

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

**May 29, 2018**

A regular meeting of the Board of Directors of the Jump River Electric Cooperative, Inc. was held on Tuesday, May 29, 2018, at the Hayward outpost building in Hayward, Sawyer County Wisconsin.

A. President Jerry Carow called the meeting to order at 8:52a.m.

B. **Roll Call.** Carow stated that Lori Taguma, District 7 was absent; with all other board members 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; 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 Reich, and seconded by van Doorn, to **accept the Agenda** as presented. Unanimously carried.

The Board moved to item M - 1 - Guest Speaker Dan Herscher, Citizens Climate Lobby.

E. **Open Comment Session.** No one in attendance.

F. **April Regular Board Meeting Minutes** were presented and reviewed. Motion made by Schara, and seconded by Reich, to approve the April Regular Board Minutes as presented. Unanimously carried.

G. **Financial Report.** Davis reviewed the Monthly ACH Money Transfer. Davis also reviewed Cooperative's check numbers 83351, 83396 – 83473, and 83475 – 83525 for the period 4-06-18 through 5-05-18. Davis included a list of most commonly paid vendors. Davis distributed March and April 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 April 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.

H. **Operations Report.** Line Superintendent Joe Donnellan entered the meeting at 11:32 a.m. and reviewed the Operations Report, highlighting the following: line patrol, maintenance, and PCB test on Round Lake, Conrath, and Gilman substations, road bands were finally lifted, GPS deployment of RF Metering in the Round Lake area, preparing for the up coming construction season, new services and service upgrades, and brushing – weather permitting. Motion made by Schara, and seconded by Taguma, to approve the Operations Report. Unanimously carried. Donnellan left the room at 11:42 a.m.

I. **General Manager Report.** Carow signed the 219's. Anderson reviewed the Appliance Department, Armory Building, River Valley Architects, NISC, Under 50 kWh Rate Recovery, Fixed Cost of Delivery charge, Supervisor Control and Data Acquisition (SCADA) Study, and Rural Energy for America Program (REAP). Anderson stated that an additional apprentice or journey line-worker is needed in Ladysmith. Anderson also reviewed the Outage Report for April, Top 100 Accounts for 2017, Director Expenses, Membership Application List, and Membership Refund List.

The Board recessed for lunch at 12:17 p.m. and reconvened at 12:40 p.m.

Anderson continued to report on Notice of District Director Nominations being mailed in June, and Employee Safety & Activity Report. Reich made a motion, and seconded by Cerman, to accept the Manager Report. Unanimously carried.

J. **DPC Director Report.** Reich attended the DPC Meetings and commented on the following: background check required to be a Director on the DPC Board – we may want to consider doing this for our Board as well. Reich continued to report on: approval of 2019-2033 long range financial forecast, purchase of Magnolias Wind Energy, coal supply purchase for 2018-2020 - Genoa 3 and JP Madgett Stations, agenda items for JPM ash contract water storage project, property sell of a municipal substation, board source trial membership, no power cost adjustment, Genoa 3 and JP Madgett Stations both returned to service after their planned spring outages, highlighted the DPC 77<sup>th</sup> Annual Meeting, 21 Dairyland member cooperatives have passed resolutions to extend the wholesale power contract, strategic facilities task force is evaluating mechanical, electrical and building upgrades, education presentation on cyber security, and the Board meeting summary is available for viewing. Reich also noted that Dairyland can sell a large percentage of fly ash, solar sights double as pollinator gardens - these sights provide beneficial bee and butterfly habitat, information available on charging stations, and Touchtone Energies Commercial. A motion was made by van Doorn to approve the DPC Director Report. Second by Schara. Unanimously carried.

K. **Director Reports.** Director Reports were uploaded to the Board-Paq prior to the meeting. Carow read Thank you cards from ALS Wisconsin Chapter, Fishing Has No Boundaries, Hazel Peterson, Caleb Zahurones, Chase Hillman, Amanda Zimmer, and McKensey Zimmer.

L. **Unfinished Business.**

1. **Scholarships – Available Funds.** Anderson reported on scholarship funds that we currently had available versus what was paid out in 2017. Consensus was to have Anderson work up the numbers for next Spring's scholarship fund and get back with his recommendations at a later meeting.

M. **New Business.**

1. **Guest speaker – Dan Herscher, Citizens Climate Lobby at 9:00 a.m.** Dan Herscher and Regina Petty entered the meeting at 8:55 a.m. Herscher and Petty spoke about global warming and its affects on climate change.

Taguma entered the meeting at 9:05 a.m.

The Board moved to Item - 9 - Executive Session.

2. **Dairyland Power Cooperative (DPC) Wholesale Power Contract Amendment.** Anderson asked President Carow to sign the amended DPC Wholesale Power Contract, stating that nothing has changed except for the format used on the original signed agreement. Motion made by Reich, and seconded by Kruk, to have Anderson send the amended contract to DPC. Motion carried with Cerman opposed.
3. **Mission Statement** was reviewed by Anderson and the Board. Consensus was to have Anderson rework and present at next Board meeting.
4. **DPC Director Election.** Directors were nominated verbally for the DPC Director Election. van Doorn made a motion to nominate Reich, seconded by Kruk, Taguma made a motion to nominate Cerman; Cerman declined the nomination. Motion made by Kruk, seconded by van Doorn to close the nominations. Kruk made a motion to cast a unanimous vote to seat Reich as the DPC Director. Seconded by Cerman. Unanimously carried. Discussion held on the alternative position. A motion was made by Taguma to nominate Cerman, seconded by van Doorn, Lorence made a motion to nominate Brooks, Schara made a motion to nominate van Doorn: both Brooks and van Doorn declined the nominations. Motion made by Kruk, seconded by Reich to close the nominations and to cast a unanimous vote to seat Cerman as the alternate DPC Director. Unanimously carried.

Reich indicated that she has a meeting at DPC on July 20, 2018 and is looking for approval from the board to allow Cerman to go along with. Lorence made a motion, seconded by Kruk giving Cerman permission to attend the DPC meeting with Reich.

5. **Resolution to Retain Non-operating Margins**, a copy of which is attached hereto and marked Exhibit A, was presented. Motion made by Reich, and seconded by Brooks, to adopt the resolution as presented. Unanimously carried.
6. **Resolution Declaring Funds Forfeited**, a copy of which is attached hereto and marked Exhibit B, was presented. Motion made by Reich, and seconded by Brooks to adopt the resolution as presented. Discussion held on how this information is make available to the public. Unanimously carried.
7. **Wisconsin Electric Cooperative Association (WECA) District 3 Meeting** will be held on July 17, at the Barron Electric Cooperative in Barron, Wisconsin. Board consensus was to table this item until the next board meeting; however, if deadline for registration is needed prior to the next board meeting, Carow entertained a motion giving Bloomer the authorization to contact each Board of Director, and to register those interested in attending. Motion made by van Doorn, giving Bloomer the authorization to contact and register those interested in attending to the WECA District 3 Meetings. Seconded by Taguma. Unanimously carried.
  - a. **WECA Board Nominations.** This item was tabled until the next board meeting.
  - b. **WECA Delegate Certification.** This item was tabled until the next board meeting.

The board moved back to Item 9 - Executive Session.

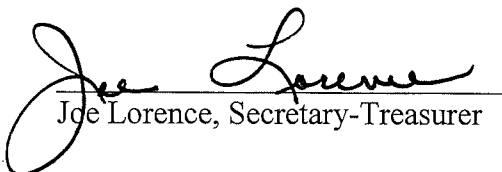
8. **Annual Meeting for up and coming year – 2019.** Discussion held on moving the Annual Meeting from Fall to Spring. Board consensus was to table this item until the next board meeting.
9. **Executive Session.** A motion was made by Reich to go into Executive Session to discuss Legal Update at 9:18 a.m. Seconded by van Doorn. Motion unanimously carried. Davis and Bloomer left the meeting at 9:19 a.m. A motion was made by Brooks, and seconded van Doorn to move out of Closed Session at 10:15 a.m. Unanimously carried. No action was taken. Davis and Bloomer re-entered the meeting at 10:17 a.m.

The Board moved back to item F - April Regular Board Meeting Minutes.

A motion was made by van Doorn, seconded by Kruk to move back into Executive Session to approve Executive Minutes and discuss General Manager Contract, Federated Insurance Rates, and SEDC Letter at 1:28 p.m. Motion unanimously carried. Davis and Bloomer left the meeting at 1:28 p.m. Davis re-entered the meeting at 2:00 p.m. A motion was made by Brooks, seconded by van Doorn to move out of closed Session at 2:26 p.m. No action was taken. Bloomer re-entered the meeting at 2:26 p.m.

The Board moved to Item - 8 - Annual Meeting for up and coming year – 2019.

A motion was made by Schara, and seconded by Lorence, to adjourn the meeting at 2:34 a.m. Unanimously carried.

  
Joe Lorence, Secretary-Treasurer

06/26/2018  
Dated

(CORPORATE SEAL)

For the month of May I was fortunate to be able to give out JUMP RIVER ELECTRIC scholarships at four different high schools in our area. They included Flambeau, Lake Holcombe, Gilman, and Stanley. The most interesting was at Gilman where Camren Skabroud received our \$400 scholarship and she was a direct descendent of Frank Skabroud who was a fonder of JREC. I also had a JREC member whose husband had died ask me about her capitol credits and I referred her to Tammy for more information.

Jane Reich

Jim and Sam attended a meeting of the Taylor County Unit of the Wisconsin Towns Association at the Town of Cleveland Town Hall. Jim talked about JREC's early history, rates and line density. Sam talked about maintenance work to be done in Taylor County. It was an excellent presentation. I sent a picture to WECA magazine for the kids and critters section. Look for my granddaughter, Bristol and her calf "Pinchee" in an upcoming issue.

Thank you  
Myron Brooks

May 24<sup>th</sup>, 2018

On April 26<sup>th</sup> at 7:00 p.m. Manager and CEO Jim Anderson and Line Superintendent Sam Howard attended the Rusk County Unit of the Wisconsin Towns Association meeting held at the Rusk County Law Enforcement Center in Ladysmith. Jim did a very good presentation of a brief history of Jump River Electric Co Op. We talked a bit about electric rates, right of way issues and other issues that concerned working out in the field and Right of Way issues. Sam joined in the discussion and I felt it was a very good informative meeting.

On May 1, 2018 I attended my first Directors Credential workshop at Jackson Electric Cooperative in Black River Falls, WI. It was a full day class titled Director Duties and Liabilities. It is part of the Skill Builder Credits required for a Director. Myself, Sandy and Wally attended. The class instructor was Terri Smiley whom I thought was an excellent instructor that came from Montana. She has worked for electric coop's most of her career and was very knowledgeable. Some of the main points that I took away from the class was:

1. Differences between co op's and private or municipal utilities.
2. The pyramid of Authority. By laws, Articles of Incorporation and the Size of the district.
3. Duties of a Director. Do your homework and ask questions.
4. COSA Cost of Service Analysis
5. Be a Grassroots Advocate.

It was an excellent class and I learned a lot and will use the book and the knowledge for future decision making.

On May 2<sup>nd</sup>, 2018 we had another day of classes with the same instructor, Terri Smiley. We were joined on the 2<sup>nd</sup> day by Jack, Lori and Bill. The 2<sup>nd</sup> class was about Board Operations and Process. My main take a way from the class were:

1. Loyalty/Obedience/ Risk. The Pros and Cons of topic discussion at meetings.
2. The minutes will prove that you have done due diligence.
3. An Attorney should always review the minutes.
4. Pro's Con's risks of Decision making.
5. CEO Appraisal (Process)
6. 3 stages of a Board Member. Learning/Leading/Leaving.

This was also an excellent training session and was very beneficial and is money well spent for training in my opinion. I have other classes to attend and hope the instructors and classes are equally informative.

On May 9<sup>th</sup> Jane and I attended the Flambeau High School awards banquet at JS Supper club and handed out 2 \$400.00 scholarships. It went very well, and I enjoyed being part of the celebration to honor two of their graduating Seniors.

On May 19<sup>th</sup> Jane and I attended the Holcombe Graduation Ceremony at the Holcombe High School and handed out 2 more \$400.00 scholarships to graduating Seniors. I think this is a great program that our cooperative does and is greatly appreciated by the graduating Seniors. I would like to see it continue and maybe see an increase in future years.

Joe Lorence / Director  
District 3

Jump River Electric Cooperative  
Board of Director's District Four Report

May 2018

Jerry Carow

A Board of Director's phone conference was held in Executive Session on May 1<sup>st</sup> to inform the Board of the progress regarding negotiations with the LCO tribal government on several issues and gather the Board's direction for management to follow. The issues were more difficult to discuss due to technical problems with the phone system and the Board members gathered in three different locations around the State and the Board's Attorney in another.

This conference was followed up the next week with an Executive Session Board Meeting at Ladysmith with the Board's Attorney regarding the same issues.

Immediately following that meeting a phone conference regarding the General Manager contract issues with the Board's Atty. and General Manager Jim Anderson discussed the contract. Subsequent visits to the Jump River Office and discussions with the Atty. and Anderson followed over the next two weeks in preparation for the Board agenda and possible action at the monthly May meeting.

The pleasure of presenting Jump River Scholarship's to two Ladysmith High School Seniors by myself took place on May 16<sup>th</sup>.

Discussion issues and comments brought forward by Jump River members during the month included:

Member/owner approval of the rate structures. Several members individually agreed with recent Board decisions to link the monthly member charges with what the costs of providing service really were.

Member/owner approval regarding the LCO easement letter found in the magazine. Other member/owners commented on the article published this winter in the magazine regarding the easement issues and felt it was the right thing to do.

User rates linked to demand. An agricultural business member/owner discussed at length his approval of how Jump River charges his business on his irrigation sites, including notifications ahead of time when power will not be available due to demand. The business has major operations in another electrical distribution system which does not give a special rate like Jump River and the member/owner thought Jump River should investigate a possible purchase.

General Manager. Several comments were received from member/owners about General Manager Jim Anderson and all believed the Board made the right choice with the hiring.

Meeting with Jump River Cooperative management with the Towns Associations of Rusk and Taylor County. Comments were received were very positive.

This Board member received no negative comments about the Cooperative from member/owners this month.

JREC Director's Report  
Bill van Doorn - District 5  
May 2018

April's meeting was as normal as normal is now days. Always looking at ways to save members costs of power. More discussion LCO situation. More updates in the future.

On May 1 we had a phone conference concerning LCO.

May 2 I and many other board members had a class (2620) on Board Operations & Process in Black River Falls. Very informative with instructor Terry Smiley. She has lots of past experience in the field and how to deal with our membership and manager. She noted that employees are not our direct concern but that of the manager. It was also noted in class that minutes are important and can either support or hurt the coop or board in court. The attorney works for the membership and the auditor works for the board.

May 14 the board had an executive session meeting concerning LCO with cooperative attorneys. Updates may be in the monthly news.

I have found this month's issues very stressful with thinking of what is best for the membership and the coop as a whole.

Respectfully Submitted,  
Wm van Doorn



District 7  
Jump River Board of Directors  
Lori J. Taguma

May 28, 2018

RE: District Report for May 2018

On the 2<sup>nd</sup> of May, I traveled to Black River Falls to visit Jackson Electric Cooperative's headquarters. Their new building is wonderfully simple, functional, and solid, with local photographer's art work lining the walls. The solar panel array of thirty panels located on the lawn highlighted the diversity of energy potential in this region.

A special Jump River board meeting regarding Easements was held at Ladysmith on May 14<sup>th</sup>.

The NRECA Course 2620, Board operations and Process outlined various duties and processes of Board Operations and Board member obligations.

I have received feedback and questions from several LCO members who read the recent communication in the magazine, regarding the current LCO easement discussion with Jump River.

Regards,

***Lori J. Taguma***

Lori Taguma  
District 7  
Jump River Electric Cooperative

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