

# **JUMP RIVER ELECTRIC COOPERATIVE, INC.**

## **Board Policy No. 1**

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**Subject:** Delegation of Authority

**Effective Date:** October 30, 2018

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### **I. PURPOSE.**

The purpose of this policy is to delegate authority to and define the responsibilities of the Jump River Electric Cooperative, Inc. (the “Cooperative”) General Manager and Chief Executive Officer (the “GM/CEO”); to specify the authority retained by, and responsibilities of, the Cooperative Board of Directors (the “Board”); and to set forth the boundaries of the relationship between the GM/CEO and the Board. This policy recognizes that the success of the Cooperative requires the joint effort and cooperation of the Board and management.

### **II. POLICY.**

The GM/CEO shall be capable of binding the Cooperative to the extent authorized in this policy or by specific resolution of the Board, except as provided otherwise in the Cooperative’s Articles of Incorporation or Bylaws.

### **III. RESPONSIBILITIES OF THE BOARD OF DIRECTORS.**

A. The following are responsibilities of the Board:

1. Direct the affairs of the Cooperative;
2. Act as a trustee on behalf of the Cooperative and its members;
3. Establish the Cooperative’s mission, vision, values, and purposes;
4. Adopt and revise, as necessary, written policies, rules, and regulations for internal and external compliance;
5. Engage in strategic planning and on-going strategic discussions;
6. Review, monitor, and inform the members regarding the critical operating and financial performance of the Cooperative and its strategic direction;
7. Establish processes for maintaining the integrity and transparency of the Cooperative, including the integrity of the financial statements, compliance with laws and ethics, the integrity of relationships with members, and the integrity of relationships with other stakeholders;

8. Maintain general financial control;
9. Contract for and approve an annual independent financial audit, select and oversee legal counsel, and engage other consultants, as necessary;
10. Employ a GM/CEO and set clear performance expectations, regularly monitor and evaluate the GM/CEO's performance, and establish the GM/CEO's compensation and other terms of his or her employment; and
11. Perform any other responsibilities the Board may designate.

#### **IV. RESPONSIBILITIES OF THE GM/CEO.**

##### **A. Responsibilities.**

Under the Board's direction, guidance, and oversight, and recognizing that ultimate responsibility and authority rests with the Board, the GM/CEO shall have the authority to, and shall fulfill, the following responsibilities:

1. Implement the Cooperative's mission, objectives, and strategic priorities with periodic updates to the Board in a formal planning process;
2. Serve as the authorized spokesperson of the Cooperative to develop and maintain public, business, and political alliances that may be beneficial to the Cooperative and its members;
3. Within the limits of budgeted resources, and without detracting from the Cooperative's ability to provide reliable service to its members, participate in and support efforts that contribute to the economic or social development of the Cooperative service area for the purpose of enhancing members' quality of life;
4. Establish policies for recommendation and consideration to the Board and, if adopted, review such policies at least annually to provide recommendations for revisions, if any;
5. Develop financial plans, work plans, and budgets for recommendation to and consideration by the Board and, if approved, provide regular and periodic revenue, expenses, and other reports with a comparison to such plans and budgets;
6. Conduct Cooperative forecasting and use such forecasting information when planning for power supply and delivery requirements, energy management requirements, risk management requirements, and any other related requirements;

7. Analyze the systems' rates, services, rules, and regulations at least annually to ensure compliance with operating, financing, and other requirements and, if appropriate, make recommendations to the Board for any changes;
8. Organize, plan, and execute all annual and other member meetings and any Board or committee meetings in consultation with the Board;
9. Promote member information and educational activities, including educating members on the safe use of electricity;
10. Conduct periodic measurements of member needs and satisfaction with current and proposed service, product offerings, and/or other coop matters, as appropriate;
11. Oversee all Cooperative staffing and related personnel practices, including but not limited to selecting, training, and supervising Cooperative personnel and performing succession planning;
12. Develop a compensation plan for recommendation to and consideration by the Board and, once approved, determine all Cooperative personnel salary adjustments, except for the GM/CEO, within the approved compensation plan and within the limitations of the Cooperative budget;
13. Maintain sound labor relations, wage policy and safety programs, and a culture that motivates employees to engage in work practices that avoid accidents and injuries;
14. Coordinate with the statewide Wisconsin Electric Cooperative Association ("WECA") and National Rural Electric Cooperative Association (the "NRECA") regarding state and federal legislative and regulatory matters and, if appropriate, recommend to the Board whether the Cooperative should adopt a position in regard to such matters;
15. Ensure that appropriate accounting and recordkeeping practices, risk management practices, cyber security practices, and internal controls are in place and working effectively;
16. Select and appoint consultants and negotiate contracts or agreements for services of such consultants, provided such action is within the limitations of the work plan and budget;
17. Procure real property, equipment, facilities, insurance coverage, and any other necessary resources for operating the Cooperative, which resources shall have been approved by the Board or for which no Board approval is required by law, the Bylaws, or any Board policy;
18. Direct the day-to-day operations of the Cooperative, except as specified otherwise by the Bylaws or by specific resolution of the Board;

19. Identify and recommend to the Board an appropriate person to serve as acting GM/CEO in an extended absence of the GM/CEO as further explained in Board Policy No. 2; and
20. Perform any other tasks as outlined in the GM/CEO job description or as delegated by specific resolution of the Board.

B. Delegation of Authorized Responsibilities.

Under the Board's direction, guidance, and oversight, the GM/CEO may delegate the above authorized responsibilities as follows:

1. Except as otherwise limited by law, by the Cooperative's Articles of Incorporation or Bylaws, or by any other Board policy, the GM/CEO is authorized to delegate specific authorities or responsibilities to other Cooperative officers and personnel with the recognition that the GM/CEO remains at all times responsible and accountable for any and all actions taken under such sub-delegations;
2. The GM/CEO shall exercise due care in such delegations and regularly monitor the performance of the responsibility delegated; and
3. The GM/CEO shall inform the Board as to how any such delegations are being carried out.

V. **RELATIONSHIP BETWEEN THE GM/CEO AND THE BOARD.**

To ensure the success of the Cooperative, the Cooperative Board and management must work together with mutual respect and support. At the same time, the Board must maintain a governing role, which is to direct, guide, and oversee the Cooperative and to protect its interests and members.

A. Expectations of the GM/CEO in Working with the Board.

To fulfill the above expectations, the GM/CEO shall:

1. Develop, with the direction of the Board, an annual timeline of topics to be discussed and reports to be presented to the Board;
2. Assist the Officers in developing an agenda for each Board meeting;
3. Ensure that all appropriate financial, operational and other information and reports are provided to the Board in a timely and understandable fashion, so Directors are able to make informed decisions;

4. Report to the Board on conformity with approved policies, programs, plans, and budgets and recommend any appropriate revisions requiring Board approval;
5. Provide advice and counsel to the Board and ensure that important issues are timely presented and explained to the Board;
6. Review with the Board the annual financial audit, monthly financial statements, progress on strategic plan initiatives, period reports, evaluations of internal controls or risk management systems, ethics, compliance programs, and any other items delegated within this policy or by specific resolution of the Board; and
7. Seek the Board's advice and counsel whenever needed or desired.

B. Expectations of the Board in Working with the GM/CEO.

To fulfill the above expectations, the Board shall maintain the following principles and guidelines in its relationship with the GM/CEO:

1. Since good management is a key factor in the success of the Cooperative, the GM/CEO must be delegated sufficient authority to manage the operations of the Cooperative on a day-to-day basis. While specific authority may be described here, these powers are intended to be expansive in nature and substantial in depth. The GM/CEO is permitted and expected to make decisions that bind the Cooperative legally and that impact its on-going viability, consistent with the Board's policies, plans, budgets, and specific directives.
2. Mutual understanding and cooperation between management and the Board is needed for management to be effective. The GM/CEO is expected to produce results and give an account to the Board. The best results cannot be achieved unless the GM/CEO is given latitude to perform within the confines of Board policy and budgeting. The Board is responsible for ensuring that the GM/CEO knows and understands its expectations and any limitations it has placed on his or her discretionary decision-making. These expectations and limitations are identified in this policy, which shall be used as the foundation for an annual appraisal of the GM/CEO's performance;
3. The Board is responsible for establishing clear goals regarding the GM/CEO's performance, for appraising the performance of the GM/CEO each year, for discussing the results of such appraisal with the GM/CEO, and for acting on any appropriate salary adjustment for the GM/CEO based on that appraisal;
4. Authority shall flow from the Board as a whole to the GM/CEO to the other Cooperative employees. The Board shall refrain from discussing management and personnel issues with personnel of the Cooperative, other than the GM/CEO. The Board, in consultation with the GM/CEO, may confer with

appropriate personnel at regular or special meetings of the Board. Unless otherwise determined by the GM/CEO, Directors may confer with appropriate Cooperative employees regarding routine administrative matters; and

5. For any Director to undertake private conversations with others that might appear to make commitments for the Board or the Cooperative, unless directed officially by the Board, would be a serious breach of policy, and the Director may be subject to reprimand by the Board for such a breach.

## **VI. RESPONSIBILITY.**

The Board shall be responsible for ensuring compliance with the portions of this policy that relate to the responsibilities and expectations of the Board and to Board oversight. The GM/CEO shall be responsible for ensuring compliance with the portions of this policy that relate to the responsibilities and expectations of the GM/CEO.

# **JUMP RIVER ELECTRIC COOPERATIVE, INC.**

## **Board Policy No. 2**

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**Subject:** Director and GM/CEO Vacancy

**Effective Date:** October 30, 2018

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### **I. PURPOSE.**

The purpose of this policy is to establish, in advance, a sound approach that the Jump River Electric Cooperative, Inc. (the “Cooperative”) Board of Directors (the “Board”) may follow in searching for and selecting the most qualified person(s) available to fill either a vacancy for the position of Director or for the position of General Manager and Chief Executive Officer (the “GM/CEO”).

### **II. POLICY.**

- A. The Board shall oversee the appointment of a Director when a vacancy occurs in order to maintain a Board make up of qualified individuals who can serve the best interests of the Cooperative and who understand the responsibilities of the position and the commitment needed to effectively fulfil those responsibilities. As provided in the Bylaws, the successor shall serve for the unexpired remainder of the term.
- B. The Board shall oversee the appointment of a GM/CEO when a vacancy occurs in order to ensure that the Cooperative is managed by an individual possessing the competencies necessary to carry out the smooth functioning of the Cooperative’s business.

### **III. DIRECTOR VACANCY.**

- A. In the event of a Director vacancy for any reason:
  - 1. Every effort shall be made to anticipate, as far in advance as possible, vacancies that may occur on the Board.
  - 2. When a Director vacancy occurs or is anticipated, the Board shall direct management to mail a letter to every active member within the district of the vacancy. Such letter shall notify the members of the Director vacancy and provide a deadline to submit an expression of interest in the position and description of the applicant’s qualifications. The letter shall include a copy of the qualifications for Director set forth in the Bylaws and notification that a background check will be conducted to confirm applicants meet those qualifications.

3. The Board may also direct management to submit information regarding the Director vacancy to the *Wisconsin Electric Cooperative News*, if time allows.
4. The Board may also direct management to display information regarding the Director vacancy on the Cooperative's website.
5. The Board shall only consider applicants for the Director vacancy whose principal residence is served by the Cooperative in the area of the vacancy and who are confirmed to meet the requirements for tenure and qualifications as set forth in the Bylaws.
6. The Board may interview any applicant(s) they consider the best qualified for the available Director position. The Board, by an affirmative vote of a majority of the remaining Directors, may appoint an applicant to fill the Director position from those applicants interviewed by the Board, for the remainder of the term.
7. If the Board does not interview any applicant(s) or does not appoint an applicant as Director from those interviewed, the Board may decide to establish a director search and selection committee. That committee shall be composed of three (3) Directors from the Board and three (3) members from the district in which the Director vacancy exists. The current Director from the district may not serve on the committee.
  - a. The purpose of the committee is to recommend to the Board no more than three (3) members for the Director vacancy position in order of preference.
  - b. Those members recommended by the committee will be contacted by the Board to see if they are interested in applying for the Director vacancy. If so, an interview may be scheduled and conducted by the Board. The Board, by an affirmative vote of a majority of the remaining Directors, shall appoint the recommended member who the Board determines to be the most qualified to serve as Director.
8. If the Director vacancy occurs within six (6) months of the annual meeting and there is sufficient time to complete the nomination and election procedures set forth in the Bylaws, the Board shall implement the nomination and election procedures for the balance of the term of the vacant Director position, along with the nomination and election of candidates for Director position(s) whose terms are schedule to expire at the annual meeting.

#### **IV. GM/CEO VACANCY.**

##### **A. Acting GM/CEO Designations.**

1. The GM/CEO shall designate a member of the Cooperative's executive staff to act in the GM/CEO's routine absences not exceeding three (3) weeks.



2. The GM/CEO will use his or her own discretion in such temporary designation as to whether to use a rotating method or to designate one (1) specific executive staff member to fulfill that position.

**B. Vacancy Due to Incapacitation or Emergency.**

1. In the event the GM/CEO is temporarily incapacitated, the Board shall designate an Acting GM/CEO. In the event of temporary incapacitation, the Acting GM/CEO shall be a member of the Cooperative's senior staff. The Board shall consider the GM/CEO's recommendation.
2. The Board may provide a temporary salary differential to compensate a Cooperative staff member who is fulfilling the temporary role as Acting GM/CEO.

**C. Vacancy Due to Resignation or Retirement.**

In the event of a GM/CEO vacancy due to resignation or retirement, and after considering the Cooperative's Succession Plan:

1. If a majority of the Board is of the opinion that the GM/CEO vacancy should be filled, a search shall be conducted to identify appropriate candidates. The Board shall establish clearly defined qualifications for the position and shall communicate any position requirements to interested parties, as appropriate.
2. The Board may consider using a professional search resource to obtain the names of competent, retired individuals who can manage the Cooperative while the Board considers conducting a search, to assist the Board in recruiting a candidate for the available GM/CEO position, and/or to handle the logistics of conducting a search to fill the available GM/CEO position.
3. The Board may also consider entering into a management agreement with a neighboring cooperative to provide an individual who can manage the Cooperative while the Board considers conducting a search.
4. If the Board decides to fill the GM/CEO vacancy the Board is responsible for the final selection and orientation of the GM/CEO.

**V. RESPONSIBILITY.**

The GM/CEO shall be responsible for designating a staff member to act in his or her absence, as provided in the policy. The Board shall be responsible for seeing that all other aspects of this policy are adhered to.

# JUMP RIVER ELECTRIC COOPERATIVE, INC.

## Board Policy No. 3

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**Subject:** Director Expectations Policy

**Effective Date:** October 30, 2018

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### **I. PURPOSE.**

The purpose of this policy is to describe the expectations of the Jump River Electric Cooperative, Inc. (the “Cooperative”) Board of Directors (the “Board”) in exercising its authority and discretion.

### **II. POLICY.**

The Board possesses significant authority and discretion to exercise all powers of the Cooperative and to oversee the business and affairs of the Cooperative, unless limited otherwise by the Cooperative’s Articles of Incorporation or Bylaws, Board policy, or specific resolution of the Board. To ensure that all actions and decisions performed by the Board on behalf of the Cooperative are performed in the best interests of the Cooperative and its members, each Director is required to comply with the expectations set forth in this policy.

Failure to adhere to the expectations set forth in this policy can cause loss to the Cooperative, disruption of its operations, and/or harm to its reputation. Therefore, if a Director violates any provision of this policy, the Director may be asked to resign and/or may be subject to disciplinary action.

### **III. DIRECTOR ETHICS.**

- A. Each Director is expected to and shall conduct themselves and all of his or her actions and decisions in a lawful manner consistent with the highest standards of personal and professional honesty, integrity, and ethics at all times while Director.
- B. Each Director shall treat each other Director and each employee and member with courtesy and respect.
- C. Each Director is expected to and shall, through his or her actions and decisions, promote the best interest of the Cooperative and its members.
- D. Each Director is expected to avoid engaging in the following misconduct:
  - 1. Dishonesty of any type. This includes but is not limited to theft or other misappropriation of assets, whether of the Cooperative, its members, or its other customers, suppliers, or any other person;

2. Fraud;
3. Misstatements or other irregularities in company records, including but not limited to the intentional misstatement of the results of operations;
4. Forgery or other alteration of documents; and
5. Other similar wrongful acts.

#### **IV. DIRECTOR FIDUCIARY DUTIES.**

##### **A. Fiduciary Duty of Care.**

Each Director is expected to and shall adhere to the fiduciary duty of care by devoting the necessary time and attention to Director expectations and responsibilities and by making all decisions on an informed basis.

##### **B. Fiduciary Duty of Loyalty.**

Each Director is expected to and shall adhere to the fiduciary duty of loyalty by acting only in good faith and in the best interest of the Cooperative and its members.

##### **C. Fiduciary Duty of Compliance.**

Each Director is expected to and shall adhere to the fiduciary duty of compliance by ensuring actions of the Board and Cooperative comply with all applicable legal requirements as set forth in federal, state, and local statutes and with the Articles of Incorporation, the Bylaws, and any other contracts, written policies, rules, and/or regulations of the Cooperative.

#### **V. DIRECTOR CONFIDENTIALITY.**

Each Director is expected to and shall treat Cooperative information not generally available to the public and/or not normally divulged to the public in the normal course of business as confidential. Such confidential information includes but is not limited to employee records, salaries, disciplinary action, computer programs, pricing information on equipment purchases, marketing data and plans, locations of vital equipment, and engineering design information.

#### **VI. DIRECTOR CONFLICT OF INTEREST.**

Each Director is expected to and shall avoid activities that create a conflict of interest or the appearance of a conflict of interest. Conflicts of interest involving the personal interests of a Director are most likely to occur when the Director or members of his or her family are in a position to obtain some personal benefit at the expense of the Cooperative's best interests. Conflicts of interest involving the outside activities of a Director are most likely to occur when the Director's outside activity, such as

participation in a government or charitable organization, may have a potential effect on the Cooperative's interests. If a conflict of interest arises, the Director is expected to and shall advise the Board Governance Committee.

Directors shall complete the Cooperative's conflict of interest disclosure form at least annually and update the disclosure when circumstances change.

The following are examples of conflicts of interest but are not an exhaustive list:

- A. A Director or member of his or her family shall not have a significant financial interest, either directly or indirectly, in any supplier of the Cooperative or in any business transaction involving the Cooperative.
- B. A Director or a member of his or her family shall not accept, either directly or indirectly, any money, gifts of other than token value, unusual hospitality, lavish entertainment, loans, or other preferential treatment or substantial favors from any party with which the Cooperative does business. In the event a Director receives such gift, the Director shall notify the Board Governance Committee in writing.
- C. If a Director or a member of his or her family receives a gift or award of one hundred dollars (\$100) or more from the Cooperative or from any other person or firm, regardless of whether such party does business with the Cooperative but due to the Director's position with the Cooperative, the Director shall notify the Board Governance Committee in writing.
- D. Directors are not discouraged from serving on public bodies or charitable organizations, such as school boards, town boards, hospital boards, state government-related organizations, and the like. However, Directors shall 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 Director on the board of a public body or within a municipal government organization may create the appearance of or actual conflict of interest if that organization considers or engages in a business transaction with the Cooperative. If such appearance of or actual conflict of interest should arise, the Director shall refrain from acting in any situation in which his or her actions or possession of knowledge could be or could appear to be of either benefit or detriment to the Cooperative's interests. A Director serving on a governmental body or on the board of a public organization shall disclose such outside position or activity in such form and at such time as the Board Governance Committee may request.
- E. A Director entrusted with or knowledgeable of Cooperative information that is confidential or proprietary in nature or potentially useful to the Cooperative's competitor(s) or parties with the Cooperative does business shall not disclose such information outside of the Cooperative, whether during or after completion of his or her service with the Cooperative. Information obtained by a Director during his or her service 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.

## **VII. RESPONSIBILITY.**

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

# JUMP RIVER ELECTRIC COOPERATIVE, INC.

## Board Policy No. 4

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**Subject:** Communications Policy

**Effective Date:** October 30, 2018

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### I. PURPOSE.

The purpose of this policy is to set forth the procedure for internal and external communications of the Jump River Electric Cooperative, Inc. (the “Cooperative”) Board of Directors (the “Board”).

### II. POLICY.

#### A. General Communications.

1. Directors may interact in an unofficial capacity with Cooperative members or others through various communication methods and/or technologies, to generally keep the members informed of Cooperative matters. Such communications shall not involve disclosure of confidential Cooperative matters.
2. Directors may be given the authority to interact in an official capacity with Cooperative members or others through various communication methods and/or technologies. Such communications may involve discussions of Cooperative business.
3. In all of their communications, the Directors shall comply with this policy, being mindful that they are representing the Cooperative and not expressing views that conflict with the Cooperative. This policy also applies to electronic communications that occur through the use of e-mail, blogs, or social networking services.
4. Directors shall apply the following guidelines when communicating in an authorized capacity:
  - a. Each Director shall not state that he or she is speaking for the Cooperative, unless he or she has the specific authority to do so.
  - b. Each Director shall conduct internal and external communications in a respectful, positive, courteous, helpful, and prompt manner.

- c. Each Director shall never reveal Cooperative internal policy disputes or express opinions that may conflict with the Cooperative's official policies or publicly-stated positions.
- d. Each Director shall never hold himself or herself out as an expert on an issue by virtue of his or her position as Director, unless he or she has obtained prior permission.
- e. Each Director, when commenting about his or her position, shall be constructive and understand his or her authorized role as an advocate for the Cooperative and its members.
- f. Each Director shall never reveal confidential information, proprietary information, security information, or trade secrets of the Cooperative, including all matters discussed in executive sessions of the Board.
- g. Each Director, when communicating through electronic equipment, shall never compromise the safety of any person or the security of the Cooperative's systems.
- h. Each Director shall follow all state and federal laws and regulations, any Cooperative safety manual or policy, and any policies governing the use of communications and electronic equipment.

5. Communications among Directors shall be handled as follows:

- a. Each Director shall allow ample opportunity for every other Director to be heard on any matter being considered by the Board and shall listen carefully to the other Directors' judgment, views, and factual observations.
- b. The Bylaws set forth transparency requirements which the Board shall adhere to in conducting Cooperative business. The Board also recognizes that it is important for all Directors to have the same information before they are asked to act on Cooperative matters. For these reasons, Cooperative business shall not be discussed among individual Directors outside meetings of the Board and its committees.
- c. Each Director shall not reveal the difference of opinions amongst Directors on matters considered and acted upon by the Board to persons other than other Directors, the General Manager and Chief Executive Officer ("GM/CEO"), or the Cooperative's legal counsel, unless a Director feels he or she must do so because of some compelling and overriding legal consideration for the best interests of the Cooperative. This standard shall apply to informal and formal communications but does not preclude fair and accurate publication of such differences to the Cooperative's members in relation to contests

for Director elections or other matters to be voted upon by the members.

6. Each Director's communications with Cooperative employees, other than the GM/CEO, shall be casual and conducted on a friendly and courteous basis but shall not be for the purpose of influencing an employee's position or attitude on the Director's Cooperative-related activities, shall not be concerning management, operational, and employee relations or personnel issues, and shall not be for the purpose of seeking Cooperative information or data that is available to the Board.

**B. Crisis Communications.**

1. The Cooperative shall be proactive in using the media to keep its members informed of and during any crisis situation. The GM/CEO shall be the primary spokesperson responsible for communicating with the media and public. If the GM/CEO is not available, the Succession of Responsibilities listed below shall be followed. This policy shall be followed throughout the crisis.
2. Succession of Responsibilities:
  - a. GM/CEO
  - b. Finance Manager
  - c. Operations Manager
  - d. Line Superintendent (for Hayward-area matters)
  - e. Executive Assistant.

**III. RESPONSIBILITY.**

The Board has the responsibility and authority to enforce this policy as it applies to the Directors and the GM/CEO has that responsibility as this policy applies to employees.



# JUMP RIVER ELECTRIC COOPERATIVE, INC.

## Board Policy No. 5

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**Subject:** Director Meeting Attendance & Reimbursement

**Effective Date:** January 10, 2019

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### I. PURPOSE.

The purpose of this policy is to define the expectations of the members of the Jump River Electric Cooperative, Inc. (the “Cooperative”) Board of Directors (the “Board”) for attending meetings of the Cooperative and to specify reimbursing per diems or expenses to each Director for attending such meetings.

### II. POLICY.

#### A. Director Meeting Attendance.

1. Each Director shall attend all Board meetings, special meetings, committee meetings, annual and other member meetings, district meetings, and any other meetings affiliated with the Cooperative that are authorized by the Board or Board President.
2. If a Director misses any two (2) consecutive Board meetings or intermittently misses any three (3) Board meetings within one (1) year, the Board shall request the resignation of the Director, unless the Board determines there was reasonable cause for such absences or that it is otherwise in the best interest of the Cooperative not to take such action.
3. If a Director misses any portion of a Board meeting, the Board shall determine whether the portion missed qualifies as an excused absence or a non-excused absence. The Audit Committee shall prorate the per diem for that meeting to reflect the portion of that meeting that the Director missed, as provided in B.4, below. If a Director misses any portion of two (2) or more consecutive Board meetings or intermittently misses any portion of three (3) Board meetings within one (1) year, the Board shall ask for the resignation of the Director, unless the Board determines there was reasonable cause for such absences or that it is otherwise in the best interest of the Cooperative not to take such action.

#### B. Reimbursement of Per Diems and Expenses.

1. A reimbursement for per diems and/or expenses shall be paid to Directors only for such meetings that have prior Board approval. In the event of an emergency, the Board President may grant that approval.

2. Each Director shall be paid a per diem for each day or part thereof for authorized attendance at any meeting of the Cooperative or for serving on any committee of the Cooperative where the Director represents the Cooperative or otherwise advances the Cooperative's business, as follows:
  - a. Board President: Three hundred fifty dollars (\$350);
  - b. Board Secretary-Treasurer: Three hundred twenty-five dollars (\$325);  
and
  - c. All other Directors: Three hundred dollars (\$300).
3. A Director shall be reimbursed a mileage expense for attending any meeting of the Cooperative at the then-current Internal Revenue Service mileage allowance. If more than one (1) Director travels in the same vehicle, only the Director who furnishes the vehicle shall be reimbursed for the mileage expense. In the event a Director chooses to travel separately to a meeting of the Cooperative, his or her mileage expense will only be reimbursed upon prior Board approval.
4. If a Director misses any portion of a Board meeting and the Board determines that the missed portion qualifies as an excused absence, the Director's per diem shall be reduced at the rate of one-sixth (1/6) of his or her daily per diem for the first hour or portion of an hour that the Director is absent and one-half (1/2) of his or her per diem for the second hour or portion thereof absent. No per diem will be paid for any portion in excess of two (2) hours missed of any Board meeting. If the absence is not excused, the Director shall not receive a per diem for that meeting.
5. If a Director travels to any meeting of the Cooperative by common carrier, the Director shall be reimbursed for actual costs, subject to prior Board approval. In the event of an emergency, the Board President may grant that approval.
6. If a Director is required to and does participate in a conference call for the purpose of conducting Board-related business, the Director shall receive twenty-five dollars (\$25) per hour or per major portion of an hour for that call. If a Director voluntarily chooses to participate in the conference call as an observer the Director shall not receive any payment.
7. If attending a meeting of the Cooperative requires a Director's absence from home, the actual and reasonable cost of subsistence (i.e., room, meals, tips, taxi, etc.) shall be reimbursed to the Director. Tips are not to exceed twenty percent (20%) of the total meal expenses, and drinks containing alcohol shall not be reimbursed. The Director shall provide itemized receipts for all out-of-pocket expenses for attending such meeting before the Cooperative reimburses the Director. Directors' expenses shall not be combined, unless the

General Manager and Chief Executive Officer (the “GM/CEO”) requests otherwise.

8. If a Director, in his or her discretion due to travel each way exceeding one hundred (100) miles or due to weather, chooses to travel to a meeting a day early, the Director shall be reimbursed for the cost of lodging and evening meal at or near the scheduled meeting site. The cost of the lodging shall not exceed the amount that would normally be paid by the Cooperative for equivalent lodging that the Cooperative would have normally provided to the Director. A per diem of \$150 shall be paid to the Director for this discretionary day for one way of travel only.
9. Notwithstanding the above, if a Director attends a meeting of or on behalf of the Cooperative that is located outside of the state of Wisconsin, the Director may receive a per diem for any travel day but only upon prior Board approval.
10. In the event a Director must change his or her travel plans due to an emergency, inclement road or weather conditions, or other extenuating circumstances and incurs additional travel expenses, the Cooperative shall reimburse the Director for such additional expenses subject to the approval of the Board. In an emergency the Board President may grant that approval.
11. In the event a Director cancels his or her attendance of any meeting of the Cooperative, the Director shall be responsible for any unrecoverable expenses incurred by the Cooperative, unless determined otherwise by the Board.
12. Each Director shall submit reimbursement requests for per diem and expenses on the form prescribed. The completed form shall include a summary of the meeting to the extent required by the Transparency provision of the Bylaws (Article V, Section 7. Either as part of the reimbursement request or separately, that written meeting summary shall be submitted to the Cooperative no later than the Friday preceding the next Board meeting. The Director shall also present his or her report in open session at a meeting of the Board. The Audit Committee shall review all reimbursement requests on a monthly basis and, once approved, shall authorize the GM/CEO to reimburse the applicable Director for such sums owed by the Cooperative.
13. Any expenses or fees paid to a Director by another organization for attending any meeting of the Cooperative shall be deducted from the Director’s per diem and expense reimbursement sum payable by the Cooperative. If the amount paid by the other organization to the Director is more than the amount owed by the Cooperative, the Director shall retain that difference.
14. Directors may receive mileage reimbursement, but no per diem, for attending Member Appreciation Days. Per diem and expenses shall not be paid or reimbursed for any social events, including but not limited to parties, picnics, retirements, etc., unless otherwise specifically approved by the Board.

15. Within the first 12 months following election or appointment of a new director and upon each re-election, the Cooperative will pay up to a maximum of \$120 towards the purchase of designated garments with the Cooperative emblem. The application of the Cooperative logo will be handled strictly through authorized Cooperative personnel and will be at the Cooperative's expense.

16. Each Director shall be responsible for any and all expenses and fees incurred by his or her spouse and/or family member(s).

### **III. RESPONSIBILITY.**

The Board shall be responsible for implementing this policy.

# JUMP RIVER ELECTRIC COOPERATIVE, INC.

## Board Policy No. 6

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**Subject:** Director NRECA, WECA, & Affiliated Organization Meeting Attendance & Reimbursement

**Effective Date:** October 30, 2018

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### I. PURPOSE.

The purpose of this policy is to provide a rotating basis for members of the Jump River Electric Cooperative, Inc. (the “Cooperative”) Board of Directors (the “Board”) who are eligible to attend National Rural Electric Cooperative Association (“NRECA”) annual or regional meetings, or Wisconsin Electric Cooperative Association (“WECA”) statewide meetings, or other affiliated organization meetings, and to specify reimbursing per diem or expenses to each Director for attending such meetings.

### II. POLICY.

#### A. NRECA Annual and Regional Meetings.

1. No more than (3) Directors shall attend an NRECA annual or regional meeting in one (1) year.
2. Each Director shall become eligible to attend an NRECA annual meeting once during each Director term. These same Directors shall be eligible to attend one (1) regional meeting during their term. In no event, shall there be more than three (3) Directors attending an NRECA annual or regional meeting in any one (1) year.
3. A Director appointed to the Board to fulfill the unexpired term of a former Director or a newly-elected Director shall become eligible to attend an NRECA annual or regional meeting upon prior Board approval.

#### B. WECA Statewide Meetings.

The number of Directors and the specific Directors eligible to attend a WECA statewide meeting is subject to prior approval of the Board.

#### C. Affiliated Organization Meetings.

The number of Directors and the specific Directors eligible to attend a meeting of an affiliated organization is subject to prior approval of the Board.

#### D. Reimbursement of Per Diems and Expenses.

Each Director shall be eligible for per diem and reimbursement of expenses for attending any of the above meetings in accordance with Section B of Board Policy No. 5.

**III. RESPONSIBILITY.**

The Board shall be responsible for implementing this policy.

# JUMP RIVER ELECTRIC COOPERATIVE, INC.

## Board Policy No. 7

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**Subject:** Director Education Course Attendance & Reimbursement

**Effective Date:** October 30, 2018

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### I. PURPOSE.

The purpose of this policy is to specify the required, optional, unrestricted, and restricted education courses available to members of the Jump River Electric Cooperative, Inc. (the “Cooperative”) Board of Directors (the “Board”) and to specify reimbursing per diem or expenses to each Director for attending such courses.

### II. POLICY.

#### A. Director Education Courses.

##### 1. **New Directors (Required).**

Credentialed Cooperative Director Certificate: Each new Director shall earn his or her Credentialed Cooperative Director (“CCD”) Certificate. The CCD Certificate curriculum consists of five (5) courses designated to provide basic knowledge and skills required of cooperative directors in general. These courses are taken over two (2) to three (3) years and are usually at Wisconsin Electric Cooperative Association (“WECA”) sponsored programs. These courses are also offered at National Rural Electric Cooperative Association (“NRECA”) pre-conferences and summer schools. Each Director is encouraged to attend the closest NRECA Directors’ School to complete his or her required courses in one (1) trip. Upon completion of the CCD Certificate, the Director will be recognized at the NRECA regional meeting. To complete the CCD Certificate, the Director shall take the following courses:

- a. 2600.1 Director Duties and Liabilities;
- b. 2610.1 Understanding the Electric Business;
- c. 2620.1 Board Operations and Process;
- d. 2630.1 Strategic Planning; and
- e. 2640.1 Financial Decision-Making.

##### 2. **All Directors (Optional).**

Board Leadership Certificate. Each Director may also earn his or her Board Leadership Certificate (“BLC”). The BLC program consists of a series of more advanced issues and skill-based courses for cooperative directors in general. In order to acquire the BLC, the Director must have earned his or her

CCD Certificate. To complete the BLC, the Director shall complete ten (10) credits from the following courses:

- a. 901.1 Rules and Procedures for Effective Board Meetings;
- b. 903.1 The Role of the Board Chair in Conducting Effective Meetings;
- c. 913.1 Cooperative Foundations: Co-op Legacy, Principles & Impact on Communities;
- d. 914.1 Cooperative Communications & Public Opinion – The Director’s Perspective;
- e. 918.1 Maximizing Your Grassroots Strategy;
- f. 919.1 Cooperative Structure: A Strategic Advantage;
- g. 921.1 Risk Oversight: The Board’s Role in Risk Management;
- h. 924.1 Continuity Management & Emergency Response Planning;
- i. 925.1 Co-op Bylaws: Guiding Principles & Current Issues;
- j. 929.1 Current Governance Issues in Policy Development;
- k. 930.1 Ethics and Governance: Implementing the New Accountability;
- l. 935.1 Appraising and Compensating the CEO;
- m. 943.1 Conversation Skills Outside the Boardroom;
- n. 944.1 Giving and Receiving Effective Feedback;
- o. 951.2 Developing Effective Boardroom Decision Making;
- p. 955.1 Your Board’s Culture: Its Impact on Effectiveness;
- q. 956.1 Crucial Conversations in the Boardroom;
- r. 961.1 The Evolution of Electric Cooperative Power Supply;
- s. 963.1 Strategic Technologies & Their Impact on the Cooperative;
- t. 974.1 Rate Making Strategies & Policy Decisions for Boards;
- u. 975.1 Capital Credits Issues & Decisions; and
- v. 977.1 Equity Management & Boardroom Decision Making.

### 3. **Unrestricted Enrollment.**

All Directors are eligible each year for the following courses/meetings:

- a. Dairyland Power Cooperative (“DPC”) Annual Meeting;
- b. WECA Education & Lobby Day;
- c. WECA Annual Meeting;
- d. WECA District Meeting; and
- e. DPC District Meeting or Symposium.

### 4. **Restricted Enrollment.**

- a. A three (3) year rotation schedule is followed for the following meetings:
  - i. NRECA Regional
  - ii. NRECA Annual Meeting\*
  - iii. NRECA Directors Conference\*

\* Choice of NRECA Annual Meeting or Directors Conference.



- b. No more than two (2) Directors may attend the NRECA Legislative Conference. The Directors may be selected by lottery, if needed.
- c. Each Director may attend a DPC Board meeting as an observer one (1) time during his or her three (3) year term.

**B. Reimbursement of Per Diem and Expenses.**

- 1. Each Director shall be eligible for per diem and reimbursement of expenses for attending the above education courses/meetings in accordance with Section B of Board Policy No. 5.
- 2. Each Director shall not attend the same Director education course, unless determined otherwise by the Board.

**III. RESPONSIBILITY.**

The Board will be responsible for implementing this policy.

# **JUMP RIVER ELECTRIC COOPERATIVE, INC.**

## **Board Policy No. 8**

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**Subject:** Financial Planning & Operation

**Effective Date:** October 30, 2018

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### **I. 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.

### **II. 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”).

### **III. 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;
- Cost of Service/Rate Study;
- Long Range Construction Plan;
- Construction Work Plan;
- 10-Year Financial Forecast;
- Capital Budget; and
- Operating Budget.

B. Creating or updating the foregoing planning documents shall be subject to Board review and approval.

### **IV. 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-seven percent (37%) and fifty-five percent (55%).
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.

**V. 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;
  - A balance sheet;
  - A statement of changes in cash flow that details cash from operations, investing, and financing;
  - 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 also include, at a minimum, the following sections:

- Ratios;
- A balance sheet;
- A statement of operations;
- General funds;
- Loan projections;
- A determination of operating revenue;
- Plant investment;
- Determination of debt and debt service; and
- Cash flow.

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.

## **VI. RESPONSIBILITY.**

The Board and GM/CEO shall be responsible for seeing that this policy is adhered to.

# **JUMP RIVER ELECTRIC COOPERATIVE, INC.**

## **Board Policy No. 9**

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**Subject:** Cooperative Donations

**Effective Date:** October 30, 2018

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### **I. 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.

### **II. 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.

### **III. RESPONSIBILITY.**

The Board and General Manager and Chief Executive Officer shall be responsible for ensuring compliance with this policy.

# JUMP RIVER ELECTRIC COOPERATIVE, INC.

## Board Policy No. 10

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**Subject:** Federated Youth Foundation Scholarships

**Effective Date:** October 30, 2018

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### I. 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 for the selection and distribution of scholarships from the assets of its Federated Youth Foundation, Inc. (“FYF”) fund.

### II. POLICY.

The Cooperative may grant scholarships 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 shall award 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 and shall be allocated equally to each of the aforementioned high schools for the next graduating class.
  2. 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 award 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 award one (1) scholarship to a current member attending the L.C.O. Community College. The 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 award one (1) scholarship 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 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 and may be applied towards the following year's allocation of scholarships or towards any charitable donation(s) specified by resolution of the Board.

G. Selection of scholarship (or other donation) recipients shall meet any and all applicable requirements of state and federal law.

**III. RESPONSIBILITY.**

The Board shall be responsible for ensuring compliance with this policy.



# JUMP RIVER ELECTRIC COOPERATIVE, INC.

## Board Policy No. 11

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**Subject:** Insurance

**Effective Date:** October 30, 2018

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### **I. PURPOSE.**

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

### **II. 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. Special Risk Accident Insurance for each Director, the General Manager and Chief Executive Officer (the "GM/CEO"), and the Cooperative's attorney(s) and 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. 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.

- 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 insureds 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.

### **III. RESPONSIBILITY.**

The GM/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.

# **JUMP RIVER ELECTRIC COOPERATIVE, INC.**

## **Board Policy No. 12**

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**Subject:** Retirement Plan

**Effective Date:** October 30, 2018

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### **I. 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.

### **II. 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.

### **III. 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 and Chief Executive Officer shall then be responsible for implementing this policy.

# JUMP RIVER ELECTRIC COOPERATIVE, INC.

## Board Policy No. 13

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**Subject:** Capital Credits

**Effective Date:** October 30, 2018

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### I. 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.

### II. 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.

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. 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 level between thirty-seven percent (37%) and fifty-five percent (55%) of the Cooperative's total assets; (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, if his or her capital credit balance is less than twenty-five dollars (\$25.00).
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. Procedures for payments to former patrons and to estates or heirs of deceased patrons are set forth in detail in the Employee Handbook.
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 Employee Handbook. 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.

### **III. RESPONSIBILITY.**

The Board and GM/CEO shall be responsible for seeing that this policy is adhered to.

# JUMP RIVER ELECTRIC COOPERATIVE, INC.

## Board Policy No. 14

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**Subject:** Disposition of Property

**Effective Date:** October 30, 2018

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### I. PURPOSE.

The purpose of this policy is to establish procedures that the Jump River Electric Cooperative, Inc. (the “Cooperative”) Board of Directors (the “Board”) may follow upon receipt of an offer to sell, lease, or otherwise dispose of or encumber all or any substantial portion of the Cooperative’s property.

### II. POLICY.

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. “BONA FIDE OFFER”.

#### A. “Bona Fide Offer” Defined.

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 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 GM/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 shall be responsible for seeing that this policy is adhered to.

# JUMP RIVER ELECTRIC COOPERATIVE, INC.

## Board Policy No. 15

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**Subject:** Non-Discrimination Statement & Policy

**Effective Date:** October 30, 2018

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### I. 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.

### II. 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 at: U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;
  - b. Fax at: (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 and Chief Executive Officer  
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.

### **III. RESPONSIBILITY.**

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

# JUMP RIVER ELECTRIC COOPERATIVE, INC.

## Board Policy No. 16

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**Subject:** Harassment Policy

**Effective Date:** October 30, 2018

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### I. 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.

### II. 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.

### III. 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.

**IV. 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 Governance Committee. In the event a member of the Board Governance Committee is involved in the harassment, any other member of the Board Governance 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 Governance Committee for final review and approval.
3. After the GM/CEO or Board Governance 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 Governance 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.

### V. **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.

### VI. **RESPONSIBILITY.**

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

# **JUMP RIVER ELECTRIC COOPERATIVE, INC.**

## **Board Policy No. 17**

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**Subject:** Privacy Policy

**Effective Date:** October 30, 2018

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### **I. 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.

### **II. 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, telephone number, social security number, account balance, payment history, credit history, and credit scores. While 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 does not retain or store that information.

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.

### **III. RESPONSIBILITY.**

The General Manager and Chief Executive Officer shall ensure that this policy is adhered to.

# **JUMP RIVER ELECTRIC COOPERATIVE, INC.**

## **Board Policy No. 18**

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**Subject:** Mailing Lists

**Effective Date:** October 30, 2018

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### **I. PURPOSE.**

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

### **II. POLICY.**

The Cooperative shall only use mailing lists or include stuffers in the mailings to its members that are in furtherance of the Cooperative’s business purposes (e.g., billing, 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.).

### **III. RESPONSIBILITY.**

The General Manager and Chief Executive Officer shall be responsible for ensuring compliance with this policy.

# JUMP RIVER ELECTRIC COOPERATIVE, INC.

## Board Policy No. 19

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**Subject:** Identity Theft Detection & Prevention

**Effective Date:** October 30, 2018

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### I. 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.

### II. DEFINITIONS.

- A. "Authorized Personnel" means the following Cooperative staff persons: General Manager and Chief Executive Officer (the "GM/CEO"), Finance Manager, Billing Clerk, Administrative Assistant/Communications Coordinator, Accounting Clerk, and Member Service Representative.
- 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.

### **III. 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.

### **IV. 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

## **V. 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.

## **VI. 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.

**VII. POLICY AMENDMENT.**

This policy shall be reviewed annually by the GM/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.
- A. 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.
- C. Revise this policy as necessary to maintain consistency with the above steps.

**VIII. RESPONSIBILITY.**

The GM/CEO shall be responsible for ensuring that this policy is adhered to.

# **JUMP RIVER ELECTRIC COOPERATIVE, INC.**

## **Board Policy No. 20**

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**Subject:** Safety Policy & Procedures

**Effective Date:** October 30, 2018

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### **I. 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.

### **II. 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 included in the Employee Handbook of the Cooperative.

### **III. RESPONSIBILITY.**

The General Manager and Chief Executive Officer 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.

# JUMP RIVER ELECTRIC COOPERATIVE, INC.

## Board Policy No. 21

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**Subject:** Record Retention Policy

**Effective Date:** October 30, 2018

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### I. 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.

### II. 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. More specific information on these requirements is provided in the **Employee Handbook**.
- 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. The **Employee Handbook** also includes the schedule for retention of records for the purposes described in this paragraph, whether that be for the life of the Cooperative or for a shorter period.
- 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”.

**III. RESPONSIBILITY.**

The Board and the GM/CEO shall be responsible for ensuring compliance with this policy.

Jump River Electric Cooperative  
Board Policy No. 22

**Cooperative-Administered Dispute Resolution Policy**

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.

I. 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.

- II. **PROCEDURE:** See Attachment A for the Process and Procedure that will be followed by all parties involved in Arbitration.
- III. **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.

BOARD POLICY #22

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Date Approved: 5/26/2020

Date Revised:

Date Reviewed:

## 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.
- j. 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:
  - i. 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.
  - ii. 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.
  - iii. 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.
- k. 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:



(If additional space is required, please add a blank sheet and continue explanation attaching same to this form).

2. Amount of money in controversy:

3. Remedy Sought:

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: \_\_\_\_\_

Jump River Electric Cooperative  
Board Policy No. 22

**Cooperative-Administered Dispute Resolution Policy**

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.

I. 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.

- II. **PROCEDURE:** See Attachment A for the Process and Procedure that will be followed by all parties involved in Arbitration.
- III. **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.

BOARD POLICY #22

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Date Approved: 5/26/2020

Date Revised:

Date Reviewed:

## 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.
- j. 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:
  - i. 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.
  - ii. 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.
  - iii. 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.
- k. 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:

(If additional space is required, please add a blank sheet and continue explanation attaching same to this form).

2. Amount of money in controversy:

3. Remedy Sought:

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: \_\_\_\_\_