

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

April 24, 2018

A regular meeting of the Board of Directors of the Jump River Electric Cooperative, Inc. was held on Tuesday, April 24, 2018, at the Hayward outpost building in Hayward, Sawyer County Wisconsin.

- A. President Jerry Carow called the meeting to order at 8:52 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, Manager of Member Services Lori Davis, and Executive Assistant Tammy Bloomer.
- C. **The Pledge of Allegiance** was recited.
- D. Motion by van Doorn, and seconded by Brooks, to **accept the Agenda** as presented. Unanimously carried.
- E. **Open Comment Session.** No one in attendance.
- F. **March Regular Board Meeting Minutes** were presented and reviewed. Motion made by Lorence, and seconded by Schara, to approve the March Regular Board Minutes as presented. Unanimously carried.

The board moved to Item M - 1 - Cooperative Auditor CliftonLarsonAllen.

G. **Financial Report.** Davis reviewed Cooperative's check numbers 83275-83350 and 83352-83395 for the period 3-06-18 through 4-05-18. Davis included a list of most commonly paid vendors. Davis also reviewed the Monthly Ach Money Transfer. Davis distributed a February 2018 Financial Report 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 February 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. A motion was made by Kruk, and seconded by Cerman to approve sending the financial report to the Cooperative Auditors. Unanimously carried.

The Board moved to Item I - General Manager's Report

H. **Operations Report** was reviewed by Line Superintendent Joe Donnellan. Donnellan highlighted the following: Lake States status, line patrol, maintenance, and PCB test on Round Lake, Conrath, and Gilman substations, overhead transformers, GPS deployment of RF Metering in the Round Lake area, Star Energy mapping project, preparing for the up coming construction season, and little new services or service upgrade activity as of yet. Donnellan commended Hayward Apprentice Linemen Cory Andraschko and Jordan Behreandt on their successful completion of 4 year apprenticeship. Motion made by Schara, and seconded by Kruk, to approve the Operations Report. Unanimously carried. Donnellan left the room at 12:05 p.m.

The Board recessed for lunch at 12:00 p.m. and reconvened at 12:10 p.m.

The Board moved back to Item K - Director Reports

I. **General Manager Report.** Carow signed the 219's. Anderson reviewed the Appliance Department, Annual Audit, Building, Policies, Under 50 kWh Rate Recovery, and Fixed Cost of Delivery charge. Discussion held on rate increase letter that was sent to all members. Anderson also reviewed the outage report for March, and mentioned upcoming scholarship presentation opportunities. Discussion held on scholarship amounts. Anderson to check into available funds and present at next board meeting. Schara made a motion, and seconded by Reich, to accept the Manager Report. Unanimously carried

The board recessed for break at 11:20 a.m. and reconvened at 11:32 a.m.

J. **DPC Director Report.** Reich reported on the DPC Governance Committee and Board Meetings and highlighted the following: compensation for CEO and Board, a board self-assessment was performed, financials, transfer of the nuclear regulatory commission license for decommissioning of LACBAR, Menagerie Trail Energy Center, approved selection of turbine, agreement to check into bottom ash (burn off of coal) recycle - utilizing it for an agricultural purchase, approved contribution to the all abilities train park in La Crosse, resolution to set terms on load, power cost adjustment, safety stand-down, Genoa 3 plant, Dairyland Power wholesale contract, educational presentation on electric vehicles and net zero homes. Superintendent Joe Donnellan entered the room at 11:40 a.m. A motion was made by van Doorn to approve the DPC Director Report. Second by Brooks. Unanimously carried.

The Board moved back to Item H - Operations Report

K. **Director Reports.** Discussion held on Director Reports. Anderson requested that directors send their monthly reports to Bloomer to be uploaded to the board-paq. Board consensus was to upload written director reports and DPC Report to board paq prior to scheduled regular Board meeting.

The board moved to Item M - 4 - SEDC Update

L. **Unfinished Business.**

1. **City Armory Building Discussion.** This agenda item was discussed during Executive Session under item 11. The consensus in Executive Session was to take no action on this item.

M. **New Business.**

1. **Cooperative Auditor, CliftonLarsonAllen.** Cooperative Auditor, Jim Halvorsen entered the meeting at 8:58 a.m., along with Finance Manager, Scott Peterson. Halvorsen presented the audit results for the year 2017, as performed in March 2018. Discussion held on the purpose of an audit - to make sure financial statements are accurate. A short break was taken at 9:08 a.m. and reconvened at 9:20 a.m. due to technical difficulties. Halvorsen proceeded to give the Board an overview of procedures and professional standards used during the audit. Halvorsen reviewed audit process, required communications, audit results, other observations and best practices, financial results and equity as a percentage of assets, and cash flow review. Halvorsen and Peterson left the meeting at 10:08 a.m.

The board moved back to Item G - Financial Report

2. **General Manager Contract Discussion.** This agenda item was discussed during Executive Session under item 11.

3. **2018 Membership Appreciation Days – LCO site.** This agenda item was discussed during Executive Session under item 11.

4. **SEDC Update.** Anderson updated the Board on the SEDC contract. Anderson looking for direction as to how to proceed with SEDC versus NISC utility programing. Anderson requested permission to break the contract with SEDC and contract with NISC. Board consensus was to break the contract with SEDC and have Anderson send a letter. Motion was made by van Doorn giving Anderson and the Cooperative's attorney flexibility to negotiate with NISC and resolve contract issues with SEDC. Motion was seconded by Reich. Discussion was held. President Carow suggested that the Board table the vote on the motion until after speaking with the Cooperative's attorney in an upcoming phone call later in the afternoon. The Board agreed and tabled the matter. The motion stands – consensus in Executive Session was to have Anderson break the contract with SEDC.

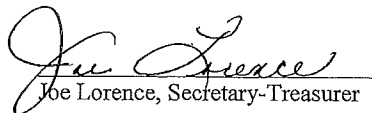
5. **Annual Meeting Discussion.** Discussion held on JREC's 2018 Annual Meeting. Anderson proposed the following changes: 1) lunch after the meeting instead of breakfast before the meeting and 2) entertained grand prize of free power for a year for one member. Member still responsible to pay fixed cost of delivery with a cap of

\$100 in energy per month. Motion made by van Doorn, seconded by Taguma to authorize Anderson to make those changes to the Annual Meeting. Unanimously carried.

6. **Meter OPT Out Policy.** Anderson reported on the need to have a metering policy to address the members that want to opt out. Discussion held and Board consensus was to have Anderson write a meter opt out policy and to revisit at a future meeting.
7. **Co-Bank Incumbency Certification.** Anderson presented and reviewed the updated Co-Bank Incumbency Certification. A motion was made by Lorence, seconded by Reich to approve signing the incumbency certificate as presented. Unanimously carried.
8. **Review Application for Membership and / or Electric Service.** Discussion held on application for membership and / or electric service. Board consensus was to proceed with presented letter. Motion made by Lorence, seconded by Reich to approve the letter presented. Unanimously carried.
9. **Revision to WECA By-Laws.** Discussion held on revision to WECA By-Laws, giving East Central Energy the rights to vote as an A-Member. A motion was made by Kruk, seconded by Van Doorn to adopt the restated Articles of Incorporation and By-Laws. Unanimously carried.
10. **Grant Discussion.** Taguma stated she had nothing to report at this time.
11. **Executive Session.** A motion was made by Schara to go into Executive Session to approve Executive Minutes and discuss LCO update, General Manager Contact, Employees' update, legal matters, and SEDC at 12:50 p.m., seconded by Reich. Motion unanimously carried. Carow read thank you cards from Fred Thomas Resort and LCO Youth Education Golf Classic. Davis and Bloomer left the meeting at 12:55 p.m. Anderson left the meeting at 2:45 p.m. and re-entered the meeting at 3:55 p.m. A motion was made by Kruk, and seconded by Cerman to move out of Closed Session at 4:05 p.m. Unanimously carried. Action was taken and is recorded in the Executive Session Minutes. Davis and Bloomer re-entered the meeting at 4:05 p.m.

The Board moved back to Item L - 1 - City Armory Building Discussion

A motion was made by Schara, and seconded by Kruk, to adjourn the meeting at 4:08 p.m. Unanimously carried.


Joe Lorence, Secretary-Treasurer

05/29, 2018
Dated

(CORPORATE SEAL)

Director Report – District 1

I had good conversation with members from the Gilman, Hannibal area at an event over the weekend. I am glad to say that the members I spoke with do understand that our facility charge has to cover the infrastructure and like it or not they understand. Also I had spoke with Jeff Springer of DPC and here is his input on some very informative info on charger stations for electric cars.

Jane Reich

Jane-

Sorry for the delay in my response, I was presenting at an off-site meeting yesterday.

We have four charging connections (two double stations) in front of our office building. There are another two connections in the south parking lot and four across the street for the pool cars. We make the connections available for free use to our staff and visitors but not to the general public. These are Level 2 charging stations meaning that they charge at a maximum rate of 7 kilowatts. At that charging level, they can add about 20 miles of range to the car per hour of charging.

Most often, Level 2 charging stations do not charge a fee for charging. This is due to the fact that the equipment and transaction fee for credit card companies adds too much to the cost of the charger to reasonably recoup. There are some companies trying membership models with a key fob or other method of activating the charger. Another issue is that in many states you must be a utility in order to sell electricity by the kilowatt-hour. Charging station providers work around this by charging by the minute rather than by the kilowatt-hour. If you were to charge for charging, a typical Level 2 rate might be around \$1.00 per hour which roughly equates to \$0.14 per kilowatt-hour. Charging \$0.02 per minute would be \$1.20 per hour or \$0.17 per kilowatt-hour. With Level 3 (50 kilowatt) fast chargers, there is often a front loaded "connection fee" and then the rate drops to a per minute charge after that. An example of that for a Level 2 charger might be \$2.00 for the first hour and then \$0.02 for every minute beyond the first hour. Tesla has recently started charging drivers who remain connected AFTER the car has finished charging. This is done to encourage drivers to move out of the charging space and not use it as a parking spot. One of our local hotels has two charging stations available for the free use of guests and they ask for a flat \$5.00 fee from other users.

Level 2 charging stations cost from \$500 to \$2000, installation would likely be another \$200 to \$500 depending on the distance from the power panel to the charger and whether or not underground trenching was needed. The more expensive versions will have access control that permits charging a fee for charging. I am not aware of any Level 2 chargers that accept credit cards directly but ChargePoint is the biggest membership based charging vendor. The ChargePoint model is to sell charging stations and then maintain the membership and transaction service for the owner. They can be found at:
<https://www.chargepoint.com/>

For Level 2 charging stations that do not charge a fee for charging, Siemens and Clipper Creek are common choices although there are many other brands available. Our charging stations were made by General Electric but GE has since sold their vehicle charging business to ChargePoint.

I hope this helps, please feel free to contact me if you have any further questions.
Regards,

JWS

Jeffrey W. Springer
Manager, Energy Efficiency and Technical Services
Dairyland Power Cooperative

- Attended legal update for directors and employees in Eau Claire
- Jessica Shreatha talked about easement with Leo
- Attended Taylor Electric annual meeting
- JREC could make some changes that might make our annual meeting better
- Pole that caught fire on HWY 73 was replaced with no loss of power to any members (good work!)

Myron Brooks

District 3 Directors Report

April. 2018

On April 3rd, 2018 I attended The Legal Seminar in Eau Claire, Wisconsin by Wheeler Van Sickle & Anderson S.C. It was held at the Clarion Hotel. All presenters were Attorneys from Wheeler Van Sickle and a couple were not present but addressed the group by Teleconference.

Topics presented and discussed were:

Chapter 85 Changes

Unclaimed Capital Credits

Extension of Credits by Electric Coop's

Harassment (Me-Too) Movement

Employee Tracking Devices

Cyber Security

By-Laws (Contracts between you and your members)

Easements

Pole Attachments

There was extensive information given on each of these issues and others. I thought it was very informative and gave me great insight as a new Director as to what some of these issues mean to me and the membership and how they apply to the co-op industry. They also gave a good overview on the Tribal easement issues facing JREC.

I thought it was a good conference and well worth the money and am thankful I got to attend.

I also would like to say that I have scheduled a Rusk County Unity of the Wisconsin Towns Association meeting for Thursday April 26th at the Rusk County Courthouse County Board Meeting room at 7:00 pm. Guest speakers will be Jim Anderson Manager and CEO of JREC and Sam Howard Operations Manager. Topic for the evening will be Electric Rates, Easement and Right of Way issues. This is the beginning of trying to improve community involvement. All Rusk County Town Officers are invited and I am looking forward to a good discussion.

Joe Lorence

District 3 Director

JREC Director's Report
Bill vanDoorn – District 5
April 2018

It was very quiet this month and I had only one discussion with a member after he read the two proposals to the LCO. I clarified the situation to him and asked him to re-read it completely and if he had more questions to call me or anyone else on the board to get a slightly different perspective. I did explain that we probably all are on the same page.

Director Report – District 6

- Would like to make a suggestion –
Drop this category, takes up too much time. We need to focus on other issues.

- Attended the Legal Seminar in Eau Claire, Wisconsin on April 3, 2018. Wheeler Van Sickle and Anderson, S.C. law firm covered legal issues pertinent to the decisions made by electric cooperative directors, managers/CEOs, and key staff. I feel that we need to look at these topics more closely and identify which ones are pertaining to and or relating directly and significantly to the matter at hand.... Example: Tribal Land Easements.

Jack Cerman

District 6 Director

tb

Jump River Electric Cooperative
Director's Report for April 2018
Lori Taguma
District 7

April 24, 2018

District 7 has been generally quiet, except for the late winter snowstorm the second week in April, which was a very large spring storm. There was one line down that I heard about from members.

I attended the Legal Seminar in Eau Claire on April 3rd, hosted by NRECA. Several Attorneys from Wheeler Van Sickle and Anderson, S.C. made several presentations on different subjects. Jessica Shrestha spoke about Cooperative Easements and how they relate to other utilities that cross public and private lands, and to whom they provide service.

Attorney Justin Chasco spoke about permits and municipal capacities.

Regards,

Lori Taguma
Jump River Cooperative
District 7

I don't have a lot to report this month. I did attend the legal seminar in Eau Claire, which was filled with a lot of useful information. I do, however, feel that when you are listening to a remote speaker, it's very hard to stay engaged. I did not enjoy that part of the presentation.

Sandy -