

**Minutes of the Regular Board Meeting of the  
Jump River Electric Cooperative, Inc.**

**August 28, 2018**

A regular meeting of the Board of Directors of the Jump River Electric Cooperative, Inc. was held on Tuesday, August 28, 2018, at the Ladysmith headquarters building in Ladysmith, Rusk County Wisconsin.

- A. President Jerry Carow called the meeting to order at 8:58 a.m.
- B. **Roll Call.** Carow stated that all board members were present, being as follows: Jane Reich, District 1; Myron Brooks, District 2; Joe Lorence, District 3; Jerry Carow, District 4; William van Doorn, District 5; John Cerman, District 6; Lori Taguma, District 7; Walter Kruk, District 8; and Sandra Schara, District 9. Also present were General Manager James Anderson, Finance Manager Lori Davis, and Executive Assistant Tammy Bloomer.
- C. The **Pledge of Allegiance** was recited.
- D. Motion by Schara, and seconded by Reich, to **accept the Agenda** as presented. Unanimously carried.
- E. **Open Comment Session.** No one in attendance.
- F. **July Regular Board Meeting Minutes** were presented and reviewed. Discussion held on “due diligence” in regard to the Armory. Schara requesting that we put this item back on the agenda. Motion made by Schara, and seconded by Brooks, to approve the July Regular Board Minutes as presented. Unanimously carried.

The Board moved to Item H - Operations Report.

G. **Financial Report.** Davis distributed July 2018 Financial Reports and highlighted the following: TIER, Operating Revenue, Cost of Purchased Power, Total Distribution Expenses, Sales Expense, Administration & General Expense, Distribution Expense-Operation, Distribution Expense-Maintenance, Depreciation, Gross Revenue Tax, Interest on Long-Term and Short-Term Debt, Donations, Total Operation Margins, Non-Operation Margins, and DPC Capital Credits. Davis continued to report on the July 2018 Form 7 Operating Report, pointing out the following: Service Data, Services & Miles of Line, Operating Statistics, Due on Energy Accounts, Transportation Cost, Number of Dusk to Dawn Lights, and Member Counts by District. Davis reviewed the Monthly ACH Money Transfer and the Cooperative’s check numbers 83816 and 83817, 83857 – 83880, 83885 – 83969, and 83974 – 84022 for the period 7-06-18 through 8-5-18. Davis “thanked” the Board for having the Accounting Staff sit in on the board training session that was held. Davis also updated the Board on CFC investment funds. A motion was made by Lorence, and seconded by Kruk to approve sending the financial report to the Cooperative Auditors. Unanimously carried.

H. **Operations Report.** Operations Manager Sam Howard entered the meeting at 9:01 a.m. and reviewed the Operations Report, highlighting the following: Spray season winding down, Osmose pole testing on the west and north circuits out of the Flambeau sub the last week of August, Ladysmith and Hayward working on service upgrades and new services, first meeting with RAI – Demand Reduction, Dairyland Power Company (DPC) substation update at Round Lake and Hawkins, still working on CR-D project in the town of Willard, both locations to begin working on the brushing that needs to be done in 2019, and Rural Electric Safety Accreditation Program (RESAP) was done August 21<sup>st</sup> and 22<sup>nd</sup> - all went well. Motion made by van Doorn, and seconded by Reich, to approve the Operations Report. Unanimously carried. Howard left the room at 9:10 a.m.

The Board moved back to Item G - Financial Report.

I. **General Manager Report.** Carow signed the 219’s. Anderson reviewed NISC, Supervisor Control and Data Acquisition (SCADA) Study, Hayward Office Intern, Employee Review and Job Descriptions, and Background Checks. Anderson also reviewed the Membership Refund List, Membership Application List, Director Expenses, Employee Safety & Activity Report, and the Outage Report for July. Schara made a motion, and seconded by van Doorn, to accept the Manager Report. Unanimously carried.

J. **DPC Director Report.** Reich was at DPC on August 17 and 18 and reported on the following: strategic and disruptive scenario planning, electrical vehicles, and no power cost adjustment. A motion was made by van Doorn to approve the DPC Director Report. Second by Kruk. Unanimously carried.

K. **Director Reports.** Director Reports were uploaded to the Board-Paq prior to the meeting. Kruk commented on the training the Board received from Cooperative Finance Corporation (CFC). Carow circulated Thank you cards from The Northwoods Humane Society of Hayward, Wisconsin, Concor Tool and Machine, and Hayward Area Memorial Hospital & Water's Edge.

L. **Unfinished Business.** Nothing to report.

M. **New Business.**

1. **Board Leadership Course -**

a. **Capital Credits: Issues and Decisions,** to be held October 3, 2018 in Eau Claire, Wisconsin. Those interested in attending are Reich, Brooks, Lorence, Carow, van Doorn, Cerman, Taguma, Kruk, and Schara. A motion was made by van Doorn, to send those interested in attending the Capital Credits: Issues and Decisions course. Seconded by Kruk. Unanimously carried.

2. **Credentialed Cooperative Director Course –**

a. **Financial Decision Making,** to be held October 17 – 18, 2018 in Eau Claire, Wisconsin. Those interested in attending are Lorence, van Doorn, Cerman, Taguma, Kruk, and Schara. A motion was made by Brooks, to send those interested in attending the Financial Decision Making course. Seconded by van Doorn. Unanimously carried.

3. **A Day with your G&T, to be held October 3, 2018 in La Crosse, Wisconsin.**

This outing conflicts with the Capital Credit Course. Anderson stated that a second date has been added to the venue. Those interested in attending are Brooks, Lorence, Carow, van Doorn, Taguma, Kruk, and Schara. A motion was made by Kruk, to send those interested in attending A Day with your G&T. Seconded by Brooks. Unanimously carried. Reich stated that she would like to attend. Motion made by Schara, seconded by van Doorn to send Reich to A Day with your G&T.

The Board moved back to Item M – 6 – FY 18 Rural Energy for America Program Grant.

4. **2019 NRECA Annual Meeting.** Anderson stated that this meeting is to be held March 10 through March 13, 2019, in Orlando, Florida. Those eligible to attend are Brooks, Taguma, and Kruk. Brooks is not interested in attending. Discussion held. A motion was made by Schara, and seconded by van Doorn, to approve sending Taguma, and Kruk to the 2019 NRECA Annual Meeting.

5. **Mileage Discussion.** Discussion held on mileage and the way it's calculated. Per our bylaws we need to continue reporting as is.

The Board moved back to Item M - 3 - A Day with your G&T.

6. **FY 18 Rural Energy for America Program Grant.** Anderson reviewed the FY 18 Rural Energy for America Program Grant, which will be used to purchase and install dusk to dawn lights. Discussion held. Reich made a motion, seconded by Kruk to authorize the signing of the letter of intent to meet conditions.

7. **Community Cents, Inc.** Anderson reviewed the Community Cents Resolution. This resolution was approved in a previous meeting and just needs signatures. Discussion held on program specifications. The Board asked that Anderson put something in writing and that this be presented at the Annual Meeting.

The board moved to Item 9 - Executive Session.

8. **Policies.** Attorney Niles Berman of Wheeler, Van Sickle & Anderson, S.C. entered the meeting at 11:14 a.m. Attorney Barbra Klug of Wheeler, Van Sickle & Anderson, S.C. joined the meeting by conference call at 11:17 a.m. Discussion held on expectations and how the policies were grouped. Berman recommended to the Board that they continue to review policies on a regular basis. Berman and Klug reviewed individual policies with the Board. Discussion held on each.

The board recessed for lunch at 12:04 p.m. and reconvened at 12:17 p.m., Klug disconnected at 12:04 p.m. and reconnected at 12:17 p.m. and went back into Policy review.

The board recessed for break at 1:35 p.m. and reconvened at 1:45 p.m. and went back into Item 8 - Policies.

The board recessed for break at 3:40 pm and reconvened at 3:50 p.m. and went back into Policy review.

Discussion held on Capital Credit Disbursement – a motion was made by Cerman, seconded by Brooks to apply capital credits to active energy. Unanimously carried.

The board went back to item 8 – Policies. Berman and Klug will revise the policies as needed and re-present in the next couple of weeks.

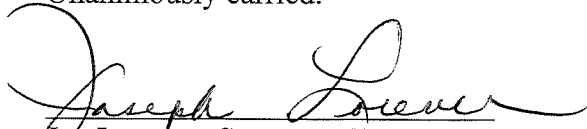
Anderson brought to the Board's attention that there would be no dinner after the Annual Meeting, due to a conflict at the High School. Discussion held. Board consensus was to have Anderson research other options.

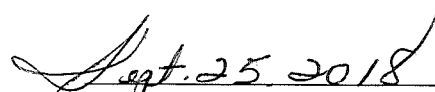
9. **Executive Session.** A motion was made by van doorn to go into Executive Session to discuss approval of Executive Minutes, Legal Matters, and Union Negotiations at 10:29 a.m. Seconded by Cerman. Unanimously carried. Davis and Bloomer left the meeting at 10:28 a.m. The board recessed for break at 10:28 a.m. and reconvened at 10:38 a.m. and went back into Executive Session. Davis re-entered the meeting at 10:42 a.m. A motion was made by Kruk and seconded by Cerman to move out of Closed Session at 11:13 a.m. Unanimously carried. No action was taken. Bloomer re-entered the meeting at 11:13 a.m.

Discussion was held in Executive Session on Capital Credit Payout options. A motion was made by Reich, and seconded by Kruk to adopt Option 3, Capital Credit Retirement Payout. Unanimously Carried.

The board moved back to Item 8 - Policies.

A motion was made by van Doorn, and seconded by Schara, to adjourn the meeting at 5:50 p.m. Unanimously carried.

  
Joe Lorence, Secretary-Treasurer

  
Dated

(CORPORATE SEAL)

I have been visiting with our members across the JREC lines and find them, as a whole to be comfortable with our cooperative, our directors, and its management.

Jane Reich  
District 1

Director report from M Brooks

No power outages in District 2 in August.

Attended Energy Issues Summit in Stevens Point on Aug. 2nd. Topics on agenda were electric vehicles, strategic energy assessment, economic development, RUS loans and grants, and the use of drones. One topic that was very poor was cyber security.

Jim and I also purchased a swine from the Rusk County Fair exhibited by Emma Warner, Riverview 4H of Jump River. The swine weighed 308 pounds and sold for \$2.40 per pound. Emma's parents are members of Jump River Electric Cooperative.

JREC Director's Report  
Bill vanDoorn  
District 5

August was a very inactive month so far. I have read news concerning the cooperative industry and find it interesting, however I am troubled by the emphasis on electric cars and the likes. My concern is that we maybe putting the cart ahead of the horse. As an example, alcohol fuel is still being subsidized to this day. It is still being discussed whether or not we are producing less emissions with the addition of production emissions. We must always try to be objective and at the same time be innovative.

I have noticed that in the near future there is training on capital credit. This should be very interesting for I have many questions concerning how it should be implemented for the future of the coop and it's members.

Respectfully submitted,  
Wm vanDoorn

JUMP RIVER ELECTRIC COOPERATIVE BOARD OF DIRECTOR ACTIVITIES-AUGUST 2018

DISTRICT FOUR MEMBER-JERRY CAROW

Attended WECA Training Sessions in Stevens Point on both August 1<sup>st</sup> and August 2<sup>nd</sup>.

The August 1<sup>st</sup> session was a Board Leadership Course on Ethics and was attended by 23 other Board Members and General Managers from around the Cooperative world. The course itself was an affirmation of the values necessary to function as an advocate for the member/owners in cooperative decision-making and was better than many other classes previously attended. There was an interesting discussion of the inadequacies of individual Board members attending sessions like these and then not being able to find the right avenue for discussion with our peers back home who had not attended. The thought presented by some attendees, including myself, was that it may be more beneficial to spend the cooperative dollars by grouping individual Boards with neighboring Boards and having the entire Board hear the same message at the same time. This was discussed with General Manager Anderson upon return and may surface as a Board item.

The August 2<sup>nd</sup> session was the annual Energy Summit and Board members Schara and Brooks also attended. The electric vehicle issue was the most interesting to this Board member, but grants were also an inviting item. Barron Electric Manager Dallas Sloan was featured in the electric vehicle issue and in his discussion the fact that Barron Electric furnishes Type 2 charging stations at no cost to their members was brought forth. That fact seemed worth investigating and was also passed on to General Manager Anderson on return and upon his investigation of the issues, the issue may also appear either as a Board item or at least in his Manager's report.

An issue that was presented in open session at the July Board Meeting and drew comment from member/owners was the possible movement of the Headquarters building to the Ladysmith Armory. Several member/owners asked about the issue and discussed the thought of the Armory being three times oversized for our needs and the energy costs of maintaining a forty-some year-old building that was built to energy standards of the '70's.

Other member/owner concerns discussed throughout the month in their words were the purchase of a hog at the Rusk County fair for seven-hundred and some dollars, the donation to the Bluegrass Festival, attorney costs, the over-sized Hayward building and trenching costs on private lands among other items.

A personal issue with this Board Member that deserves comment in this report is the what seemed like a good idea at the time but may not have been quite as good. The issue is the personal Board computers and trying to understand documents which cannot be printed but must be viewed on a seven by five-inch screen. Some of those documents (like the Board Policies this month) are better understood and save time if they are viewed in printed form. The issue may be solved with larger screens like management gets to use, or it may be solved by allowing some critical documents to be used in print form, but it needs to be solved.

## District # 3 Directors Report

Month: August, 2018

Joe Lorence / Director

District 3 had a planned power outage. On Monday Aug. 13 there was a computer generated robo-call to all the members that would be affected. The outage was to do repairs on the Conrath sub station and was scheduled for Thursday 12:01 am and could be out for up to 6 hours. Another call was received as a reminder the day prior and to my knowledge everything went as planned and I do not know how long the actual outage lasted. There was plenty of time to plan for the outage and it was at a time when there would be minor impact to the membership. To my knowledge all went well.

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