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

August 27, 2019

A regular meeting of the Board of Directors of the Jump River Electric Cooperative, Inc. was held on Tuesday, August 27, 2019 at the Ladysmith headquarters building in Ladysmith, Rusk County, Wisconsin.

A. President Jerry Carow called the meeting to order at 9:00 a.m.

B. **Roll Call.** Carow stated that Joe Lorence, District 3 was absent, with all other board members present, being as follows: Jane Reich, District 1; Myron Brooks, District 2; Jerry Carow, District 4; Bill van Doorn, District 5; John Cerman, District 6; Jason Weaver, District 7; Walter Kruk, District 8; and Sandra Schara, District 9. Also present were General Manager / CEO James Anderson and Executive Assistant Tammy Bloomer.

C. The **Pledge of Allegiance** was recited.

D. Anderson stated that Item L – 6 Capital Credit Retirement will be discussed under Item M – Financial Report. Motion was made by Brooks, and seconded by Cerman, to **accept the Agenda** as amended. Unanimously carried.

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

The Board moved to Item G – July Regular Board Meeting Minutes.

F. **Safety Moment – District 3.** Lorence's safety tip for the month: "Bus Safety – school days bring congestion. Drivers need to slow down and pay attention when school is in session".

The Board moved to Item – I General Manager Report.

G. **July Regular Board Meeting Minutes** were presented and reviewed. Motion made by Brooks, and seconded by Reich, to approve the July Regular Board Meeting Minutes as presented. Unanimously carried.

H. **Operations Report.** Meter Technician / Lineman Kurt Harris entered the meeting at 9:04 a.m. and reviewed the Operations Report, highlighting the following: Ladysmith and Hannibal working on spraying - should be completed this week, New Services, and Work Plan Project. Hayward currently working on Service Upgrades and New Services. Harris continued to report on NISC - staking to go live in November, I-Pads will be used in trucks, and Supervisory Control and Data Acquisition (SCADA). Motion made by Reich, and seconded by Schara, to approve the Operations Report. Unanimously carried. Harris left the meeting at 9:18 a.m.

Lorence entered the meeting at 9:11 a.m.

The Board moved back to Item – F Safety Moment.

I. **General Manager Report.** Anderson reviewed NISC, LCO – Surveying Update, LCO Joint Meeting, North End Property Purchase, Community Cents, DPC Financial Planning and Rates (FINPAR), Public Utilities Regulatory Policy Act (PURPA), Building, and Reference Materials. Anderson continued to review the Membership Refund List, Member Application List, Director Expenses, Employee Safety & Activity Report, and Outage Report for July. Schara made a motion, seconded by van Doorn, to accept the Manager Report. Unanimously carried.

The Board recessed for break at 10:30 a.m. and reconvened at 10:38 a.m.

J. **Dairyland Power Cooperative (DPC).**

1. **DPC Reports Discussion.** Discussion held on DPC reports.

2. **DPC Director Report.** Reich was at DPC on August 15 and reported on the following: Strategic Planning, Net Zero Homes, Defensive Scenario Planning,

Wholesale Rate Study Task Force, Facility Update, and A Day with Your G & T. Motion made by van Doorn to approve the DPC Director Report. Seconded by Lorence. Unanimously carried.

Director Reports were uploaded to the Board-Paq prior to the meeting. Carow circulated Thank you cards from Chippewa Valley Electric, Keith Steffenson, Brandi Gauthier, Alex Krisik, ICAA Taylor County Food Pantry, Blue Hills Trail Association, Inc., Central Wisconsin Electric Cooperative, and Dee Kohring.

3. **Board Highlights.** Reich went over the Board Meeting Highlights and reported on the following: Capital Credit Retirement, Approved membership in the Electric Power Research Center, Approved substation ownership to Heartland Power, Passed Facilities Project Resolution, Authorized the Filing of RUS Form 990, Finances, No PCA for August, and Succession Planning.

4. **Rates – Update.** Anderson held a discussion on DPC's rates which are currently being re-evaluated. The rate structure appears to be very beneficial and once everything is finalized, Anderson will present at a future meeting.

5. **Building Committee Update.** This was discussed during the General Manger Report.

6. **A Day with Your G & T,** to be held October 10, 2019 at DPC in La Crosse, WI. Those interest in going are: Brooks, Lorence, and Weaver.

   A copy of which is attached hereto, and marked Exhibit Y, was presented and reviewed. A motion was made by Reich, to send those interested to A Day with Your G & T. Seconded by van Doorn. Unanimously carried.

   Reich has a DPC meeting in La Crosse on September 20, 2019. Cerman showed interest in attending. Motion made by Kruk, seconded by van Doorn to authorize Cerman to attend the DPC meeting along with Reich on September 20, 2019. Unanimously carried.

   The Board recessed for lunch at 12:00 p.m. and reconvened at 12:42 p.m. The Board toured the new facility site during this time.

K. **Unfinished Business.**

1. **Public Utility Regulator Policy Act (PURPA) Discussion.** Continuing discussion held on PURPA. Different options discussed. Anderson believes Potential Solution One (1) would be the best possible solution – System wide Joint Implementation Plan with Member Choice. Each member would still have the capability of deciding on a case-by-case basis whether to make QF purchase or allow DPC to make purchase. Discussion held. Anderson asking for the Board's support and to direct Reich to move forward with Potential Solution One (1). Board consensus was to have Reich move forward with Potential Solution One (1).

2. **Community Cents Meeting – Date.** Discussion held on setting a date for the first Community Cents Meeting. It will be held sometime in November. Anderson reviewed the application and by-laws.

L. **New Business.**

1. **Wisconsin Electric Cooperative Association (WECA) Legislative Update.** Brooks' updated the Board on the Legislative meeting and highlighted the following: Discontinued task force for rural roads, Pension bill passed, Tax exempt bill was held up because of mistake in new tax law, AG Stewardship Act, Washington D.C. fly in this fall, Federal Emergency Management Agency (FEMA) funding from the state, and Sean Duffy is retiring.

   a. **How to Evaluate & Improve Board Performance** to be held October 1, 2019 in Black River Falls, Wisconsin. Those interested in attending are: Brooks,

Cerman, and Kruk.

A copy of which is attached hereto, and marked Exhibit B, was presented. Motion made by Reich, seconded by Schara, to send those interested in attending and to adopt the resolution as presented. Unanimously carried.

b. **Strategic Technologies and Their Impact on the Cooperative** to be held October 2, 2019 in Black River Falls, Wisconsin. Those interested in attending are: Brooks, Carow, Cerman, and Kruk.

A copy of which is attached hereto, and marked Exhibit C, was presented. Motion made by Weaver, seconded by van Doorn, to send those interested in attending and to adopt the resolution as presented. Unanimously carried.

c. **Strategic Planning** to be held October 23, 2019 in Black River Falls, Wisconsin. Those interested in attending are: Lorence, Schara, van Doorn, and Weaver.

A copy of which is attached hereto, and marked Exhibit D, was presented. Motion made by Reich, seconded by Kruk, to send those interested in attending and to adopt the resolution as presented. Unanimously carried.

d. **Defending the Principle of Democratic Member Control** to be held September 18, 2019 in Eau Claire, Wisconsin. Those interested in attending are: Brooks, Lorence, Carow, van Doorn, Cerman, Weaver, and Kruk. Anderson may go as well.

A copy of which is attached hereto, and marked Exhibit E, was presented. Motion made by Reich, seconded by Kruk, to send those interested in attending and to adopt the resolution as presented. Unanimously carried.

Weaver left the meeting at 2:01 p.m.

2. **Member Policy 6 – Services & Schedules** was reviewed and discussed. The following changes were made: remove in its entirety under Item II Policy B - Water Heater Load Control Service, Under Terms of Payment (all), change twenty (20) days to that of fifteen (15), and under Terms of Payment Large Power Peak Alert, 9 Terms of Payment - change bills shall be mailed to Members on approximately the first (1st), tenth (10th), and twentieth (20th) of each month to bills shall be mailed to Members on approximately the third (3rd) and thirteenth (13) of each month.

   A copy of which is attached hereto, and marked Exhibit A, was presented. Motion made by van Doorn, seconded by Kruk, to approve Member Policy 6 – Services & Schedules and to adopt both the policy and resolution as amended. Unanimously carried.

3. **2020 National Rural Electric Cooperative Association (NRECA) Annual Meeting** to be held March 1 through March 4, 2020, in New Orleans, Louisiana. Those eligible to attend are Carow, Lorence, and Schara. Carow is not interested in attending. Discussion held on booking rooms directly across from the Convention Center. Board consensus was to give Anderson the ok to book rooms across the street from the Convention Center for those interested in going.

4. **CoBank Authorization.** Discussion held on the appointing of Anderson as the CoBank voting delegate.

   A copy of which is attached hereto, and marked Exhibit G, was presented. Motion made by Reich, seconded by Brooks, to authorize Anderson as the CoBank delegate and to adopt the resolution as presented. Unanimously carried.

5. **Individual District Meetings for Directors.** Carow discussed with the Board the idea of having the Directors / General Manager attend monthly meetings of any fashion.

No decision needed to be made at this time, just something to think about.

6. **Capital Credit Retirement.** This item will be discussed during the Financial Report.

7. **Executive Session.** A motion was made by Schara to go into Executive Session to discuss a member issue at 2:24 p.m. Seconded by Kruk. Unanimously carried. A short break was taken. Bloomer left the meeting at 2:24 p.m. A motion was made by Lorence to move out of Closed Session at 2:48p.m. Seconded by Schara. Unanimously carried. Bloomer re-entered the meeting at 2:48 p.m. Finance Manager Lori Davis entered the meeting at 2:48 p.m. No action was taken.

M. **Financial Report.** Davis reviewed the Monthly ACH Money Transfer and reported on the Cooperative's check numbers 85549 – 85550, 85594 – 85636, 85638 – 85835, and 85853 – 85854 for the period 07-06-19 through 08-05-19. Davis continued to report on the June and July 2019 Operating Report and pointed 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-Operating Margins, and DPC Capital Credits. Davis reported on Capital Credit Retirement. Three different scenarios were presented: retire 100% of 1989, 1.5% of 1990-2018, retire 100% of 1989, 1.75% of 1990-2018, or retire 100% of 1989, 2% of 1990-2018. We will re-visit next month. Davis updated the board on CFC and CD investments. Davis also reported on Service Data, Service & Miles of Line, Operating Statistics, Due on Energy Accounts, Transportations Cost, Number of Dusk to Dawn Lights, and Member Counts by District. A motion was made by van Doorn and seconded by Cerman to approve sending the Financial Report to the Cooperative Auditors. Unanimously carried.

A motion was made by Schara, and second by Lorence to adjourn the meeting at 3:48 p.m. Unanimously carried.

Next Board Meeting is scheduled for Tuesday, September 24, 2019.

Joseph Lorence
Joe Lorence, Secretary-Treasurer

Sept. 24, 19
Dated

(CORPORATE SEAL)

District #7 Directors Report
Jason Weaver

Greetings everyone. I attended the monthly Board of Directors meeting in Ladysmith and I was impressed with the pace at which the new building is moving. Besides the road construction a few small storms the end of summer has been nicely uneventful for District #7.

I also attended a Utility Forum in Neenah Wisconsin to discuss Rural Utility Development. Folks from Baker Tilly where on hand as well to discuss alternative energy projects and funding opportunities with the Department of Energy and the National Renewable Energy Lab in Golden Colorado. Tom Unke from Baker Tilly also gave a presentation on rate structure development. I was really surprised by how many factors weigh into the rate development process.

I have some training on my schedule next month that I will report on but for now, Go Pack Go!

I did not attend any outside meetings for the month.

My comment would be that members are excited seeing our new cooperative building coming together. I have had members comment on it to me and I like that members are showing interest. Positive comments.

Jane
District 1

I attended a board leadership course in Stevens Point on July 31, titled, Appraising and Compensating the CEO. I learned several ways to appraise the CEO that involve the strategic plan, power supply contract and smart goals, and keep formed and transparent. Compensation usually revolves around like co-op averages.

On August 1st, I attended Energy Issues Summit in Stevens Point. I learned the advantages of using co-bank leases. Discussion on the crisis in the dairy industry. Wisconsin Co-ops serve 57% of Wisconsin dairy farms. There was a 50% in dairy farm since 2004. Many things affect farmers such as: climate, trade deal tariffs, labor, state and federal regulations, and many more. The update on the electric care industry makes me concerned that we may not be ready.

On August 6th, I attended a legislative meeting at Jackson Electric. I have a report ready for the monthly meeting.

Myron
District 2

District # 3 Monthly Report
August 2019

Well it has been a quiet month for me as far as my JREC duties. I did not attend any other meetings or training sessions.

I have talked to several members from my area and everything with the new building project in Ladysmith is positive. I did have members ask me if it was necessary at this time. It is exciting to see progress in Ladysmith. The construction is right on schedule.

In a couple weeks I will be attending the NREC Regional meeting in Milwaukee on Sept 10, 11, 12. This will be my first attendance at a major meeting. I will be a voting delegate representing JREC. I will also be able to take one of my required training sessions while in attendance in Milwaukee. This is the first time this course is being offered so it will save some $. I will have one more class to attend which will be offered in Black River Falls this Fall which will complete my basic credentials.

Joe Lorence/ Director
District # 3

JUMP RIVER ELECTRIC COOPERATIVE BOARD OF DIRECTOR ACTIVITIES-AUGUST 2019

DISTRICT FOUR BOARD MEMBER-JERRY CAROW

Other than the regular Board meeting, there were no scheduled meetings for this Board member during the month of August. There were however the usual number of required visits to the Headquarters building to discuss ongoing issues, sign required documents and craft the agenda for this month's Board meeting.

Both among member/owners and others, the building of the new Headquarters building drew positive comments. The size of the new building, saving the truck garage built in the late '90s, and the comments "You sure needed a new facility" and "I guess this means Jump River's headquarters will stay in Ladysmith" were topic's discussed. No negative comments were received on this issue.

Other member/owners commented about how few outages they have had in the last few years and still others yearn for a return to some type of appliance service.

August 2019 Report
District 5
Bill van Doorn

I have no meetings or schools to report on however that does not mean that I have not thought of or discussed JREC and the issues of the future. I had a very enjoyable fishing trip in Canada this past month where I found myself in a discussion about JREC with someone whom has a close relationship with a Dairyland Power employee. It is noteworthy to mention that at all times a board member must be aware of the issues that one cannot discuss in full detail.

During my travels to Canada and to Ohio to visit family I have had the opportunity to read one book on the political history of our country and half of another book pertaining to inflation in the world and our country in particular. Both books were written ten years ago. It is interesting to notice that some authors have the ability to be objective and forecast accurately.

The future is hard to predict, especially when the federal government comes along with different mandates such as PURPA. This will be discussed at length in the near future. Decisions will need to be made concerning JREC and this upcoming mandate. As I have stated before in my reports, these are the things that will affect power pricing in the future as we(JREC) move forward.

Respectfully Submitted,
District 5 Director
William van Doorn

Jack Cerman Director Notes
July and August 2019

On July 31, I attended the Appraising and Compensation program in Stevenspoint Wisconsin. This program contained considerable information that will greatly benefit JREC in the future. Of particular value was the relationship between the "JREC Strategic Plan" and the preformance of the general manager.

The Energy Issues Summit on Aug. 1 2019 was also in Stevenspoint. I personally found the program of little value and very poor in both presentation and

content. The topic, based on the program title, should have been of considerable value to JREC; however, the program was a hodge-podge of various speakers with questionable value. JREC should request our money back when the program is not worth the cost.

During the month of August, I continued to read various publications dealing with future changes in the electric industry — especially the Rural Electric Magazine. The Board of Directors needs to use the information available

in these current sources to help plot

JREC's future.

Director Report

August 2019

Walter Kruk Director Dist. 8

July 31,2019

Attended a training session in Stevens Point, WI.

Appraising and Compensating the CEO was the session taught by Rick Clinklaw. He covered all aspects of what to look for and how judge the work off the CEO.

August 1, 2019

Attended a training session in Stevens Point, WI.

Benefits of Leasing for Rural Electric Distribution Coops was taught by Scott Svennigsen. He covered the pros and cons about coops leasing from Farm Credit Leasing.

Attended a session on Solar energy.

ENGIE Distribution Solar was explained to us by Bill Francis, Brian Sloboda and Tony Talavera. They covered the current state of solar power and its future for electric coops.

Attended a session on Habitat Conservation Measures for the Monarch Butterfly. Explained to us was the importance of keeping the Monarch from extinction.

Walter Kruk, Director Dist. 8

I don't have anything to report this month. The progress on the building is looking great.

Sandy
District 9