

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

**December 27, 2017**

A regular meeting of the Board of Directors of the Jump River Electric Cooperative, Inc., was held on Wednesday, December 27, 2017, at the Ladysmith headquarters building in Ladysmith, Rusk County, Wisconsin.

1. President Jerry Carow called the meeting to order at 9:00 a.m.
2. **Roll Call** was taken with all 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; Lori Taguma, District 7; Walter Kruk, District 8; and Sandra Schara, District 9. Also present were General Manager James Anderson and Communications Coordinator Denise Zimmer.
3. The **Pledge of Allegiance** was recited.
4. Brooks made a motion, and seconded by van Doorn, to **accept the Agenda** as presented. Unanimously carried.
5. **Open Comment Session.** No members present.
6. **Regular November Board Meeting Minutes** was presented and reviewed. Discussion held. Motion made by Reich, and seconded by Brooks, to approve the Regular Board Meeting Minutes as presented. Unanimously carried. Discussion held on the responsibilities of the Board Expense committee.
7. **Financial Report.** Finance Manager Scott Peterson entered the meeting at 9:06 a.m. and presented the November Operating Report. A monthly comparison breakdown sheet for November 2017 was distributed to the Board and Peterson highlighted the following: operating margins, TIER, DPC's surcharge, brushing, non-operating margins, DPC and Other Capital Credits, Operating Revenue, Cost of Purchased Power, Total Operation Expenses, Total Maintenance Expenses, Total Distribution Expenses, Total Consumer Expenses, Customer Service and Information, Sales Expense, Administration & General Expense, Distribution Expense-Operation, Distribution Expense-Maintenance, Depreciation, Gross Revenue Tax, Interest on Long-Term and Short-Term Debt, Total Operating Margins, and Non-Operating Margins. Discussion held on board of director credit cards and if they are needed. Reich turned in her credit card; leaving Brooks, Kruk, and Taguma with a Cooperative credit card. Motion made by Cerman, to discontinue issuing credit cards to new board of directors, leave those already issued in place, and reduce the credit limit from \$5000 to \$2000 per card. Discussion held. Second by van Doorn. Unanimously carried. The board reviewed check numbers 82611 – 82612 and 82679 - 82846 for the period 11-06-17 through 12-05-17. Discussion held on distribution of capital credit funds and recycling. Peterson reviewed the Automated Clearing House (ACH) report and Money Transfers report and discussion held. Motion made by Reich, and seconded by Lorence, to approve sending the report to the Cooperative's auditor. Unanimously carried. Peterson left the meeting at 10:27 a.m.
8. **Operations Report.** Operations Manager Sam Howard and Line Superintendent Joe Donnellan entered the meeting at 10:30 a.m. and reviewed the Operations Report. Discussion held on brushing, PCB's, and Radio Frequency (RF) meters. Howard and Donnellan left the meeting at 10:48 a.m. Motion by Reich, and seconded by Schara, to approve the Operating Report.
9. **Manager Report.** Anderson updated the board on Operation Community Change, 2018 budget and rate increase, JREC Social Media, public service announcements, recent donations, appliance department, appliance part inventory, status of SEDC computer system, annual audit, minimum fixed cost of delivery charge, member comments, director roles, Ladysmith building, Dairyland Managers Association meeting, Dairyland Power Cooperative (DPC) surcharge, Ntera fiber broadband service survey, employee safety and activity report, director expenses, member applications and refunds, and monthly outage log. Carow signed RUS Form 219's. Reich made a motion, and seconded by Kruk, to accept the Manager Report. Unanimously carried.

The board recessed for lunch at 12:06 p.m. and reconvened the meeting at 12:30 p.m.

10. **DPC Director Report.** Reich reported on the DPC Budget and Board Meetings and highlighted the following: surcharge and no power cost adjustment (PCA) credit for December. A motion was made by Schara, and seconded by van Doorn, to approve the DPC Director Report. Unanimously carried.

11. **Director Reports.**

Reich commented on green energy and changes she has seen over time. Reich relayed member comments.

Schara relayed a member request.

Lorence commented on attending town meetings in the future.

Brook commented on town association meetings.

Kruk relayed a member comment regarding the LCO easement matter. Anderson provided an update on this matter.

Taguma commented on the LCO easement matter.

Cerman questioned Anderson on the role of the budget committee and discussion held.

Taguma relayed member requests, commented on the cooperative website, and a member request to meet with the board.

van Doorn also commented on green energy.

Brooks relayed a member comment and thanked the cooperative and Hannibal employees for helping with the Christmas lights in the Jump River area.

Carow circulated thank you letters from the Wisconsin Electric Cooperative Association (WECA), Dorothy Hopp, Zimmer and Allard families, and member Gary Meloy. Carow also circulated a card from Federated Rural Electric Insurance Exchange on a donation made on the cooperatives behalf.

12. **Unfinished Business – 2018 JREC Budget.** Peterson, Howard, and Donnellan re-entered the meeting at 1:03 p.m. Board and management reviewed the previously distributed draft copy of the JREC budget and Anderson distributed a handout showing general ledger accounts and their monthly budgeted amounts. A motion was made by van Doorn, seconded by Cerman, to go into Executive Session to discuss the 2018 budget at 1:56 p.m. A motion was made by Schara, and seconded by Cerman, to move out of Closed Session at 2:15 p.m. Unanimously carried. No action taken in Executive Session. Peterson distributed additional handouts showing the month-by-month budget for the general ledger accounts, with different operating margins and TIER's based on future rate increases. Discussion held. Motion made by Kruk to approve the 2018 JREC budget with a \$4 fixed cost of delivery charge increase and a kilowatt-hour (kWh) increase of \$.008, effective May 1, 2018, with the board to review the budget again prior to implementing a kWh rate increase. Second by Brooks. Unanimously carried. Peterson, Howard, and Donnellan left the meeting at 2:55 p.m.

13A. **Dairyland Power Cooperative (DPC) Wholesale Rate** was reviewed by Anderson and Reich. Anderson stated that DPC Wholesale rates will be increased for 2018 by 1.58%, effective May 1, 2018.

13B. **JREC 2018 Rates.** Anderson reviewed the different rate increase options under Unfinished Business.

13C. **Board Leadership Courses.**

- **The Evolution of the Electric Cooperative Power Supply**, will be held January 11, in Black River Falls, WI. Those interested in attending are: Carow, Reich, Cerman, Brooks, Taguma, and Kruk.
- **Maximizing Your Grassroots Strategy**, will be held January 12, in Black River Falls, WI. Those interested in attending are: Carow, Cerman, Taguma, and Kruk.

A motion was made by Schara, and seconded by Cerman, to approve sending those interested in attending The Evolution of the Electric Cooperative Power Supply and the Maximizing Your Grassroots Strategy board leadership courses. Unanimously carried.

13D. **Wholesale Power Contract Symposium** to be held February 1, 2018, in La Crosse, WI. Those interested in attending are: Lorence, Reich, Cerman, Brooks, Taguma, Schara, and Carow. A motion was made by Brooks, and seconded by Lorence, to approve sending those interested in attending the Wholesale Power Contract Symposium. Unanimously carried.

13E. **WECA Education and Lobby Days**, to be held February 14 – 15, 2018, in Madison, WI. Those interested in attending is Brooks. Motion made by Reich, to approve sending those interested in attending to the WECA Education and Lobby Days. Second by van Doorn. Unanimously carried.

13F. **2018 WECA Committee Appointments** were reviewed with current assignments being as follows: Kruk is on the Education Committee; and Brooks is on both the Legislative and Regulatory Committee and the JT&S Committee. Discussion held. Motion made by Schara to appoint Kruk to the Education Committee, Brooks to the Legislative and Regulatory Committee, and Taguma to the JT&S Committee. Second by Kruk. Unanimously carried.

13G. **Resolution to Approve 2018 – 2021 Construction Work Plan**, a copy of which is attached hereto and marked Exhibit A, was presented and reviewed. A motion was made by Reich, and seconded by Kruk, to approve the resolution as presented. Unanimously carried.

13H. **Resolution to Approve Long Range Plan**, a copy of which is attached hereto, and marked Exhibit B, was presented and reviewed. A motion was made by Kruk, and seconded by Schara, to approve the resolution as presented. Unanimously carried.

13I. **Donations - Rural Housing, Inc.** Anderson presented a donation request and stated that monies could be taken out of the Federated Youth Foundation (FYF) funds. Discussion held. Schara made a motion, seconded by Reich, to approve a donation of \$800, with funds being taken from the FYF. Unanimously carried.

13J. **Federated Youth Foundation - 2018 Scholarships.** Zimmer reviewed the monies available for scholarships and charitable donations through FYF and reviewed the previous year's scholarship award amounts as follows: two \$400 Jump River Electric Cooperative Scholarship awarded to each of the eleven high schools within the cooperative service territory, one \$500 Jump River Electric Cooperative-Charles Kagigebi Memorial Scholarship awarded to a member attending the LCO Community College, two \$500 Jump River Electric Cooperative-Allen Beadles Memorial Scholarship awarded as an adult continuing education scholarship, and one \$500 Jump River Electric Cooperative-John Hirschfeld Jr. Memorial Line Worker Scholarship awarded and discussion held. Motion made by Reich, and seconded by Lorence, to approve distribution of the 2018 scholarships as awarded in 2017. Unanimously carried.

Each board of director completed and returned the E-mail/Network/and Internet agreement.

13K. **Policy 70 – Inspection of the Coop's Books & Records** was distributed, and proposed changes reviewed by Anderson. Discussion held. A motion was made by van Doorn to table action on Policy 70 until the next board meeting. Second by Taguma. Hand vote taken with four voting for and five voting against the motion. Motion failed. Additional discussion held. Reich made a motion, and seconded by van Doorn, to table action on Policy 70 until the next board meeting. Motion carried.

13L. **Policy 85 – Attendance by Members at Regular Meetings of the Board of Directors** was distributed, and proposed changes reviewed by Anderson. Discussion held. Motion made by Schara, and seconded by Cerman, to approve Policy 85 – Attendance by Members at Regular Meetings of the Board of Directors as amended. Unanimously carried.

The board moved to 13N – Executive Session.

13M. **February Board Meeting Date** was reviewed due to it conflicting with the NRECA Annual Meeting. Discussion held. Board consensus was to change the February regular board meeting date to February 20, 2018, and to hold this meeting at the Ladysmith headquarters. March meeting location was also moved to Ladysmith due to the two-day strategic planning session. Board consensus was to hold the April and May board meetings in Hayward.

The board reviewed Ladysmith building remodeling items that were in the draft copy of the 2018 JREC Budget and no changes made.

JREC BOARD MINUTES


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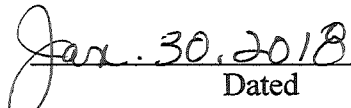
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13N. **Executive Session.** Motion by Kruk to move to Executive Session to approve Executive Session minutes and discuss legal matters. Seconded by Schara. Unanimously carried. Zimmer left the meeting at 3:57 p.m. In Executive Session, on a motion duly made, seconded and carried, the Executive Session Minutes for November 28, 2017, were approved as presented. A motion was made by Reich, and seconded by Brooks, to move out of Closed Session at 4:20 p.m. Unanimously carried. Zimmer re-entered at 4:22 p.m.

The board moved to 13M – February Board Meeting Date.

Being there was no further business to come before the meeting, a motion was made by Schara, and seconded by Reich, to adjourn the meeting at 4:50 p.m. Unanimously carried.

  
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Joe Lorence, Secretary-Treasurer

  
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Dated

(CORPORATE SEAL)