not to Pursue “Bona Fide Offer”.**

If there is not a two-thirds (2/3) affirmative vote of the Cooperative membership to pursue the transaction as required under the Articles and Bylaws, the Board shall notify the Interested Party of the Cooperative’s rejection of the Bona Fide Offer and shall notify DPC, RUS, and any applicable lenders of the Cooperative’s decision not to pursue the transaction.

**VI. REJECTED OR WITHDRAWN OFFER:**

A. If the Interested party withdraws its Bona Fide Offer at any time, the Board shall notify the Cooperative members, DPC, RUS, and any applicable lenders of the Interested Party’s withdrawal.

B. If a Bona Fide Offer is rejected at any time, whether by the Board or by the Cooperative members, or if the Bona Fide Offer is withdrawn at any time by the Interested Party, any offer by the same Interested Party or any of its affiliates within three (3) years after the date of rejection shall be rejected by the Board, unless such offer materially differs from the rejected or withdrawn offer.

**VII. RESPONSIBILITY:**

The Board is responsible for adherence to and implementation of this Policy.

Date Adopted: October 30, 2018

Date Reviewed: October 25, 2022

PREVIOUSLY BOARD POLICY No. 14



## Cooperative Policy No. 107

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**I. SUBJECT:** Record Retention

**II. PURPOSE:**

The purpose of this policy is to ensure the reasonable and good faith retention of all records created by or under the control of the Jump River Electric Cooperative, Inc. (the “Cooperative”), whether in paper or electronic form.

**III. POLICY:**

- A. For purposes of this policy, a “record” is any information, whether in paper or electronic form, that is created or received by the Cooperative and reports some aspect of its operations.
- B. Cooperative records shall be retained in accordance with all applicable State and Federal statutes, regulations and orders and as may be required by lenders or contracts with other parties.
- C. Cooperative records shall be retained so long as retention is required by applicable law or management deems them to be: necessary or advisable for business operations or accounting, audit, tax or financial purposes; for historical purposes; or possible future use in litigation involving the Cooperative, an official proceeding, or a government investigation, audit or similar matter.
- D. Unless a legal “hold” (described below) is in effect, or one of the considerations in the preceding paragraph justifies longer retention, Cooperative records shall ordinarily be destroyed within twelve (12) months after the applicable time period of record retention has expired. Cooperative records that do not need to be retained or information not considered a record shall be destroyed after it has fulfilled its purpose. Information about retention and destruction of certain customer-specific records is also included in the Identity Theft Detection & Prevention Policy.
- E. Pending or potential litigation, government investigation, or other circumstances may require a “hold” or suspension of the regularly scheduled destruction of records or other information. The Cooperative General Manager and Chief Executive Officer (the “GM/CEO”) shall promptly notify Cooperative employees, and any other persons who may have copies of the relevant records, of any such “hold”.

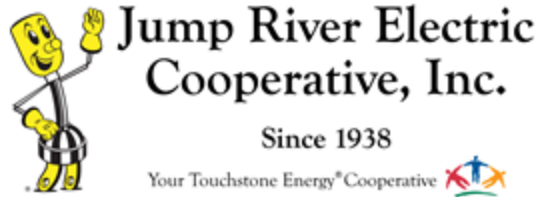
**IV. RESPONSIBILITY:**

The General Manager/CEO shall be responsible for ensuring compliance with this policy.

Date Adopted: October 30, 2018

Date Revised: October 25, 2022

PREVIOUSLY BOARD POLICY No. 21



## Cooperative Policy No. 108

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I. **SUBJECT:** Privacy

II. **PURPOSE:**

The purpose of this policy is to set forth the principles that the Jump River Electric Cooperative, Inc. (the "Cooperative") must follow to protect the privacy of its members.

III. **POLICY:**

The Cooperative may collect nonpublic personal information about its members in connection with the products and services it provides. Nonpublic personal information includes, but is not limited to, information regarding the member's name, address, date of birth, telephone number, social security number, account balance, payment history, credit history, and credit scores. The Cooperative may request and utilize the member's social security number when and to the extent necessary for credit checks using "Online Utility Exchange".

The Cooperative shall only share nonpublic information about its members as permitted under State and Federal law.

The Cooperative shall, upon written request of the member and to the extent permitted by law, disclose to that member what nonpublic personal information has been shared and to whom that nonpublic personal information has been shared with.

IV. **RESPONSIBILITY:**

The General Manager/CEO shall be responsible for ensuring compliance with this policy.

Date Adopted: October 30, 2018  
Date Revised: November 29, 2022

PREVIOUSLY BOARD POLICY No. 17



## Cooperative Policy No. 109

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I. **SUBJECT:** Mailing Lists

II. **PURPOSE:**

The purpose of this policy is to set forth the appropriate use of mailing lists and inserts by the Jump River Electric Cooperative, Inc. (the "Cooperative").

III. **POLICY:**

The Cooperative shall only use mailing lists and inserts to its members that are in furtherance of the Cooperative's business purposes (e.g., billing, vegetation management notices, interruption of service notices, auditor's verification notices, notice of member meetings called by the Board of Directors, Director elections, Wisconsin Energy Cooperative News, etc.).

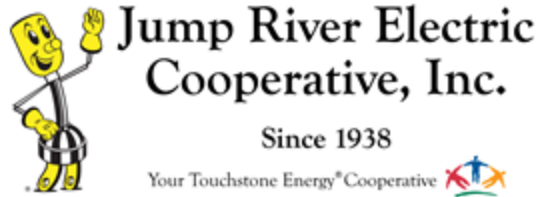
IV. **RESPONSIBILITY:**

The General Manager/CEO shall be responsible for ensuring compliance with this policy.

Date Adopted: October 30, 2018  
Date Revised: November 29, 2022

PREVIOUSLY BOARD POLICY No. 18





## Cooperative Policy No. 110

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I. **SUBJECT:** Identity Theft Detection Protection

II. **PURPOSE:**

The purpose of this policy is to prevent, detect, and mitigate the theft of the Cooperative Customers' Personally Identifiable Information by: (1) limiting the collection of and access to Personally Identifiable Information of its Customers; (2) verifying the use of Personally Identifiable Information in connection with Customers' accounts; and (3) implementing a protocol for reporting, investigating, and resolving Red Flags that the Cooperative has determined are indicators of the risk of potential Identity Theft.

III. **DEFINITIONS:**

- A. "Authorized Personnel" means all Cooperative employees.
- B. "Cooperative" means the Jump River Electric Cooperative, Inc.
- C. "Covered Account" means the electric service, appliance loan, and/or internet service account of a Cooperative member or Customer.
- D. "Customer" means a member of the Cooperative or anyone receiving services from the Cooperative.
- E. "Identity Theft" means a fraud committed or attempted using a name or number which may be used alone or in conjunction with any other information to identify a specific Customer, such as name, date of birth, government-issued number, or unique electronic identification number, address or routing code of another person, without authority.
- F. "Personally Identifiable Information" means a name, address, or unique number or other information identifying a specific Customer, including but not limited to security code, access code, or password, social security number, alien registration number, government passport number, taxpayer identification number, driver's license or state identification number, credit or debit account number, bank account and routing numbers, and health insurance account numbers.
- G. "Red Flag" means a pattern, practice, or specific activity listed in Section V herein that the Cooperative has reasonably determined to indicate the possible existence of Identity Theft.

- H. “Routine Billing Information” means and is limited to the following, whether alone or in combination: the Customer’s name, service address, billing address, service account number or loan number, and account balance.

#### **IV. POLICY SCOPE AND APPLICABILITY:**

The Cooperative has assessed the risk of Identity Theft in the following three (3) categories of account-related activity: (1) the risk that an applicant may, without authority, use the identity of a third person to open a Covered Account to obtain services from the Cooperative; (2) the risk that a Customer may use the Personally Identifiable Information of another person to pay for Cooperative services; and (3) the risk that a Customer’s Personally Identifiable Information in the possession of the Cooperative may be obtained for an unauthorized or fraudulent purpose.

The Red Flags identified in this policy are based on an evaluation of the risk potential in the above three (3) categories. However, the Cooperative finds that the risk of Identity Theft in category one (1) above is substantially mitigated by the fact that its service requires a fixed location that is generally provided over a span of months or years, and its Customers’ identities are tied to their service address. The Cooperative’s existing policies and procedures for verification of Customer identification on new accounts are therefore deemed sufficient to protect against the risk potential in category one (1), above.

This policy shall comply with all applicable Federal and State law and shall not be intended to constitute or substitute the Cooperative’s broader privacy and confidentiality policies and procedures, although such privacy and confidentiality policies and procedures shall be consistent with Identity Theft prevention practices.

#### **V. IDENTITY THEFT PREVENTION:**

##### **A. New Account Verification.**

Applicants for residential electric service and/or internet service shall include a valid social security number or driver’s license/state identification number with their application.

##### **B. Protection of Customer File Documents.**

1. All documents containing Personally Identifiable Information other than Routine Billing Information, including membership applications and authorizations for automatic clearinghouse (“ACH”)/electronic funds transfer (“EFT”) from a bank account or credit/debit card account shall be filed as soon as practicable in a secure location of the Cooperative, accessible solely by Authorized Personnel.

2. Telephone notes, Customer correspondence, including emails, and notices of one-time bill payments containing Personally Identifiable Information other than Routine Billing Information shall be shredded and permanently deleted from the computer database and/or email program immediately after data entry or other approved use.
3. Personal checks held for deposit shall be maintained in a secure location of the Cooperative with access solely by Authorized Personnel.
4. Any Customer credit reports obtained from a consumer credit agency, including but not limited to Online Utilities Exchange, in connection with new or existing accounts shall not be retained, copied, saved, or imaged and shall be shredded immediately after approved use.

C. Computer Database Security.

The Cooperative shall take commercially reasonable precautions to prevent unauthorized access or fraudulent use of Personally Identifiable Information in its computer database, including the following:

1. Access to scanned or imaged computer files containing a Customer's social security number, driver's license, or state identification number shall be limited to Authorized Personnel.
2. The Cooperative's billing software shall segregate and/or encrypt Customer financial data, including bank account, routing number, and credit card number, such that access to financial data is limited to Authorized Personnel.
3. Remote/virtual computer access to any unencrypted Personally Identifiable Information contained in computer data storage media, other than Routine Billing Information, shall be limited to Authorized Personnel.
4. Customer access to account information via the Cooperative's webpage and to electronic payment services shall require a unique password that is encrypted in the Cooperative's software.
5. Authorized Personnel shall take reasonable steps to monitor for malicious activities that target the Cooperative or its Customers, including data breaches, firewall vulnerabilities, phishing, viruses, spyware, and malware.

D. Point of Sale Payments.

Any point of sale “swipe card” system implemented by the Cooperative shall support Payment Card Industry Data Security Standard (“PCI-DSS”) compliance

**VI. IDENTITY THEFT DETECTION (“RED FLAGS”):**

Notification or discovery of a Red Flag triggers a duty on the part of all Cooperative employees to mitigate under Section VI. The following circumstances are designated Red Flags under this policy but are not conclusive evidence that an incident of Identity Theft has or will occur.

- A. The applicant or Customer’s Personally Identifiable Information is not consistent with readily accessible information on file with the Cooperative.
- B. Upon an attempted verification, the Customer name does not correspond with the government-issued identification number provided or does not substantially match the address provided.
- C. The Personally Identifiable Information is same or similar to that of another Customer or is the same or similar to information used in previous attempts of Identity Theft.
- D. The social security number provided has not been issued, is listed on the Social Security Administration’s Death Master File, or lacks correlation between the social security number range and the applicant or Customer’s purported date of birth.
- E. The identification provided by the applicant or Customer has the appearance of forgery, or the application provided appears to have been forged or destroyed and then reassembled.
- F. Any information indicating that the Customer has or is attempting to make a payment on his or her account using a bank account or credit/debit card of another without authority.
- G. The receipt of a fraud or active-duty alert included in a consumer report, notice of credit freeze, or receipt of notice of material address discrepancy.
- H. Any notice and/or information by an employee or service provider of a database security incident resulting in unauthorized access or the potential for unauthorized access to one or more Customer’s Personally Identifiable Information.
- I. A verbal or written notice from a Customer that the Customer has been or is at risk of Identity Theft from a prior unauthorized acquisition of Personally Identifiable Information.

## **VII. IDENTITY THEFT MITIGATION:**

### **A. Mandatory Red Flag Response.**

Upon notification or discovery of circumstances constituting a Red Flag or other incident that the Cooperative employee reasonably believes to indicate the possible existence of Identity Theft, the employee shall notify the Finance Manager in writing, including the date, contact person(s), and all relevant details. The Finance Manager shall, in conjunction with the GM/CEO, determine the appropriate step(s) to undertake investigation, follow-up, and mitigation under the below subparagraph C.

### **B. Notification Required by Wis. Stat. § 895.507.**

If the Cooperative knows that a Customer's social security number, driver's license or state identification number, or financial account number, including a credit or debit card account number, or any security code, access code or password that would permit access to a financial account has been acquired by a person or entity that was not authorized by the Cooperative to acquire said information, the Cooperative shall make reasonable efforts to notify the Customer as soon as practicable. Notwithstanding the foregoing, the Cooperative is not required to provide notice where the information: (a) does not create a material risk of Identity Theft or fraud to the Customer; or (b) was acquired in good faith by an employee or agent of the Cooperative for a lawful purpose.

### **C. Investigation and Resolution.**

Upon notification or discovery of an occurrence constituting a Red Flag, one or a combination of the following steps shall be considered. Selection of the appropriate response or series of responses will depend on the circumstances, including the Cooperative's knowledge and experience with a particular Customer's personal situation, the source of information concerning the existence of Red Flags, and subsequent information obtained through investigation in order to verify or authenticate Personally Identifiable Information or to verify that such information is used with authority.

1. Personal contact with the Customer and/or third party for additional authentication or written authorization to use a third party's Personally Identifiable Information in connection with an account. For example, a Customer may have provided a credit card number for payment on the account that belongs to a relative not residing at the service address.
2. Notation on a Customer's file of a verified authorization to use third-party financial information. For example, a third party may have authorized the use of Personally Identifiable Information such as a credit or debit card account number for payments on the Customer's account.

3. Require a Customer to present government-issued photo identification in person to authenticate identity.
4. Monitor a Customer's account and or credit report on a monthly basis for notifications, alerts, delinquencies, or suspicious patterns of activity, such as multiple changes of address within a short time frame.
5. Change passwords and other security codes that permit access to Customer account information in the computer database and/or implement updated TLS/SSL encryption protocols.
6. Place a stop payment on any outstanding capital credit refund, security deposit, or other refund check.
7. Notify consumer credit agencies of verified incidents of attempted Identity Theft.
8. Make a report to local law enforcement authorities upon discovery of Identity Theft that was committed with information accessed from the Cooperative.
9. Determine that no response is warranted under the circumstances.

D. Recordkeeping Requirements.

A written report of the Red Flag incident and its resolution shall be prepared by the Finance Manager. The Finance Manager shall maintain reports of each instance of notification or detection of a Red Flag and shall propose policy amendment to identify new Red Flags and/or additional prevention and mitigation procedures, if appropriate, based on a specific Red Flag incident.

**VIII. POLICY AMENDMENT:**

This policy shall be reviewed annually by the General Manager/CEO and Finance Manager who shall take all of the following steps:

- A. Review the Cooperative records and information concerning any incidents of Identity Theft or attempted Identity Theft experienced by the Cooperative or other electric distribution cooperatives of which it is aware, including an analysis of the mechanism of the theft and any proposal under Section VI.D for incorporating new Red Flags and/or additional prevention and mitigation measures into the policy.
- B. Review any newly evident or potential computer-based security risks and recommended database security enhancement by information technology staff, consultants, or third-party providers.

C. Review any updated guidance from the Federal Trade Commission and other consumer protection agencies, including but not limited to the State of Wisconsin Department of Agriculture, Trade and Consumer Protection, concerning strategies for detecting and preventing Identity Theft.

D. Revise this policy as necessary to maintain consistency with the above steps.

**IX. RESPONSIBILITY:**

The General Manager/CEO shall be responsible for ensuring compliance with this policy.

Date Adopted: October 30, 2018  
Date Revised: November 29, 2022

PREVIOUSLY BOARD POLICY No. 19



## Cooperative Policy No. 111

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**I. SUBJECT:** Harassment

**II. PURPOSE:**

The purpose of this policy is to affirm the intent of Jump River Electric Cooperative, Inc. (the "Cooperative") to create and maintain a work environment that is free of harassment and that permits and encourages each employee and each Director on the Cooperative Board of Directors (the "Board") to achieve his or her highest level of personal productivity.

**III. POLICY:**

The Cooperative shall comply with all applicable State and Federal statutes, regulations and orders pertaining to harassment in the workplace.

The work environment of the Cooperative shall be free from harassment based on race, color, creed, ancestry, national origin, age, disability, sex, arrest or conviction record, marital status, sexual orientation, or membership in the military reserve. This policy applies to all Cooperative employees, Directors, and other persons acting on behalf of the Cooperative.

Harassment based on the above classes may be grounds for immediate discipline, up to and including termination or resignation of the person committing the harassing act (the "harasser"). The person who was harassed (the "victim") shall be protected from retaliation if he or she reports a complaint of the harassment.

**IV. HARASSMENT:**

A. Harassment may occur in various forms, including but not limited to the following:

1. Verbal Harassment.

The following are examples of verbal harassment: derogatory comments, threatening remarks, use of patronizing terms or remarks, verbal abuse, racial or ethnic slurs (even in the form of humor), name-calling, belittling, sexual or degrading words to describe an individual, sexually explicit jokes, comments about another's anatomy and/or dress, sexually oriented



noises or remarks, questions about a person's sexual practices, graphic verbal commentaries about the body, and other similar actions.

2. Physical Harassment.

The following are examples of physical harassment: assault, stopping or blocking movement, any physical interference with normal, movement when directed at an individual, touching, pushing, pinching, patting, grabbing, brushing against, poking another's body, and other similar actions.

3. Visual Harassment.

The following are examples of visual harassment: threatening gestures, derogatory posters, cartoons, or drawings, displaying derogatory or sexual pictures, writings, or objects, obscene letters or invitations, staring at another's anatomy, unwanted eye contact, sexually oriented gestures, unwanted letters or notes, and other similar actions.

4. Sexual Harassment.

The following are examples of sexual harassment: unwelcome sexual advances, requests for sexual favors, other verbal or physical conduct of a sexual nature when such conduct is directed toward an individual because of that individual's gender and: (i) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (ii) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (iii) such conduct is of such frequency and/or severity that it has the purpose or effect of unreasonably interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment, and other similar actions.

**V. COMPLAINT PROCESS:**

A. Employee Complaint.

A Cooperative employee who feels that he or she is a victim of harassment shall file a complaint in a writing of any form to either (i) his or her department head, (ii) any other department head, or (iii) the General Manager and Chief Executive Officer (the "GM/CEO").

B. GM/CEO and Director Complaint.

A Cooperative GM/CEO or Director who feels that he or she is a victim of harassment shall file a complaint in a writing with the Board Executive

Committee. In the event a member of the Board Executive Committee is involved in the harassment, any other member of the Board Executive Committee may receive the complaint.

C. Complaint Investigation.

1. All complaints submitted in the manner set forth above shall be immediately and thoroughly investigated by the person(s) who received the complaint. They may seek assistance of legal counsel in conducting that investigation. All Cooperative personnel are expected to cooperate in the investigation.
2. The result and recommendation of the investigation shall be forwarded to the GM/CEO or, in the event the GM/CEO is involved in the harassment, to the Board Executive Committee for final review and approval.
3. After the GM/CEO or Board Executive Committee has reviewed and approved the final recommendation, the resolution and disciplinary action, if any, will be communicated to the parties involved.
4. In the event the complaint was made against a non-employee (e.g., a vendor, subcontractor, supplier, or consultant), the GM/CEO shall contact the authorized representative of the non-employee's employer and inform the representative of the allegations against the non-employee.
5. In the event the complaint was made against an employee or director of another cooperative, the GM/CEO shall contact the general manager of the cooperative and inform the general manager of the allegations against the employee or director.
6. In the event the complaint was made against a Director of the Cooperative, the Board Executive Committee shall bring the matter to the attention of the full Board prior to resolution and disciplinary action, if any. The Board as a whole shall resolve the matter against the Director.

VI. **CONFIDENTIALITY:**

The Cooperative shall use reasonable efforts to treat any information regarding a harassment complaint as confidentially as possible, consistent with a proper investigation and responsive action. In general, information regarding a harassment complaint will only be shared on a need-to-know basis.

**VII. RESPONSIBILITY:**

The Board and General Manager/CEO shall be responsible for ensuring compliance with this policy.

Date Adopted: October 30, 2018

Date Revised: January 31, 2023

PREVIOUSLY BOARD POLICY No. 16



## Cooperative Policy No. 112

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I. **SUBJECT:** Retirement Plan

II. **PURPOSE:**

The purpose of this policy is to set forth Jump River Electric Cooperative, Inc.'s (the "Cooperative's") obligation to provide retirement benefits under the National Rural Electric Cooperative Association (the "NRECA") Retirement Plan.

III. **POLICY:**

The Cooperative shall provide all permanent employees with the benefits of the NRECA Retirement Plan. The Cooperative Board of Directors (the "Board") shall ensure that the Cooperative adheres to and contributes to the NRECA Retirement Plan as set forth in the NRECA Retirement Security Program.

IV. **RESPONSIBILITY:**

The Board shall determine the level of benefits and other terms of participation in that retirement program and shall be responsible for budgeting for the costs required for such participation. The General Manager/CEO shall then be responsible for implementing this policy.

Date Adopted: October 30, 2018  
Date Reviewed: February 28, 2023

PREVIOUSLY BOARD POLICY No. 12



## Cooperative Policy No. 113

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**I. SUBJECT:** Insurance

**II. PURPOSE:**

The purpose of this policy is to outline the insurance requirements of the Jump River Electric Cooperative, Inc. (the "Cooperative").

**III. POLICY:**

- A. The Cooperative shall carry the following insurance through the National Rural Electric Cooperative Association ("NRECA"):
  - 1. Accidental Death and Dismemberment Insurance in the amount of fifty thousand dollars (\$50,000) for each Director on the Cooperative's Board of Directors (the "Board"); and
  - 2. Business Travel Accident Insurance for each Director, the General Manager and Chief Executive Officer (the "GM/CEO"), and the Cooperative's employees.
- B. The Cooperative shall provide the necessary insurance required by the Rural Utilities Service ("RUS") and such other coverage as the GM/CEO deems prudent and the cost of which is provided for in the budget.
- C. Except as provided in item 5, below, the Cooperative shall require its contractors to carry the following insurance, covering the contractor and all its employees and subcontractors:
  - 1. Worker's Compensation Insurance covering all employees who perform any of the obligations assumed by the contractor under its contract with the Cooperative, in statutory limits, and employer's liability with minimum limits of one million dollars (\$1,000,000) per accident;
  - 2. Commercial General Liability Insurance covering all operations of the contractor with minimum limits of not less than two million dollars (\$2,000,000) per occurrence or per claim for bodily injury, personal injury, death and property damage; and

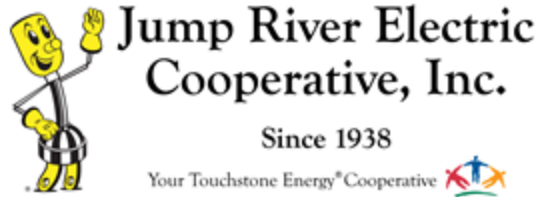
3. Automobile Liability Insurance covering all vehicles used in connection of the contract, whether owned, non-owned or hired, with minimum limits of not less than two million dollars (\$2,000,000) per accident for bodily injury and for property damage.
  4. Such coverage types and limits as RUS or the Cooperative's other lender(s) may require.
  5. For good cause the GM/CEO may agree to different limits than those specified in items 1-3, on a case-by-case basis.
- D. The Cooperative shall require its engineers to carry Worker's Compensation Insurance covering all employees who perform any of the obligations assumed by the engineer under the contract in statutory limits.
- E. The Cooperative may require that it and its directors, officers and employees be covered as an additional insured with respect to liability arising out of the contractor's activities.
- F. Coverage may not be reduced, suspended, voided, canceled without thirty (30) days prior written notice to the Cooperative with proof of receipt.

#### **IV. RESPONSIBILITY:**

The General Manager/CEO shall be responsible for ensuring compliance with this policy and the Board shall be responsible for budgeting for the costs required for such compliance.

Date Adopted: October 30, 2018  
Date Revised: February 28, 2023

PREVIOUSLY BOARD POLICY No. 11



## Cooperative Policy No. 114

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I. **SUBJECT:** Safety Procedures

II. **PURPOSE:**

The purpose of this policy is to set forth the obligation of the Jump River Electric Cooperative, Inc. (the “Cooperative”) Board of Directors (the “Board”) to establish safety policies and procedures to provide for the safety of its employees.

III. **POLICY:**

Management, under the general oversight of the Board, shall establish safety policies and procedures with which the Cooperative’s employees shall be required to comply. These safety policies and procedures, as they may be updated, shall be made available to all employees.

IV. **RESPONSIBILITY:**

The General Manager/CEO shall be responsible for developing, and monitoring employees’ compliance with, the safety policies and procedures. The Board shall be responsible for monitoring and confirming the effectiveness of that safety program.

Date Adopted: October 30, 2018  
Date Revised: February 28, 2023

PREVIOUSLY BOARD POLICY NO. 20



## Cooperative Policy No. 115

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I. **SUBJECT:** Non-Discrimination

II. **PURPOSE:**

The purpose of this policy is to confirm that the Jump River Electric Cooperative, Inc. (the "Cooperative") will not discriminate against any person, including but not limited to persons employed by or seeking employment with the Cooperative, as provided by applicable State and Federal law.

III. **POLICY:**

- A. The Cooperative shall comply with all applicable State and Federal statutes, regulations and orders pertaining to discrimination against persons.
- B. The Cooperative shall not discriminate against any person(s) on the basis of race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity.

Any person or class of persons who feel that the Cooperative has discriminated against them based on the foregoing may file a written complaint with the United States Department of Agriculture (the "USDA"). To file a complaint with the USDA, the person(s) alleging discrimination must:

- 1. Complete the USDA "Program Discrimination Complaint Form" found online or at any USDA office or write a letter addressed to the USDA providing all of the information requested by the form; and
- 2. Submit a copy of the completed form or letter to the USDA by:
  - a. Mail to:  
U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;



b. Fax to: (202) 690-7442; or

c. Email at: [program.intake@usda.gov](mailto:program.intake@usda.gov).

C. The Cooperative shall not discriminate against any person(s) employed by or seeking employment with the Cooperative on the basis of race, color, national origin, religion, creed, sex, sexual orientation, marital status, arrest or conviction record, ancestry, membership in the national guard, state defense force or reserves, age, disability, or status as a disabled veteran or veteran of the Vietnam era.

1. Any employee or class of employees who feels that the Cooperative has discriminated against them based on the foregoing must immediately report the incident of discrimination to his or her supervisor. If the supervisor is involved in the discrimination, the employee or class of employees must immediately report the incident of discrimination to the General Manager and Chief Executive Officer (the "GM/CEO"). If the GM/CEO is also involved in the discrimination, the employee or class of employees must immediately report the incident of discrimination to the Cooperative Board of Directors (the "Board").
2. Any person or class of persons seeking employment with the Cooperative who feels that the Cooperative has discriminated against them based on the foregoing must submit a complaint in written form to the Cooperative by mail at:

Jump River Electric Cooperative, Inc.  
Attn: General Manager/CEO  
1102 W. 9<sup>th</sup> St. N.  
Ladysmith, WI 54548

D. Any Cooperative employee found in violation of this policy may be subject to disciplinary action, up to and including termination. In the event a Director is found in violation, the Director may similarly be subject to disciplinary action consistent with the Bylaws.

#### **IV. REPPONSIBILITY:**

The Board and General Manager/CEO shall be responsible for ensuring compliance with the Cooperative's responsibilities under this policy.

Date Adopted: October 30, 2018  
Date Reviewed: January 31, 2023

PREVIOUSLY BOARD POLICY NO. 15



## Cooperative Policy No. 116

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### I. **SUBJECT:** Business Ethics

### II. **PURPOSE:**

Jump River Electric Cooperative (hereafter called the Cooperative) is committed to conducting its operations with integrity and in the best interest of its consumer-members, employees, and the public in general. All employees and directors are expected to avoid any activity, investment, interest, or association, which interferes with or appears to interfere with the independent exercise of their judgment on behalf of the Cooperative's best interest.

The purpose of this policy is to promote:

- A. Honest and ethical conduct;
- B. Avoidance of conflicts of interest, including appropriate disclosure of any material transaction or relationship that could create a conflict;
- C. Full, fair, accurate, timely and understandable disclosure in the Cooperative's public communications;
- D. Compliance with applicable laws and regulations;
- E. Prompt internal reporting of any violations; and
- F. Accountability for adherence to this Policy.

Failure to adhere to proper standards of conduct can cause loss to the Cooperative, disruption to its operations or harm to its reputation. Violation of this policy can therefore be cause for disciplinary action and, in certain cases, dismissal.

### III. **CONFLICTS OF INTEREST:**

Conflicts can arise in many situations. Conflicts of interest involving the personal interests of an employee or director are most likely to occur when the director, employee, or members of his/her family are in a position to obtain some personal benefit at the expense of the Cooperative's best interests. Conflicts of interest involving an employee or director's outside activities are most likely to occur when the employee's or director's outside activity, such as participation in a government or charitable organization, has a potential effect on the Cooperative's interests.

It is not possible to identify every type of conflict, and so the examples described below are for illustration purposes only. If the existence of a conflict of interest, or its resolution, is uncertain, the employee is expected to immediately consult with his/her supervisor, or the director is expected to advise the Board Executive Committee.

To avoid loss to the Cooperative, disruption of operations or harm to its reputation from common conflict situations:

- A. No employee or director shall have a significant financial interest, either directly or indirectly through members of his/her immediate family, in any supplier of the Cooperative, nor in any business transaction involving the Cooperative. If an employee has reason to believe that such an interest is de minimal and will have no impact on the Cooperative's interests, he/she shall make immediate and full disclosure of such financial interest and may not retain such interest without written clearance from the General Manager/CEO.
- B. No employee shall engage in any business transaction on behalf of the Cooperative with a relative by blood or marriage, or with a firm of which such relative is a principal, officer, or representative without prior full disclosure to and written approval from the General Manager/CEO.
- C. The practice of accepting gifts or gratuities from parties with which the Cooperative does business is not only unnecessary and undesirable, but also contrary to the public interest served by the Cooperative.

No director, employee or member of his/her immediate family shall accept any money, gifts of other than token value, unusual hospitality, lavish entertainment, loans, or any other preferential treatment or substantial favors directly or indirectly from any party with which the Cooperative does business.

If an employee receives a gift or gratuity which is greater than token value, and it was not possible to decline, the employee shall advise his/her supervisor in writing, with a copy to the General Manager/CEO, explaining the circumstances and substantiating that the transaction will in no way embarrass or cause financial loss to the Cooperative or in any manner adversely impact the Cooperative's best interests. In the event that a director receives such a gift, the written notification shall be made to the Board Executive Committee.

- D. No employee who is engaged in outside employment or business ventures may conduct or plan such activities during his/her regular Cooperative working hours, such as originating or receiving telephone calls, using office equipment (including copy machines, computers, printers, etc.), work tools or power equipment belonging to the Cooperative, or by securing the services of other employees to perform work for such outside commercial ventures during normal working hours. The use of the Cooperative's mailing address or telephone listing or travel

away from the employee's normal workplace during working hours in connection with such outside activities is strictly prohibited.

- E. Cooperative employees and directors are not discouraged from serving in public bodies or charitable organizations, such as school boards, town boards, hospital boards, state government-related organizations, and the like. However, employees and directors must be sensitive that such outside organizations may have potential business relations with the Cooperative or may have direct or indirect regulatory effects on the Cooperative. The presence of a Cooperative employee or director on the board of a public body, or within a municipal government organization, may create either the appearance of or an actual conflict of interest if that organization considers or engages in a business transaction with the Cooperative. Accordingly, employees and directors must be sensitive to the possibility of such conflicts of interest. If such a conflict or appearance of conflict should arise, the employee or director should refrain from acting in any situation in which his/her actions or possession of knowledge could be, or could appear to be, of either benefit or detriment to the Cooperative's interest.

Any employee serving within a governmental body, or on the board of a public organization, shall disclose such outside position or activity to his/her supervisor and to the General Manager/CEO. Directors shall similarly disclose such positions or activities in such form and at such time as the Board Executive Committee may request.

- F. No employee or director entrusted with or otherwise knowledgeable about inside information of a confidential or proprietary nature or potentially useful to competitors shall disclose that information outside of the Cooperative, either during or after his/her service with the Cooperative. Information obtained by an employee during employment or by a director during service on the Board may not be used for personal profit or as the basis for influencing others unless such information has been made generally available to the public by the Cooperative.
- G. In dealings with vendors and suppliers, in addition to reference to gratuities and gifts in paragraph II-C, employees shall comply with the following guidelines:
1. All present and potential vendors and suppliers are to be treated honestly and fairly.
  2. Sales and purchases by the Cooperative shall be based on price, product quality and service, availability, dependability, and timely delivery. Employees shall give prime consideration to the Cooperative's interests while developing and enhancing long-term mutually productive relationships with vendors and suppliers.

3. No representation by employees should suggest or imply that purchases or sales by the Cooperative are confirmed without proper authority and approval.
  4. No employee shall give money, gifts or unusual entertainment to any vendor, supplier, or competitor of the Cooperative where any obligation might be incurred or implied, or where the intent or effect is to unduly prejudice the recipient in favor of the Cooperative.
  5. No employee shall make false, misleading, or disparaging remarks to vendors or suppliers about other vendors or suppliers or about competitors. Employees should be sensitive to issues where the interests of outside organizations are not compatible with Cooperative interests. Under such circumstances, the employee should refrain from acting in any situation where his/her actions could be, or could appear to be, of special benefit or detriment to the Cooperative.
  6. Employees shall respect the confidentiality of any competitive information specifically given them in confidence by present and potential vendors and suppliers.
- H. Cooperative property shall not be sold, loaned, given away, or otherwise disposed of, regardless of condition or value, except by the methods indicated in Cooperative policies and procedures. No vehicles or other property and equipment shall be loaned to non-employees, except that automobiles may be provided for business-related guests with proper approval.
- I. The relationship among Cooperative employees and directors is very important in achieving and maintaining a high level of business conduct. It is essential that employees and directors practice among ourselves the same high levels of honesty, forethought, and openness for which we strive in our relationships with outsiders. This type of conduct is particularly required of, but not limited to, management-level employees and directors.

### **III. CONFIDENTIALITY OF INFORMATION:**

Cooperative records and information in any form must always be treated as confidential. Items such as employee records, salaries, disciplinary action, computer programs, pricing information on equipment purchases, marketing data and plans, locations of vital equipment and engineering design information are proprietary. Proprietary information must not be disclosed or used for any purpose other than the conduct of Cooperative business. Those obligations apply during and after the employee's employment at the Cooperative, and during and after the director's service on the Cooperative Board.

The Cooperative has licensed various software products containing proprietary and confidential information. The Cooperative is under contract to maintain, in confidence,

this proprietary information since the software programs and accompanying documentation may be the sole and exclusive property of the software vendor. Cooperative employees will protect such information, at least to the extent that the Cooperative protects its own confidential and proprietary information by not disclosing, transmitting or delivering such proprietary information to any person or organization outside the Cooperative. Employees shall not make unauthorized copies of programs or materials nor use any unlicensed programs copyrighted by the vendor.

**IV. COMPLAINT PROCEDURES FOR FINANCIAL AND LEGAL MATTERS AND  
EMPLOYEE NON-RECRIMINATION:**

- A. The Cooperative is committed to conducting its operations in compliance with all applicable laws and regulations, and to fair and accurate accounting of all financial matters. The Cooperative expects all employees, directors, and agents to act in accordance with the highest ethical standards in the performance of their responsibilities, and to report any suspected violations, without fear of retaliation.
- B. It is the duty of employees to report any observed or suspected violation of any state or federal law or regulation, or any financial or accounting impropriety, committed in conjunction with the operation of the Cooperative. If an employee observes a violation or has information which causes him/her to believe there has been violation of any such law or regulation, or that there has been any financial or accounting impropriety, it shall be reported to (a) the employee's immediate supervisor, or (b) the General Manager/CEO. To facilitate a complete investigation, employees should provide as much detail as possible, including but not limited to a description of the questionable act or practice, the names of persons involved, names of possible witnesses, dates, times, and places.
- C. Reports of suspected legal violations or of questionable financial or accounting practices, if requested, will be kept confidential to the extent possible consistent with the obligation to investigate and correct unlawful or unethical practices. To ensure confidentiality, an employee may elect to make a complaint anonymously.
- D. The General Manager/CEO shall be promptly advised upon the receipt of any such complaints. Supervisors shall keep a log of any such complaints, identifying the nature of each complaint and the results of the investigation into the complaint. The logs shall be forwarded to the General Manager/CEO at least quarterly, and more promptly if the severity of the allegations warrant or if the General Manager/CEO requests more frequent reports.
- E. If the violation is not resolved to the satisfaction of the employee, or the employee feels he/she cannot report the situation to his/her supervisor, or General Manager/CEO, information of the alleged violation should be furnished to the Board Executive Committee or to the Cooperative's General Counsel, who will keep the disclosure confidential and will arrange for an investigation.

- F. It is Cooperative policy not to retaliate against an employee who in good faith files a complaint or expresses a concern pursuant to this policy. The Cooperative will not discharge, demote, suspend, threaten, harass, or in any other manner disadvantage an employee in the terms and conditions of employment because the employee in good faith submitted a complaint under this policy, provided information, caused information to be provided, or otherwise assisted an investigation regarding conduct which the employee reasonably believed constituted a violation of law or ethical practice. Anyone initiating or threatening to initiate retaliation will be disciplined, up to and including immediate termination. Anyone becoming aware of retaliation resulting from a complaint made pursuant to this policy should follow the reporting process outlined in this policy.

**V. EMPLOYEE DISCIPLINARY ACTION:**

The General Manager/CEO in consultation with the supervisor shall determine if an employee is in violation of this policy. If so, they shall determine the appropriate disciplinary action, and if necessary, shall consult with General Counsel. Certain serious or continuous violations may result in dismissal.

**VI. DISTRIBUTION:**

A copy of this policy shall be given to each new employee on the first day of employment, and he/she shall be asked to read it during the orientation on the first day, so that the new employee may have the opportunity to ask for clarification and to make any required initial disclosures. A copy of this policy shall also be given to each new director no later than the first Board meeting that he or she attends. Questions about this policy should be directed to the employee's supervisor, General Manager/CEO, or to the Board Executive Committee.

**VII. RESPONSIBILITY:**

The General Manager/CEO has the responsibility and authority to enforce this policy as it applies to the employees and the Board Chairman has the responsibility to enforce this policy as it applies to the directors. All management and supervisory personnel are responsible for monitoring the workplace and ensuring this policy is followed.

Date Adopted: October 30, 2018  
Date Reviewed: January 31, 2023

PREVIOUSLY EMPLOYEE GUIDELINE NO. 2



## Cooperative Policy No. 117

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I. **SUBJECT:** Whistleblower

II. **PURPOSE:**

The purpose of this policy is to establish procedures for the Jump River Electric Cooperative, Inc. (the “Cooperative”) General Manager and Chief Executive Officer (the “GM/CEO”), the Cooperative Board of Directors (the “Board”) and Cooperative Employees in the handling of whistleblower complaints regarding Cooperative business practices, accounting, internal accounting controls, auditing matters, or concerning illegal or unethical conduct by Cooperative employees or directors and providing protection against retaliation for appropriate reporting of such.

A whistleblower as defined by this policy is an employee who reports an activity that they consider to be illegal, fraudulent, unethical or dishonest. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures.

Examples of illegal, fraudulent, unethical or dishonest activities include, but are not limited to: theft; violations of federal, state, or local laws or regulations; billing for services not performed; intentionally inaccurate financial reporting; fraud or embezzlement; any other deception intended to result in personal benefit or benefit to the Cooperative; using Cooperative resources for personal benefit outside of acceptable use as defined in the Cooperative’s policies; conflicts of interest; violation of Cooperative policies governing business ethics; and disclosing confidential or proprietary information without authorization.

III. **POLICY:**

A. **Reporting.** An employee, who reasonably believes that illegal, fraudulent, unethical or dishonest conduct has occurred, is occurring, or is likely to occur within or concerning Jump River Electric Cooperative shall report that conduct to their Supervisor. The Supervisor shall then report the conduct to the General Manager/CEO who shall promptly investigate the concern and determine an appropriate course of action.

1. If the conduct is regarding the General Manager/CEO, then the report should be made to the Board Chairperson of the Cooperative (the “Chair”), a member of the Board Executive Committee or the Cooperative’s legal counsel.



2. If the conduct involves a Board member, the report should be made to the Chair, a member of the Executive Committee or the Cooperative's legal counsel.
- B. Investigation. It shall be the responsibility of the General Manager/CEO to receive, keep a record of, review and ensure effective investigation of concerns reported under this policy. That may include use of outside consultants as appropriate. For reports involving the General Manager/CEO or a Board member, the Chair or Executive Committee shall be responsible for that investigation.
- C. Retaliation. The Cooperative, and any of its officers, directors, or employees, will not discharge, demote, suspend, threaten, harass, or in any other manner discriminate against any employee in the terms and conditions of employment because of any lawful act done by the employee in reporting any conduct which the employee reasonably believes constitutes a violation as described above.
- D. False Claims. Making known false, frivolous, or malicious reports will subject the employee to appropriate disciplinary action, which may include termination, and other legal action as appropriate. Nothing in this section shall be deemed to diminish the rights, privileges, or remedies of any employee under any Federal or State law.

#### IV. **RESPONSIBILITIES:**

The General Manager/CEO and the Board of Directors shall be responsible for ensuring compliance with this policy.

Date Adopted: October 30, 2018  
Date Revised: February 28, 2023



## Cooperative Policy No. 118

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**I. SUBJECT:** Scrap Metal

**II. PURPOSE:**

The purpose of this policy is to establish procedures for how scrap metal shall be processed.

**III. POLICY:**

- A. Scrap metal is the property of Jump River Electric Cooperative and shall not be sold or given away to employees, members, or non-members of the Cooperative.
- B. Scrap bins shall be provided and used for all scrap metal
- C. Only approved cooperative contractors are authorized to purchase or remove scrap metal from the premises of the Cooperative.

**IV. RESPONSIBILITY:**

The General Manager/CEO shall be responsible for ensuring compliance with this policy.

Date Adopted: October 30, 2018

Date Revised: May 30, 2023

PREVIOUSLY EMPLOYEE GUIDELINE NO. 19



## Cooperative Policy No. 119

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I. **SUBJECT:** Economic Development Loan Program

II. **PURPOSE:**

The purpose of this policy is to set forth guidelines that will govern the Cooperative's participation in future economic development projects.

III. **POLICY:**

A. Any bonafide Member of the Cooperative may request economic development funding from the Cooperative, provided that the Member is in good standing with the Cooperative and that the Member's electric energy requirements are supplied by the Cooperative for the duration of the funding.

B. **Limitations.**

1. Applications for funding for economic development projects under this policy shall be limited to a maximum of one hundred thousand dollars (\$100,000.00) per calendar year per Member. The maximum cumulative loans outstanding shall not exceed the sum of one hundred thousand dollars (\$100,000.00), which may be changed by the Board from time to time. Said loans shall draw interest at a rate to be determined by the Board. All economic development project loans shall be for a maximum term of ten (10) years and shall be repaid in equal, annual installments.

2. Disbursement of any funds received from the DPC for economic development must comply with the policies and regulations, as amended, of DPC and this policy. Funds received from all other sources must also comply with the policies and regulations of those sources and this policy.

C. **Requirements.**

1. All requests for funding shall comply with the following requirements:

a. A signed written application must be submitted to the Cooperative for each project.

b. Any corporate member or association shall provide a certified copy of the board resolution authorizing said application.

- c. A detailed description of the project and its expected benefits must be submitted to the Cooperative.
- d. The project must be approved by resolution of the Board and by other funding sources involved, if any, before funds are made available.
- e. Funds shall be disbursed upon the execution of proper loan instruments.
- f. The loan recipients shall report to the Board on a regular basis as to the status of each project.

D. Exceptions.

Any exceptions to this policy shall be approved by the Board prior to implementation.

E. Procedures.

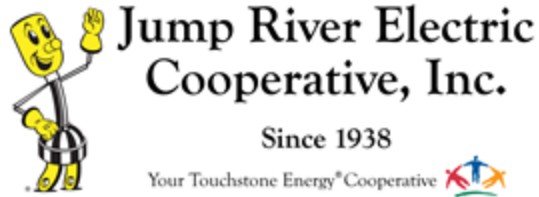
1. Application for Economic Development Loans:
  - a. Loan application - with amount requested.
  - b. Credit references - financial statement, balance sheet, and tax returns.
  - c. Appraisal of property.
  - d. Cost estimates of project.
  - e. Insurance certificates.
2. First mortgage or other form of guarantee of payment satisfactory to the Board.
3. The Board will determine the interest rate to be charged to each loan.
4. The Board and Cooperative management will determine the maximum to be loaned to a Member. Each loan will be individually considered.
5. The Board, Cooperative management, and debtor will determine the payment schedule, whether monthly, quarterly, semi-annually, or annually.
6. Review and approve the loan.
7. Debtor signs the note.

**IV. RESPONSIBILITY:**

The General Manager/CEO shall be responsible for ensuring compliance with this policy.

Date Adopted: July 30, 2019  
Date Reviewed: May 30, 2023

PREVIOUSLY MEMBER POLICY No. 17



## Cooperative Policy No. 120

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**I. SUBJECT:** Arbitration

**II. PURPOSE:**

The following is hereby adopted as the policy of Jump River Electric Cooperative (“Cooperative”) for resolution of disputes that may arise between Cooperative and any of its members. This Policy and the more detailed procedures that are attached and incorporated herein, as authorized and provided for in the Cooperative’s Bylaws, apply to claims in which the amount at issue exceeds the dollar limit for Wisconsin Small Claims Court (currently \$10,000) and others claims that are outside of the jurisdictional limits of the Wisconsin Small Claims Court. All claims within the jurisdiction of the Wisconsin Small Claims Court are excluded from arbitration, unless all parties to the dispute otherwise agree.

The Board of Directors will attempt to settle any dispute or claim between the Cooperative and a member through negotiations. The Board may delegate negotiation and investigation authority to the CEO or legal counsel. After an attempt to settle the matter, if it appears to the Board that the parties are at an impasse, the Board will initiate Arbitration or notify the member of the procedure for the member to initiate Arbitration.

**III. POLICY:**

**A. Administration of Dispute Resolution**

1. Any arbitration initiated under this Policy shall be administered by an Independent Administrator, chosen as described in this Policy and Attachment.
2. The Independent Administrator will undertake the responsibility to administer the procedures of Arbitration as established in Attachment A – “Arbitration Process,” which is incorporated into and made a part of this Policy.
3. The appointment of the Independent Administrator shall be confirmed by the Board to serve in that role for the pendency of the arbitration, in the following manner:

- a. The General Manager/CEO shall identify an attorney (and, if applicable, the attorney's firm) who has not represented the Cooperative in any prior legal matter.
  - b. The chosen attorney shall confirm that he/she and any law firm employing said attorney have no conflict of interest with either the Cooperative, current Board members or the Cooperative member bringing said arbitration demand. Serving previously as Independent Administrator shall not automatically disqualify the attorney or firm from selection for this role in a subsequent arbitration.
  - c. Once the chosen attorney has confirmed having no conflict of interest with either the Cooperative or the member and indicated that he/she is willing to undertake the duties as described herein, the CEO will give notice to the member of the choice.
  - d. The member may object to the appointment of the attorney as Administrator within 15 days of receiving notice of the appointment by stating written reasons for the objection. Should an objection be made, the Board will make an objective determination of the merits of the objection. If the member's objections to the Administrator are upheld by the Board, the CEO will promptly make another appointment under the process described in this paragraph. If the Board determines that the objections raised by the member do not disqualify the Administrator from acting impartially in the arbitration, the Board will confirm the appointment.
4. If an Independent Administrator is unable to complete the duties described herein for any reason a replacement shall be named using the procedures described by paragraph 4 above.
  5. No Independent Administrator shall also serve as an arbitrator in the pending matter and shall have no authority other than to administer the rules and procedures established in the Attachments to this policy.
  6. The Independent Administrator shall be paid the hourly fee negotiated by the CEO plus reimbursement of reasonable expenses.

B. Appointment of Arbitrator

1. During the process of Arbitration, the Independent Administrator has the responsibility to secure the services of one Arbitrator to participate in the Arbitration process, in accordance with the procedures for selecting the Arbitrator described in Attachment A. If a single Arbitrator is

unacceptable to the participants in the Arbitration, a process to select a panel of three Arbitrators is also provided in the procedures described in Attachment A.

2. The Arbitrator(s) shall be impartial as to all parties and qualified by experience or education in the subject matter of the dispute. Notwithstanding that experience requirement, a retired judge would ordinarily be deemed qualified regardless of the nature of the claim.
3. Compensation for Arbitrator(s) and Independent Administrator shall be established as set forth in Attachment A.

C. Representation

The Cooperative and the member may each, at its, his or her own expense, be represented by legal counsel or other authorized representative throughout the Arbitration process.

IV. **PROCEDURE:**

See Attachment A for the Process and Procedure that will be followed by all parties involved in Arbitration.

V. **RESPONSIBILITY:**

When an arbitration demand is filed under this policy, the Board of Directors shall confirm an Independent Administrator to administer this policy. The General Manager/CEO shall be responsible for coordinating the process and procedure at the Independent Administrator's direction.

Date Adopted: May 26, 2020

Date Reviewed: May 30, 2023

PREVIOUSLY BOARD POLICY NO. 22



## ATTACHMENT A

### **Arbitration Process and Procedures**

#### 1. Initiation of Dispute Resolution

- a. If efforts to resolve a dispute by agreement between a member and the Cooperative are not successful, arbitration may be commenced by either party in the following manner:
  - i. A party initiating arbitration (“Claimant”) shall file a written Demand for Arbitration (“Demand”) with the CEO of the Cooperative at the following address: 1102 W 9<sup>th</sup> St N, Ladysmith, WI 54848. The Demand for Arbitration shall consist of a statement setting forth in reasonable detail the nature of the dispute, the amount involved, if any, the remedy sought, and a return address and other contact information for the receipt of all papers relating to the arbitration. A sample form of such notification is attached as an exhibit to this Procedure. A filing fee as prescribed in these Procedures shall accompany any Demand filed by a member.
  - ii. Within 30 days of receipt of a Demand, the Cooperative shall give written notice of the filing of such a Demand to the Respondent, along with a full and complete copy of the Demand. When the member brings the claim, the Cooperative may use the member’s most recent address in the billing records of the Cooperative as to any notice required.
  - iii. A Respondent may file an Answering Statement, and if so filed, it must be filed with the Independent Administrator at the Administrator’s office within forty-five (45) days after the postmark (or equivalent) on the notice of the Demand from the Independent Administrator. The Respondent shall at the same time send a copy of the Answering Statement to the Claimant at the address set forth in the Demand. The Answering Statement shall include any admissions, denials or comments on the claims made in the Demand for Arbitration and a statement of the general nature of Respondent’s defense(s).
  - iv. If the Respondent believes it has a counterclaim against the Claimant, it may set forth that counterclaim in a Statement of Counterclaim, setting forth the nature of the counterclaim, the amount involved, if any, and the remedy sought. The Statement of Counterclaim shall be filed with the Independent Administrator and delivered to the Claimant with the Answering Statement (and may be included as a section of that Answering Statement). If a counterclaim is made by a member, that member shall forward to the Independent Administrator along with the Answering Statement the fee prescribed in these Procedures. The legal principles of

claim and issue preclusion shall apply such that failure to make a Statement of Counterclaim may result in the waiver of claims.

- v. If no Answering Statement is filed within the time allowed under this policy, the claim set forth in the Demand shall be treated as denied. Failure to file an Answering Statement shall not deny a Respondent the right to appear at the arbitration hearing and fully defend the claim. Failure to timely file a Statement of Counterclaim as authorized hereunder shall deny the Respondent the right to present evidence on, and request any relief or remedy with regard to, any such counterclaim at the arbitration hearing.
- vi. The Independent Administrator shall keep all dispute records separate from all other Cooperative records and it shall use reasonable efforts to keep all such records confidential, except as to the parties and as otherwise agreed by the parties to that dispute.

## 2. Appointment of Arbitrator(s)

- a. All claims, including counterclaims, shall be heard by a single arbitrator unless a party objects to a single arbitrator within 30 days of the time of filing of the answer to the pleadings. In the event of such objection, all claims shall be heard by a panel of three arbitrators, to be selected as prescribed herein.
- b. Arbitrators shall be impartial as to all parties and qualified by experience or education in the subject matter(s) of the dispute. Notwithstanding that requirement, a retired judge would ordinarily be deemed qualified regardless of the nature of the claims. The Independent Administrator shall make the determinations of the qualifications and impartiality of any arbitrators and the Independent Administrator's decisions on arbitrators' fitness to serve shall be binding upon the parties.
- c. Prior to the appointment of any arbitrators, the Independent Administrator shall contact prospective arbitrators to determine their impartiality and availability to arbitrate the dispute. If any party objects to the qualifications of an arbitrator, as prescribed herein, the Independent Administrator shall make further inquiry and make the final determination of whether the prospective arbitrator is qualified to serve. In determining the qualifications, impartiality, and availability of prospective arbitrators, the Independent Administrator shall adhere to the following guidelines:
  - i. The Independent Administrator shall ask prospective arbitrators whether each one will be available during the time period agreed to by the parties or otherwise determined by the Independent Administrator, will agree to serve if selected, and will agree to render a decision within a period of time to be specified by the Independent Administrator;

- ii. The Independent Administrator shall inquire whether prospective arbitrators have any past or current relationship with any of the parties that could reasonably call into question the arbitrator's impartiality, and whether any other circumstances exist which could otherwise reasonably call into question the arbitrator's impartiality;
- iii. In assessing the prospective arbitrator's qualifications, the Independent Administrator shall request and review a current resume or similar document attesting to the prospective arbitrator's experience and qualifications to serve as an arbitrator. Such document shall be made part of the official record of the arbitration. In the event that such resume or similar document is not available or does not sufficiently describe the prospective arbitrator's qualifications, or if the Independent Administrator otherwise deems it necessary or desirable, the Independent Administrator shall interview the prospective arbitrator and inquire about his/her experience and expertise (a) in industries relevant to the subject matter of the dispute; (b) with the relevant law to be applied; and (c) arbitrating or litigating similar disputes.
- iv. Arbitrators may be qualified to serve through any of the following ways:
  - 1. A minimum of ten (10) years of senior level business professional experience or legal practice pertaining to the subject matter(s) of the dispute.
  - 2. Training and certification by a nationally recognized dispute resolution certification program or association.
  - 3. An educational degree or professional license pertaining to the subject matter(s) of the dispute.
  - 4. Notwithstanding the above requirements, a retired judge would ordinarily be deemed qualified regardless of the nature of the claims.
- d. If the parties agree to have the matter decided by a single arbitrator, they may submit the name and information of any agreed arbitrator to the Independent Administrator for the approval of the Independent Administrator pursuant to the qualification criteria described herein. Should the parties not be able to agree to one person to serve as the arbitrator, the parties may submit the names of up to three (3) agreed-upon candidates to serve, and each may indicate the order of preference by which the arbitrator should be selected from these candidates. The name(s) of the arbitrator(s) for review shall be submitted to the Independent Administrator within thirty (30) days after an Answering Statement is filed with the Independent Administrator and served on Claimant, or if no Answering

Statement is filed, within thirty (30) days after the deadline for filing such Answering Statement. Thereafter, if the parties have agreed on the person of a single arbitrator, the Independent Administrator shall make arrangements to retain the services of the agreed-upon arbitrator. If the parties have not agreed on which single arbitrator of the three agreed-upon candidates, the Independent Administrator shall make the choice and retain the chosen arbitrator. If either of the parties have demanded a three-arbitrator panel, the Independent Administrator will, based on the availability of the proposed candidates, engage the services of the panel in the order of preference indicated by the parties.

- e. The Independent Administrator shall notify the parties if no candidate submitted by the parties is available to serve as arbitrators on the three-person panel. The parties will then have thirty (30) days from the date of notification in which to nominate an arbitrator of that party's choosing, subject to the approval of the Independent Administrator regarding qualifications and impartiality of arbitrators, as defined in these Procedures. If any party fails to nominate its arbitrator within thirty (30) days of receiving notice from the Independent Administrator, the Independent Administrator shall nominate the arbitrator on behalf of the delinquent party.
- f. If a Panel will preside over the arbitration, after each party has nominated a qualified and impartial arbitrator as determined by the Independent Administrator, then the arbitrators nominated by each party shall mutually designate an additional arbitrator to hear the matter. The third arbitrator selected by the party-designated arbitrators shall serve as Chairperson. If available, the third arbitrator to be selected by the party-designated arbitrators shall be an attorney or a retired judge of the state or federal judiciary of Wisconsin, in either case possessing a minimum of ten (10) years' experience in the practice of law.
- g. When the arbitrator(s) are selected, the Independent Administrator shall send the Demand for Arbitration, the Answering Statement, the Statement of Counterclaim, if any, and any other pleadings and correspondence to each of the arbitrator(s).
- h. Other than resolution of discovery disputes which shall be decided by the Chairperson as provided in Section 5, below, all actions of the Tribunal shall be by majority vote. At least two (2) Arbitrators shall be required for a quorum to proceed on any matter before the Tribunal.
- i. If either party has reason to question the impartiality or the qualifications of an arbitrator, the party shall file a written objection with the Independent Administrator, and the Independent Administrator shall proceed to review whether the challenged arbitrator is impartial and qualified. Parties who fail to file their objections with the Independent Administrator within thirty (30) days of (1) receiving notification of the designation of the prospective arbitrator, or (2) becoming aware of

circumstances that reasonably call into question the arbitrator's impartiality, whichever occurs later, may be deemed to have waived such objections to the prospective arbitrator.

- ii. If the Independent Administrator determines that the prospective arbitrator is not qualified or impartial, then the Independent Administrator shall disqualify that prospective arbitrator from serving and shall notify the parties of the same. An alternative arbitrator shall then be selected as provided by the following:
- iii. If the disqualified arbitrator was designated by a party, then the party who selected the disqualified prospective arbitrator shall have thirty (30) days from receiving notice from the Independent Administrator in which to designate an alternative arbitrator.
- iv. If the disqualified arbitrator was designated by the Independent Administrator, then the Independent Administrator shall designate an alternative arbitrator within thirty (30) days of the disqualification of the initial arbitrator.
- v. If the disqualified arbitrator was designated by the party-designated arbitrators, then the latter shall designate an alternative arbitrator within thirty (30) days of the disqualification of the initial arbitrator.
- vi. Such alternative arbitrator shall be subject to the same conditions to serving as applicable to an initial arbitrator, including the procedure and time limits for objections to the alternative arbitrator. The process for selecting an alternative arbitrator shall also apply in the event that an arbitrator is no longer able to serve for any reason, including disqualification, death, or resignation.

### 3. Date, Time and Place of Arbitration

The Arbitrator(s) shall set the date and time of the hearing as soon as it is reasonably possible after a meeting and consultation with the parties. Unless otherwise agreed to by the parties and the Arbitrator(s), the arbitration hearing shall be held at a reasonably convenient location designated by the Independent Administrator.

### 4. Representation

Any party may be represented by legal counsel or other authorized representative throughout the arbitration process.

### 5. Witnesses, Subpoenas, Discovery, and Applicable Authority

- a. The parties shall have such rights in regard to the taking of discovery as provided for by Chapter 804 of the Wisconsin Statutes, or any successor statutes. The arbitrator(s) shall have such authority to permit discovery and enforce the parties'

obligations to provide discovery as would a Wisconsin circuit court judge. The parties shall also have full authority to compel the attendance of third-party witnesses as provided by law, including but not limited to Chapter 788 of the Wisconsin Statutes or any successor statutes. In cases presided over by a Panel, any disputes over pre-hearing discovery shall be submitted to and resolved by the Chairperson of the Tribunal, giving due regard to the nature and complexity of the Claim(s) and Counterclaim(s), if any.

- b. The arbitrator(s) have full authority to determine whether or not a particular issue raised by any party may be determined by the arbitration, including but not limited to the power to rule on the scope of the arbitration agreement and the arbitrator(s)' own jurisdiction.
- c. The arbitrator(s) shall resolve all disputes in accordance with Wisconsin substantive law and shall give full effect to the Wisconsin Rules of Evidence and statutes of limitation and repose arising under Wisconsin law, including barring of a claim where the applicable statute of limitations or repose would bar such claim in Circuit Court.
- d. Unless otherwise modified herein, the arbitrator(s) shall have such authority as possessed by a Wisconsin circuit court judge to impose time limits on any phase of the proceedings, to hold pre-hearing conferences and hearings to resolve matters that may arise in the arbitration, schedule pre-hearing motions, briefs and memoranda, and any other matters necessary for the proper administration and/or resolution of the arbitration.
- e. Unless otherwise modified herein, during any part of the proceedings, the arbitrator(s) shall have such authority as possessed by a Wisconsin circuit court judge to impose sanctions, award recovery of fees and costs, and take such other action to maintain the integrity of the proceedings.
- f. During any part of the proceedings, unless otherwise modified herein, the arbitrator(s) shall have such authority as possessed by a Wisconsin circuit court judge to determine all or a portion of the issues in dispute through summary adjudication (e.g. motions to dismiss or for summary judgment) determined upon the submission of documents and other evidence rather than through a live hearing.

## 6. Hearings and Other Proceedings

- a. Unless a dispute is fully resolved by summary adjudication as provided herein, all issues raised in the Demand for Arbitration, the Answering Statement and the Statement of Counterclaim, if any, and unresolved by summary adjudication, shall be determined through a hearing as provided in this section.

- b. A hearing shall be opened by the recording of the date, time and place of the hearing, and the presence of the arbitrator(s), the parties and their representatives, if any, and by the inclusion into the record of the Demand for Arbitration, the Answering Statement and the Statement of Counterclaim, if any.
- c. If either party to the arbitration requests it, a stenographer certified to transcribe such a proceeding shall be appointed by the Independent Administrator for such purpose. Each party shall share equally in the cost of such service. The parties may agree on other forms of preservation of the record, including but not limited to tape recording, video recording or other forms of electronic preservation of the record.
- d. The arbitrator(s) may, at the beginning and/or close of the Hearing, require or permit statements (orally or in writing), with the intent to clarify the issues involved.
- e. The Claimant shall then present evidence to support its claim. The Respondent shall then present evidence supporting its defense and/or counterclaim(s). Witnesses for each party shall be sworn under oath by a person qualified to administer an oath and shall thereafter submit to questions or other examination as prescribed by the arbitrator(s).
- f. The arbitrator(s) shall have the discretion to vary the procedure and order of evidence and witnesses but shall afford all parties a full and equal opportunity for the presentation of any material and relevant evidence, including a reasonable opportunity to cross-examine the other party's witnesses and to rebut the other party's evidence. The arbitrator(s) shall apply burdens of proof in accordance with Wisconsin law.
- g. Unless otherwise modified herein, the arbitrator(s) shall have such authority over the conduct of the hearing as possessed by a Wisconsin circuit court judge presiding over a civil trial, including but not limited to such matters as the applicability of privilege; the admissibility, relevance, materiality, and weight of evidence being offered; and the exclusion of witnesses from the hearing.
- h. Exhibits, when offered by any party, may be received in evidence by the arbitrator(s). The Independent Administrator is responsible for maintaining the records, evidence and exhibits from the hearing as part of the official record of the arbitration.
- i. The names and addresses of all witnesses and a description of the exhibits in the order received shall be made a part of the record and maintained by the Independent Administrator.

7. Communication with the Arbitrator(s)

Copies of all written or electronic communications to or from the Arbitrator(s) shall be served upon the Arbitrator(s) and all parties and a copy filed with the Independent Administrator at the Independent Administrator Office for inclusion in the official case record. Filing and service of such documents and communications may be accomplished electronically as directed by the Arbitrator(s) on a case-by-case determination. In no circumstances shall any party have *ex-parte* communications with any arbitrator on any matters concerning the case being arbitrated, except on matters of scheduling, in which case the arbitrator, at the earliest opportunity, shall discuss the scheduling matter with all parties.

8. Decisions

- a. A decision on the issues to be arbitrated shall be in writing and shall be signed by all arbitrator(s) joining in the decision. The decision shall state the legal and factual reasoning upon which the decision rests, unless the parties agree otherwise. A member of the Panel who does not join in a majority decision may, but is not required to, issue a dissenting opinion.
- b. All decisions shall be issued by the arbitrator(s) within 60 days of the close of such hearing (or the receipt of post-hearing briefs, if allowed by the Panel). If the arbitrators unanimously agree that the complexity of the issues and the record require it, that schedule for issuance of the final decision or award may be extended up to an additional 60 days. The parties may agree on the record or in writing to a longer period of time.
- c. The arbitrator(s) may order any remedy, relief, or award, whether legal or equitable, that a Wisconsin circuit court judge could order.

9. Additional Provisions

- a. The arbitrator(s) shall dismiss the proceedings at any time upon the joint request of all of the parties. The parties may agree to keep any agreements and other terms of dismissal confidential.
- b. If there is an award of damages, costs or other relief, the unsuccessful party shall pay any amount set by the arbitrator(s) and shall comply with any other remedy or relief awarded by the arbitrator(s) within sixty (60) days of the written decision required herein unless the decision specifies a longer period of time, or an extension is granted in writing by the arbitrator(s), or as otherwise directed by a court with jurisdiction over the matter.
- c. By participating in the arbitration process, all parties understand that the successful party may file an action in the appropriate Circuit Court in Wisconsin



for the sole purpose of enforcement of any award, remedy, or relief granted by said Arbitrator(s).

- d. All costs incurred by the enforcing party as allowed by law for the collection of a judgment shall be limited to the statutory costs as if the matter were being heard in a Circuit Court in the State of Wisconsin, and such statutory costs shall be added to such award, remedy or relief so collected by the enforcing party. Interest on any award, judgment, or order where money has been awarded shall run from the date of written award, judgment or order at the same rate as provided for judgments in the State of Wisconsin. Pre-judgment interest shall not be awarded. Attorney fees are not awardable; each party being solely responsible for their own attorneys' fees.
- e. Each of the various exhibits and written submittals shall be returned to the party filing it two (2) years after issuance of the decision or award, unless the parties shall jointly request retention for some shorter or longer period. In the event of such a request, the Independent Administrator shall determine the appropriate length of time to retain those materials. At a party's request, and with the concurrence of the Independent Administrator, any such materials may be destroyed rather than returned to the party.

#### 10. Fees and Costs

- a. Any member filing a Demand for Arbitration or a counterclaim shall remit to the Independent Administrator a filing fee in the amount of \$300 to defray the costs of the Independent Administrator's service. The filing fee shall be in the form of a personal or certified check or money order made payable to the Cooperative. The failure to remit the required filing fee shall result in the rejection of the member's Demand or counterclaim. The filing of such Demand or counterclaim without the required fee shall not cause the tolling or suspension of any statutes of limitation or repose that may be applicable to that member's claim(s).
- b. The Cooperative shall be responsible for covering all other costs of the Independent Administrator's service, and therefore shall not be required to pay any fee upon the filing of a Demand or counterclaim.
- c. Each arbitrator shall be paid at a reasonable rate, which may include reimbursement of the arbitrator's reasonable expenses, that is negotiated and agreed to by the Independent Administrator. A reasonable fee shall be paid to each arbitrator for each day of hearing and for days reasonably required to deliberate on the record and reach a decision or award. Each party shall pay an equal portion of the arbitrators' fees and expenses.
- d. Subject to the provisions of Paragraph 9(d), above, each party shall be responsible for their own expenses of arbitration, including without limitation, attorneys' fees, expert and other witness fees, and travel and lodging.

**NOTICE AND DEMAND FOR ARBITRATION**  
**Pursuant to the Bylaws and Process and Procedures**  
**for Arbitration of Jump River Electric Cooperative**

Any and all disputes, claims or controversies arising from or relating in any way to the Cooperative's provision of electrical energy or other services, or its furnishing of any goods or its conduct of its operations (except matters qualifying for resolution in small claims court), and which have not been resolved by agreement, shall at the request of any party be resolved by binding arbitration. If you have such a claim or dispute, please provide the following information:

**Date:** \_\_\_\_\_

**Claimant Name:** \_\_\_\_\_

Type of Business (if applicable): \_\_\_\_\_

Street Address: \_\_\_\_\_

Mailing Address If Different: \_\_\_\_\_

City, State, & Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Name of Attorney or Representative (if any): \_\_\_\_\_

Name of the Firm or Company: \_\_\_\_\_

Street Address: \_\_\_\_\_

Mailing Address If Different: \_\_\_\_\_

City, State, & Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**Respondent Name:** \_\_\_\_\_

Please complete following contact information for any Respondent other than Jump River Electric Cooperative:

Type of Business or Occupation (if applicable): \_\_\_\_\_

Street Address: \_\_\_\_\_

Mailing Address If Different: \_\_\_\_\_

City, State, & Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_  
Name of Attorney or Representative (if any): \_\_\_\_\_  
Name of the Firm or Company: \_\_\_\_\_  
Street Address: \_\_\_\_\_  
Mailing Address If Different: \_\_\_\_\_  
City, State, & Zip Code: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

1. Claimant shall set forth in detail an explanation of the nature of the dispute:

In order to initiate this claim, the claimant shall file with the Independent Administrator on Dispute Resolution of Jump River Electric Cooperative the signed original of this Notice and Demand at 1102 W 9th St N, Ladysmith, WI 54848 (in care of "Dispute Resolution Independent Administrator Office"). A filing fee shall accompany this Notice and Demand in the amount of three hundred dollars (\$300.00), payable to "Jump River Electric Cooperative."

**I certify that the facts set forth above are true and correct to the best of my knowledge.**

Signed: \_\_\_\_\_ Title (if any): \_\_\_\_\_

Print name: \_\_\_\_\_



## Cooperative Policy No. 121

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### I. **SUBJECT:** Nepotism

### II. **PURPOSE:**

The Bylaws address the potential risks if close relatives of employees were allowed to serve as directors:

- any member who is closely related to a full-time employee is disqualified from serving on the Cooperative's Board of Directors (Article IV, Section 3(b)(3)<sup>1</sup>); and
- the Cooperative is effectively prohibited from hiring any close relative of a director as an employee (full- or part-time<sup>2</sup>) or consultant (Article IV, Section 7).

The purpose of this policy is (1) to address the issue of close relationships *between Cooperative employees*; and (2) to clarify and establish procedures to implement those Bylaw provisions referenced above concerning *directors*. In the case of any conflict between the applicable Bylaw and the provisions of this (or any other) policy, the terms of the Bylaw shall govern. Note that this policy has separate provisions for spouses, to comply with applicable law.

### III. **POLICY:**

- A. **General.** Jump River Electric Cooperative adopts and implements this policy because of the many complications involved -- such as confidentiality, non-productivity, work atmosphere, favoritism, and potential conflict-of-interest -- where there are close relationships in the workplace.
- B. **Relatives of Directors.** Therefore, it shall be the policy of Jump River Electric Cooperative that:

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<sup>1</sup> "Close relative," as it is used in this policy is defined in Article IV, Section 7 of the Bylaws as, "son, daughter, mother, father, sister, brother, spouse, stepfather, stepmother, half-sister, and half-brother."

<sup>2</sup> A part-time employee is defined as an employee who works less than 1,000 hours per year.

1. no close relative of a director as defined in the Bylaws shall be hired on a full-time basis (Article IV, Section 3(b)(3)); and
  2. where the position is a part-time or seasonal one, the hiring of a director's close relative is similarly precluded, as a practical matter.<sup>3</sup>
- C. Relatives of Employees. It is further the policy of Jump River Electric Cooperative that employment of a close relative (other than a spouse) of an employee is prohibited.
- D. Any person applying for employment with Jump River Electric Cooperative who has a relationship, by blood or otherwise, outside the close relationships described in the Bylaws, is hereby advised that such relationship shall be considered neither an asset nor a hindrance in reviewing the applicant's qualifications.
- E. Spouses. Jump River Electric Cooperative will accept and give consideration to the application for employment submitted by the spouse of any Jump River Electric Cooperative employee. Each application will be reviewed on the basis of the applicant's qualifications for the position available. Jump River Electric Cooperative supervisors will endeavor to hire the best qualified individual for each available opening. Marital status will be considered neither an asset nor a hindrance while assessing applicant qualifications, except that under no circumstances will a direct supervisor/subordinate relationship between spouses be permitted (Wisconsin Statutes Section 111.345). The provisions of this paragraph shall apply where the couple are not married but are living together in the same household.
- F. Relationships Arising After Hire.
1. Employees. Any relationship which arises as a result of marriage after an employee is hired shall automatically constitute reason for transfer or termination. The immediate supervisor(s), the General Manager/CEO and the Human Resources Department shall decide the feasibility of (1) both employees remaining in their present responsibility<sup>4</sup> or (2) if one of the employees should/can be

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<sup>3</sup> The Bylaws would require either formal approval by the membership or certification by the Board that the hire was necessary due to a legitimate emergency and only for the length of the emergency (Article IV, Section 7). That has not occurred and is unlikely to occur in the future.

<sup>4</sup> Provided that the requirements of par. E are not violated in the case of spouses.

transferred to another responsibility or (3) if one of the two employees involved should resign. This decision shall be made within 30 days after the situation becomes known to management. In the event a resignation becomes necessary under such circumstances, the employees will decide which employee shall remain. If they cannot agree, the decision will be made by the Human Resources Department based on criteria that will be consistently applied.

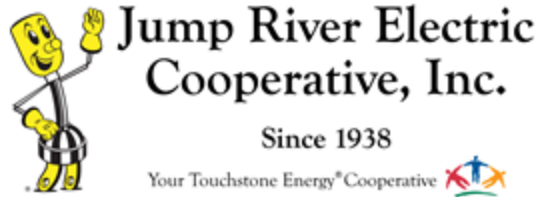
2. Directors. Where the relationship between a director and a full-time employee (as defined above) arises following the election of the director and the hiring of the employee, unless the employee advises the General Manager/CEO that the employee elects to resign, the director shall be determined to be disqualified to continue to serve on the Board pursuant to Article IV, Section 3(b)(3) of the Bylaws, that seat shall be considered vacant and the Board shall appoint a successor to fill the remainder of the term.

- G. No employee shall participate in salary, promotion, performance evaluation, work assignment, or other decisions that may provide a direct benefit to a person with whom the employee has a personal or intimate relationship. The employee should notify his/her immediate supervisor(s) of any decision-making conflict or potential conflict. The immediate supervisor(s) and the General Manager/CEO shall determine the best course of action.

#### **IV. RESPONSIBILITY:**

The Board of Directors is responsible for ensuring the continuing qualification of all directors and candidates for director. The General Manager/CEO shall be responsible for ensuring compliance with the other aspects of this policy.

Date Approved: April 25, 2023



## Cooperative Policy No. 122

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**I. SUBJECT:** Joint Use of Poles

**II. PURPOSE:**

The purpose of this policy is to set forth guidelines for all utilities (“licensees”) desiring to use the poles of the Cooperative.

**III. POLICY:**

- A. All Utilities (“licensees”) must enter into an approved contract with the Cooperative and pay fees as specified in that contract.
- B. The terms of the contract shall be approved by the General Manager/CEO, exercising his/her reasonable judgment as to what is required to protect the best interest of the Cooperative and its members. However, those terms shall include the following:
  - 1. The attachment and its installation, operation and maintenance shall be in accordance with applicable law and the Cooperative’s Articles, Bylaws and policies and shall be conditioned on the licensee securing any and all required permits or approvals to conduct its operations.
  - 2. The attachment shall be on a non-exclusive basis.
  - 3. The terms shall include adequate provisions to protect safety.
  - 4. The terms shall include adequate provisions to prevent interference with the Cooperative’s own uses and service requirements, including reasonable termination rights.
  - 5. The terms shall include provisions to prohibit interference with the rights and privileges of others to whom the Cooperative has previously licensed attachment rights.
  - 6. The terms shall require the Cooperative’s prior approval for assignment of the licensee’s rights in whole or in part.

7. The terms shall include reasonable limitation of liability, insurance, indemnification and disclaimer of warranty provisions to protect the Cooperative's interests.
8. The terms shall include reasonable provisions for removal of the licensee's equipment upon termination of the agreement.

**IV. RESPONSIBILITY:**

The General Manager/CEO shall be responsible for ensuring compliance with this policy.

Date Adopted: April 25, 2023