

JO-CARROLL ENERGY, INC. (NFP)
Board Meeting Minutes Summary
June 29, 2016

The board met on Wednesday, June 29, 2016, at the Jo-Carroll Energy Headquarters. The following is a summary of the meeting activities. The Agenda and the Consent Agenda were approved.

Chairman's Report – Chairman Senn provided updates on the Board self-evaluations that were recently submitted by the Directors. Senn gave a report on a meeting with Dan Brewer from the NRECA regarding the Jo-Carroll Energy CEO Executive Search Committee. He noted that Dan Brewer will be meeting with the Directors and Senior Staff for a Special Board Meeting on July 15 to discuss the CEO Survey.

Presentations- None

Dairyland Report – Director Jones gave updates on his recent attendance at the Dairyland 75th Annual Meeting. Jones gave an update on the new officers and the board chair of the Dairyland Power Board.

AIEC Report – Director Senn announced that former Congressman, Jim Matheson, has been hired as the new CEO for the NRECA. Senn reported that the AIEC will apply for a new line of credit with CFC.

APGA Report – Director Carroll provided updates on various regulatory issues that the APGA is following, such as, a furnace rule, water heater requirements, and natural gas regulations.

PPI Report – Director Hallendorff reported on the generation numbers for the Prairie State Generating Campus in May.

Monthly Committee Review

- a. **(a) Policy Report** – Policy 102.1 – Director Elections, was updated to reflect recent changes to the bylaws.

CEO's Report - The CEO reported on the following in addition to his written report:

- a. **Financial Operating Report** – CEO Hastings reported that the Cooperative had an unaudited margin of approximately \$224,000 in May, compared to a budgeted amount of \$262,931, which was due to an increase in power costs above budgeted amounts. The Board accepted the May Financial Operating Report for filing with the auditor by general consent.
- b. **Power Supply Report** – CEO Hastings discussed the merger between ITC Midwest and Fortis and Jo-Carroll's intervention in the related case before the Illinois Commerce Commission.

- c. **CFO Report** – CFO Heidenreich gave reports from the SEDC (Southeastern Data Cooperative) conference she recently attended, as well as a US Bank webinar.
- d. **Sr. Vice President and Assistant General Manager Report** – Sr. Vice President and Assistant General Manager Buross reported on an outage in Galena caused by a transformer failure in the Commerce street substation on June 27. A mobile unit was deployed and there was no impact on the operations of the business served by the transformer. Buross also gave an update on the progress of the headquarters building addition.
- e. **Culture of Excellence and Communications** – Merri Sevey, Vice-President of Human Resources discussed the Jo-Carroll Energy Member Appreciation Days, noting the sizeable turnout. Sevey thanked staff member Peggy Francomb for her planning of the successful event. Sevey announced that Caroline Fisher will be meeting with employees in August and September.
- f. **Member Services** – Jennifer Skien, Vice-President of Member Services reported on a recent survey that went out to members in District 10 regarding the AC load control program. Skien also provided information on the upcoming field inspections that are being scheduled. Skien provided an update on a recent scam alert directed towards Jo-Carroll Energy Members, noting that the Galena Gazette reported the scam as well.
- g. **External Affairs Update** – Chris Allendorf, Vice President of External Relations and General Counsel reported on the State of Illinois and the possibility of a budget compromise. Allendorf noted that the lack of a budget for so long has resulted in a poor credit rating for the State of Illinois, resulting in higher interest rates. Allendorf reported on the activities of TCEDA, noting that he has been elected as the secretary of the organization.

Board Issues

- a. **Discounted Estate Retirements Approval** – CFO Heidenreich presented the current discounted estate capital credit retirements for the board's consideration. The discounted estate retirements were approved, as presented.
- b. **Review of Debt Management Plan and Cash Management Plan** – The Debt Management Plan and Cash Management Plan were approved, as presented.
- c. **Region 5 and 6 Meeting** – The attendees for the NRECA Region 5 and 6 Meeting were selected.

- d. **Region 5 and 6 Voting Delegate and Alternate** – The voting delegate and alternate delegate were selected for the NRECA Region 5 and 6 Meeting.
- e. **Badger Power Annual Meeting** – The attendees were selected for the Badger Power Annual Meeting.
- f. **Badger Power Annual Meeting Delegate and Alternate** – The Badger Power Annual Meeting delegate and alternate were selected.

Executive Session

Executive Session was held to discuss pending and possible litigation, other legal matters, and employment matters.

Consideration of Matters discussed in Executive Session –

- a) The hiring of M.L. “Chris” Christman as interim President and CEO of the cooperative, effective August 1, 2016 was unanimously approved.
- b) A Utility Service Agreement with East Dubuque Nitrogen Fertilizers was unanimously approved.

Reports

Reports were heard on: The CFC Forum, Dairyland 75th Annual Meeting, PPI Annual Meeting and the AIEC Board Meeting.

Upcoming Meetings

Dairyland Board Meeting and Special Board Meeting

Other Business- None.

Adjournment

Chairman Senn adjourned the meeting at 12:08 PM.