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Cooperative

March 2018 NEWS

BE RELEVANT
→ **FOR THE FUTURE**


Jackson Electric Cooperative
81st Annual Meeting
Tuesday, March 13, 2018

Lunda Theatre, Black River Falls
Business meeting at 7 p.m.

Bring this magazine to the annual meeting
for a chance to win a \$50 energy credit



JACKSONELECTRIC COOPERATIVE

Your Touchstone Energy® Cooperative 

CALL AND NOTICE

of Annual Meeting of the Jackson Electric Cooperative, Black River Falls, Wis.

As president of the Jackson Electric Cooperative (hereinafter called the "Cooperative"), I do hereby call and give notice of the Annual Meeting of the members of the Cooperative for the year 2017 to be held at the Lunda Theatre in the City of Black River Falls, Wisconsin, on Tuesday, March 13, 2018, commencing at 7:00 p.m. for the purpose of acting upon the following matters:

1. The reading of the unapproved minutes of the previous meeting of the members of the Cooperative and the taking of necessary action thereon;
2. The reports of officers, directors, and committees;
3. Ratification of the report of the District Elections;
4. Such other further business as may come before the meeting or any adjournment thereof.

Dated on this 26th day of February, 2018.

Gary L. Woods

Gary L. Woods

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AGENDA

Jackson Electric Cooperative
81st Annual Meeting of the Members
March 13 • 7 p.m.
Lunda Theatre, Black River Falls, Wis.

Doors open at 6 p.m.
Registration and refreshments

Call to Order Gary Woods, President
 Invocation Kristi Hanson, Director
 Pledge of AllegianceAll Members
 Welcome..... Gary Woods, President
 Youth Ambassador Scholarship Award Kevin Babcock,
 General Manager/CEO
 Reading of Notice of Meeting..... David Peasley, Secretary
 Establish a Quorum..... David Peasley, Secretary
 Reading of 2017 Meeting Minutes David Peasley, Secretary
 President’s Report Gary Woods
 Redistricting ReportDan Smrekar, Director
 Audit Report..... Brittany Story, CarlsonSV
 Mike Anderson MemorialJerry Huber, Director
 General Manager/CEO Report..... Kevin Babcock
 Ratification of Directors.....Niles Berman, Attorney

Elected Directors to be Ratified:

District 4 Chris Curran
 District 5 David Peasley
 District 7 Brian Huber

Old Business Gary Woods, President
 New Business..... Gary Woods, President
 Question & Answer Session

Adjournment
Price Drawings

Door Prizes!

- Big Screen TV
- 15- \$100 cash prizes



THIS MAGAZINE COULD BE YOUR CHANCE FOR A BIG PRIZE!

Bring it for a chance to win a \$50 energy credit!

BE RELEVANT FOR THE FUTURE



Kevin Babcock,
General Manager/CEO

When electric cooperatives were formed, it was their quest to meet the needs for the people who lived in the rural communities. Eighty-one years ago, it was Jackson Electric's fore founders who had that same vision to provide electricity to those living in rural Jackson County. Some members may still remember watching power poles being erected and lines being strung in the concentrated areas, but not in the rural areas. Investor-owned utilities bypassed these areas because of the high cost to construct and maintain the facilities. Because of the low-density numbers in rural areas, there was little profit for investor-owned utilities.

There was a need to provide electricity to those living in the rural areas. Rural residents craved the desire to increase production and improve efficiency, which led to increased profits. Electric cooperatives were formed to give rural residents a better livelihood, more efficiencies, and success.

Today, Jackson Electric is faced with the same considerations, but the face of the membership is changing. This leads to the question, "What can your cooperative do to be relevant for future generations?"

Technology. Jackson Electric is taking steps to improve the options for members to pay their electric bill. The traditional means of paying your electric bill are still available, but we

had to consider other bill-pay options to meet the needs of another generation of members. To meet the needs of the millennials, as they're referred to, we have improved our customer information system so that online bill-paying is user-friendly and convenient. Some of the highlights of this new online system:

- Pay your electric bill
- Set up recurring electric bill payments
- Select paperless billing statements
- Monitor your electric usage
- Set how you would like to receive your account notifications
- Contact our office
- Download the mobile app to pay your bill or monitor your usage when you're on the go

Not only will this system improve the efficiency of bill-paying, but it could potentially save your cooperative in mailing expense if more members signed up to receive paperless billing. For every paper bill that is mailed, it costs the cooperative \$0.54 per piece. Multiply that number by 6,200 pieces mailed, and that equates to a little more than \$3,300 per month to mail billing statements.

Not only will this system be more user-friendly and convenient for members, but it also impacts Jackson Electric's

(Continued on page 18)



Gary Woods,
President

PROPOSED AMENDMENTS TO THE BYLAWS

The following are proposed bylaw amendments that will be presented to Jackson Electric Cooperative's membership for approval at the annual meeting on Tuesday, March 13, 2018.

Article II, Section 1. Annual Meeting. The Annual Meeting of the members shall be held once each year at such place within one of the counties served by JEC, and at such time, as shall be designated by the board of directors in the Notice of Meeting, for the purpose of passing upon reports covering the previous [fiscal calendar](#) year, ratifying the newly elected directors, and transacting such other business as may come before the meeting. Failure to hold the Annual Meeting shall not work forfeiture or a dissolution of JEC.

Article II, Section 5. Voting. Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at any meeting of the members. If a member is qualified to vote, but is provided services in more than one district, the member may only vote in only one such district. [If a member receiving service in more than one district has his or her residence \(as may be defined by the board\) in one of those districts, he or she may only vote in that district. If the member's residence is not in any of those districts, he or she may elect which district to vote in, however, the member may not change that designation unless and until he or she no longer receives service in that district.](#) At all meetings of the members at which a quorum is present, all questions

shall be decided by a vote of the majority of the members voting thereon at such meeting in person, except as otherwise provided by law, the articles of incorporation of JEC, or these bylaws. A husband and wife and any other joint membership shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

Article V, Section 7. Secretary. The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the board in books provided for that purpose [or overseeing the recording and keeping of such minutes by a recording secretary designated by the board; ...](#)

Article VII, Section 2. Any distribution of proceeds, redemption or retirement of capital which remains unclaimed three (3) years after the date authorized for retirement or payment in cash or other property may be forfeited by the board and used as a fund for cooperative education. Any amounts forfeited may revert to JEC for exclusive use in cooperative education, if, at least six (6) months prior to the declared date of forfeiture, notice that such payment is available has been mailed to the last known address of the person shown by the records to be entitled thereto, or if the address is unknown, is published under Section [185.23185.03](#) Wisconsin Statutes.



COMPARATIVE BALANCE SHEET

(as of April 30, 2017)

What We Have (Assets)

	2016	2017
Electric Plant		
Electric Property at Cost	\$ 40,391,624	\$ 41,168,114
Construction in Progress	118,101	245,271
Less Estimated Depreciation	16,186,308	17,283,714
<i>Net Value Electric Property</i>	<i>\$ 24,323,417</i>	<i>\$ 24,129,671</i>
Other Assets and Deferred Charges		
Cash-General & Operating Funds	\$ 1,610,712	\$ 2,867,935
Other Investments	8,268,983	8,757,350
Amount Due from Members for Electric Service	1,652,177	2,162,914
Line Material Inventories	372,526	588,043
Prepayments & Deferred Charges	766,327	977,779
<i>Total Other & Deferred</i>	<i>\$ 12,670,725</i>	<i>\$ 15,354,021</i>
 <i>Total Assets</i>	 <i>\$ 36,994,142</i>	 <i>\$ 39,483,692</i>

What We Owe (Liabilities)

Long Term Debt	2016	2017
Total RUS Construction Advances	\$ 11,925,000	\$ 11,925,000
Payments on Principal (Cumulative)	(8,771,314)	(8,519,515)
Net RUS Loan Obligation	3,153,686	3,405,485
Cooperative Finance Corp.	6,603,017	5,263,966
Dairyland Power Co-op	-	-
Federal Financing Bank	10,300,355	10,031,584
Other Long Term Debt	400,000	400,000
<i>Total Long Term Debt</i>	<i>\$ 20,457,058</i>	<i>\$ 19,101,035</i>
Other Liabilities & Credits		
Amount Due Suppliers (power, materials, etc.)	\$ 909,691	\$ 1,126,021
Deposits Made by Consumers	144,438	146,378
Accrued Taxes, Insurance & Payroll	203,299	220,603
Accrued Interest & Other Liabilities	851,983	729,188
Miscellaneous Deferred Credits	229,677	1,290,616
<i>Total Other Liabilities and Credits</i>	<i>\$ 2,339,088</i>	<i>\$ 3,512,806</i>
What We Own (Net Worth)		
Membership Fees & Other Capital	\$ 212,600	\$ 507,966
Capital Credits Assignable	881,028	3,023,735
Capital Credits Assigned to Date	23,393,501	24,049,821
Capital Credits Retired to Date	(10,289,133)	(10,711,671)
<i>Total Members' Equity (Net Worth)</i>	<i>\$ 14,197,996</i>	<i>\$ 16,869,851</i>
 <i>Total Equities and Liabilities</i>	 <i>\$ 36,994,142</i>	 <i>\$ 39,483,692</i>

COMPARATIVE REVENUE & EXPENSE REPORT

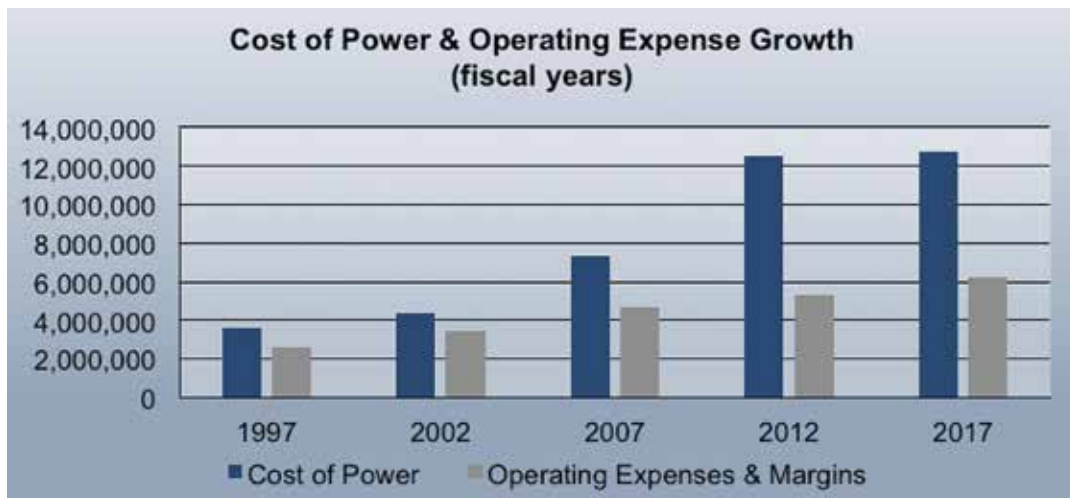
For the Fiscal Year Ending April 30, 2016 & 2017

Our Revenues

	2016	2017
Electric Energy Sales	\$ 18,567,617	\$ 19,182,667
<i>Total Operating Revenue</i>	\$ 18,567,617	\$ 19,182,667

Our Expenses

Cost of Power Purchased	\$ 12,337,672	\$ 12,759,707
Maintenance & Operations of Lines	2,028,276	1,511,136
Consumer Accounts Expense	414,584	369,130
Customer Service & Informational Expense	227,958	172,855
Administrative & General	1,269,692	1,261,638
Director Compensation	72,706	62,023
Depreciation Expense	1,334,230	1,408,719
Taxes	253,659	220,390
Interest & Loan Expense	812,709	778,234
<i>Total Cost of Electric Service</i>	\$ 18,751,486	\$ 18,543,832
<i>Net Operating Margins</i>	\$ (183,869)	\$ 638,835
Other Margins	276,019	1,828,653
Capital Credits	657,235	617,907
<i>Net Non-Operating Margins</i>	\$ 933,254	\$ 2,446,560
<i>Net Margins</i>	\$ 749,385	\$ 3,085,395



AUDIT REPORT

The Rural Utilities Service (RUS) and the National Rural Utilities Cooperative Finance Corporation (CFC) require an annual independent audit be made of the cooperative's records. Copies of the complete audit are sent to RUS and CFC and are available at the office of the cooperative for member's review. The auditing firm of CarlsonSV of Amery, Wis. will perform the next audit for the fiscal period ending April 30, 2018.



80TH ANNUAL MEETING OF JACKSON ELECTRIC COOPERATIVE

March 21, 2017, at 7:00 p.m.

1. The 80th Annual Meeting of Jackson Electric Cooperative was held at the Lunda Theatre in Black River Falls, Wisconsin, on March 21, 2017, at 7 p.m. President Gary Woods called the meeting to order. Other board members present were Jerry Huber, Dave Peasley, Dan Smrekar, Junior Jacobson, Jerry Wagner, Chris Curran, Brian Huber, and Stan Gran. Niles Berman, legal counsel, was also present.
2. The invocation was given by Stan Gran.
3. Following the Posting of the Colors by American Legion Post 200, all in attendance recited the Pledge of Allegiance.
4. Gary Woods welcomed all in attendance.
5. General Manager/CEO Kevin Babcock presented the Youth Ambassador Scholarship to Mykayla Wollin, daughter of Sherrie Waldera of rural Melrose.
6. The reading of Notice of Call and Notice of Meeting was conducted by Secretary David Peasley. It was announced a quorum was present and the meeting would proceed.
7. Motion was made and seconded that secretary David Peasley dispense with the reading of the minutes for the 2016 annual meeting and approve as submitted. Motion carried unanimously.
8. President Woods highlighted that the cooperative has a solid long-term financial plan in place, a secure network to prevent cyber threats, and a strong culture of safety for the employees and community. Woods assured members that the board of directors is happy with the direction the cooperative is going.
9. President Woods presented Director Junior Jacobson with an appreciation gift for his 18 years of service to the board of directors. Jacobson chose not to run for re-election at the district #2 meeting.
10. The Redistricting Report was presented by Director Dan Smrekar. He noted that all districts have approximately equal representation.
11. The Audit Report was presented by Abby Williamson of Carlson Highland & Co., LLP.
12. Jerry Huber presented the \$1,000 perpetual Mike Anderson Memorial to Jackson County Coats for Kids organization.
13. Following the introduction of the board of directors, General Manager/CEO Kevin Babcock shared with the membership present that there will not be a regular energy rate increase in the year 2017. Babcock went on to answer the most popular questions received at the office by members. Included were the value of right-of-way vegetation maintenance, components of the facility charge, the output of Jackson Electric's solar array, and a request to learn more about member interest from a community solar garden survey that was distributed to members at registration.
14. On a motion duly made, seconded, and carried the following Resolution was approved, ratifying the director elections held for Districts 2, 3, and 8.

BE IT RESOLVED, that the election of Kristi Hanson as Director for District No. Two (2) on February 14, 2017, for a three-year term; the election of Jerry Huber as Director for District No. Three (3) on February 15, 2017, for a three-year term; and the election of Dan Smrekar as Director for District No. Eight (8) on February 16, 2017, for a three-year term; be and the same are hereby ratified and confirmed.

CEO & Board Chair Report

(Continued from page 15)

internal operations. The software program currently used for line design will integrate with Jackson Electric's inventory management system, which is a direct link to our vendors. The goal is to inventory enough material for daily operations, yet have the flexibility to order on-demand.

Communications. Jackson Electric continues to research various means to communicate to its membership. Social media is becoming instant gratification for members to communicate with the cooperative. Social media apps such as Facebook, Instagram, and Twitter play an active role in Jackson Electric's communication portfolio.

Energy Needs. Jackson Electric formed a separate entity, JacksonSolar, LLC, to meet the growing member requests for solar energy. JacksonSolar, LLC will sell and install 4.2 and 8.4 kW* solar systems to members of Jackson Electric Cooperative. For 2018, this pilot project is capped at 15 members. A pilot project was approved by the board of directors so the employees of Jackson Solar, LLC can learn more about the solar industry and installation of the product. (*approximate wattage)

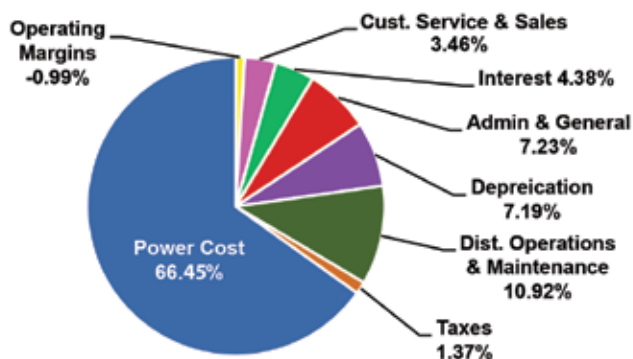
Is your co-op relevant? You may see some changes with Jackson Electric as we move with the next generation of members. Jackson Electric has to be relevant to its membership to be successful.

15. Old Business – none.
16. New Business – none.
17. Two members made comments about renewable energy. One member commented about spent nuclear fuel. Two other members thanked the cooperative for offering LED lighting rebates.
18. Motion was made and seconded to adjourn the meeting. Carried unanimously. Meeting was adjourned at 7:45 p.m.
19. A \$50 energy credit was won by Roger and Teri Osegard of Taylor. The 55" screen TV was won by Gene Lien of Black River Falls. Fifteen members won \$100 cash prizes. Each registered membership in attendance was given a \$10 energy credit to be applied on their next billing statement and all present received a Jackson Electric Cooperative logoed stick up LED light.
20. There were 209 registered members in attendance at the meeting; total attending was 316.

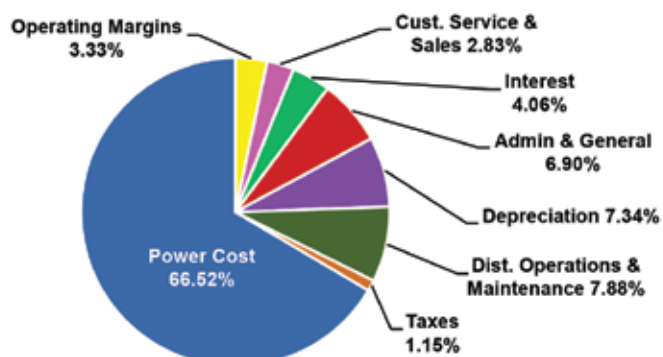
Respectfully submitted,

David W. Peasley, Secretary

Fiscal Year Expenses/Dollar of Revenue-2016



Fiscal Year Expenses/Dollar of Revenue-2017

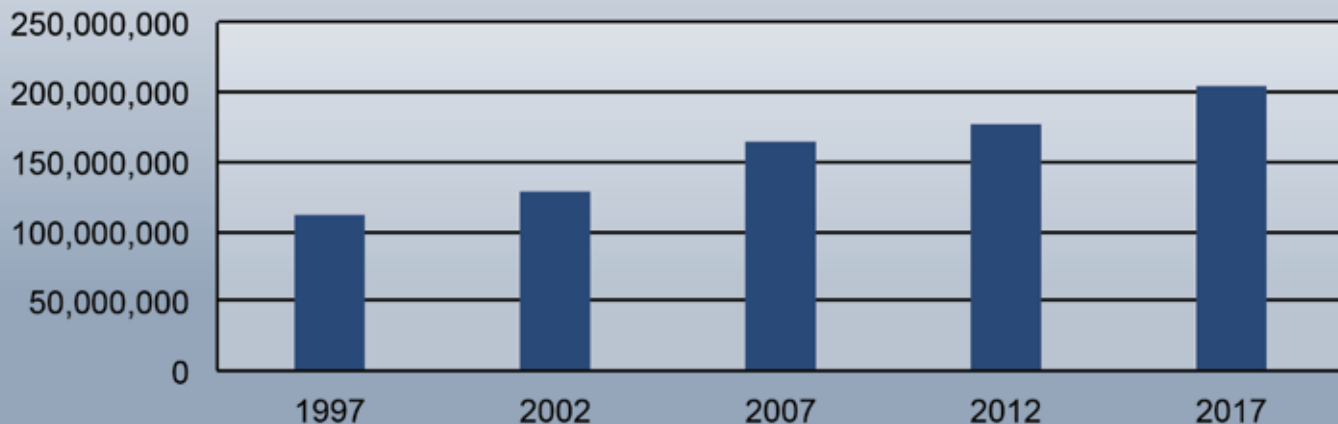


Your Cooperative's Growth

(January 1–December 31)

	1997	2002	2007	2012	2017
Number of members as of December 31	4,904	5,564	6,100	6,243	6,291
Miles of line as of December 31	1,237	1,304	1,398	1,448	1,483
Connected services as of December 31	5,802	6,598	7,273	7,457	7,635
Meters per mile as of December 31	4.69	5.06	5.20	5.15	5.15
Kilowatt-hours (kWh) sold	111,020,414	128,649,760	165,262,925	177,467,630	204,631,483
Cost of power purchased	\$3,866,277	\$4,811,008	\$7,887,801	\$13,066,847	\$13,740,092
Total energy sales for year	\$7,008,410	\$8,960,012	\$12,768,441	\$19,119,245	\$20,186,562

Kilowatt Hour Sales (calendar years)



RULES OF THE ANNUAL MEETING

These rules are set in accordance with Jackson Electric Cooperative Bylaws, Article II, Section 7. Jackson Electric Cooperative’s annual meeting will be held on Tuesday, March 13, 2018, at the Lunda Theatre in Black River Falls.

1. The meeting will be conducted in accordance with Roberts Rules of Order Newly Revised edition.
2. Any speaker must be recognized by the Chair before speaking.
3. Only members and duly registered guests will be recognized by the Chair; each person so recognized must give his or her name.
4. Unless otherwise approved by the Chair, those recognized are to limit their questions and comments to three minutes, with any rebuttal limited to two minutes.
5. Questions and comments from members and duly registered guests will be in order during old and new business sessions, and at the conclusion of the officer reports, if invited.
6. No resolution affecting Jackson Electric Cooperative may be submitted by any member, unless written copies have been received by Jackson Electric Cooperative by January 13, 2018. This will permit time for review by the Jackson Electric Cooperative Board of Directors to make its recommendation to the meeting as to approval or rejection.
7. No signs or handouts will be permitted within the building of the place of the meeting, except such handouts as required for the official conduct of the Annual Meeting. No handouts made available outside of the building will use the name of the Cooperative, its letterhead or logo to imply that the Cooperative supports or opposes any resolution.
8. No demonstrations shall be held within the building of the place of the meeting.

Annual Meeting Voting Procedures

Voting may be by voice vote (one vote per membership)

JACKSON ELECTRIC COOPERATIVE DIRECTORS

- President Gary Woods.....District 9
 Vice President/DPC
 Representative Jerry Huber.....District 3
 Secretary/Treasurer David PeasleyDistrict 5
- Stanley Gran.....District 1
 Kristi HansonDistrict 2
 Chris CurranDistrict 4
 Jerry WagnerDistrict 6
 Brian Huber.....District 7
 Daniel SmrekarDistrict 8

OPERATING PERSONNEL

Kevin Babcock – General Manager/CEO

Jerel Gunning – Office Manager

Eric Steien – Line Superintendent

Steve Wold – Information Technology Manager

Carol Blaken – Member Relations Manager

Dalton Berg
 Pam Bjerke
 Steve Bucholz
 Matt Bush
 Brian Dolesy
 Don Fortun, Jr.
 Jesse Hansen
 Dan McKeivitt

Deanna Oliver
 Spencer Paulson
 Thereasa Rieck
 David Ripp
 Brian Schultz
 Grant Witcraft
 Hazy Wood
 Bertina Zager




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