

JO-CARROLL ENERGY, INC. (NFP)
Board Meeting Minutes Summary
February 22, 2017

The board met on Wednesday February 22, 2017, at the Jo-Carroll Energy Headquarters. The following is a summary of the meeting activities. The Agenda, as amended, and the Consent Agenda were approved.

Chairman's Report – Chairman Senn commented on the future of natural gas prices. Senn also commented on the Dairyland meeting he recently attended, noting their President, Barbara Nick, has been doing an excellent job supporting her staff and keeping them informed during their Strategic Planning process.

Dairyland Report – Director Mattingley provided an update on Dairyland's monthly financials for January, noting that electric demand is down across Dairyland's system. Mattingley also provided an overview of Dairyland's current generation mix. Mattingley concluded by noting that Dairyland's board will be conducting strategic planning over the summer.

AIEC Report – Chairman Senn discussed Federated Rural Electric Insurance's presentation to the AIEC board, noting the premium refund that Jo-Carroll Energy received from Federated as a result of our excellent safety record, due to the cooperative's focus on safety.

APGA Report – Director Carroll provided an update on regulatory matters being followed by the APGA, as well as the APGA gas conference he recently attended. The APGA will soon be visiting with President Trump's transition team to discuss regulatory matters.

PPI Report – Director Hallendorff reported on PPI's most recent generation figures and provided operational and safety highlights from 2016.

Monthly Committee Review

- a. **Policy 107**- Policy 107 was approved as is.

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

- a. **Financial Operating Report** – President and CEO Mike Casper reported that the current equity of the cooperative is approximately 23.91%, compared to 23.6% at the end of 2016. Operations and maintenance expenses were \$496,050 under budget. Casper also provided the board with a wholesale power cost comparison going back to 2014. By general consent, the board moved to file the Financial Operating Report with the auditor.

- b. **CFO Report** – CFO Heidenreich provided a brief update on a payment received from Dairyland regarding its most recent settlement with the federal government over the decommissioned La Crosse nuclear reactor.
- c. **Sr. Vice President and Assistant General Manager Report** – Nothing to add to written report.
- d. **Culture of Excellence and Communications** – Merri Sevey, Vice-President of Human Resources discussed the upcoming Jo-Carroll Energy Annual Meeting, which will be held at the Savanna High School on May 23, 2017.
- e. **Member Services** – Jennifer Meyer, Vice-President of Member Services provided an update on past-due amounts owed to the cooperative. Meyer noted that warmer weather and proactive efforts by staff to make payment arrangements with members have helped keep those amounts low.
- f. **External Affairs Update** – Chris Allendorf, Vice President of External Relations and General Counsel, discussed efforts in the Illinois Senate to pass a “grand bargain” budget plan. Allendorf also reported on sources that have noted Illinois has much to offer to new and expanding businesses, but these businesses cite the lack of a budget as a major hindrance. A new EPA director has been confirmed by the U.S. Senate. The Trump Administration has also signaled that it will order a review of major environmental regulations like the Clean Power Plan and the Waters of the U.S. rule.

Board Issues

- a. **Discounted Estate Capital Credit Retirements- Discounted Estate Retirements Approval**– A motion was made, seconded and carried unanimously to approve the discounted estate retirements, as presented.
- b. **CRC Voting Delegate and Alternate** – A motion was made, seconded and carried unanimously to select Mike Casper as the CRC Voting Delegate and Russ Holesinger as the alternate.
- c. **Proposed Changes to Rate 730** – A motion was made, seconded and carried unanimously to approve the proposed changes to Rate 730, which included an increase in the fee for tampering with a meter in the amount of \$300.00.
- d. **Board Vacancy for District 4** – A motion was made, seconded and carried unanimously to declare a vacancy for District 4, due to the resignation of Bret Jones. Chairman Senn noted that the Executive Committee is working on a process to appoint a replacement.
- e. **UVIG Membership (Utility Variable Generation Integration Group)** – A motion was made, seconded and carried unanimously to approve Jo-Carroll

Energy's membership in UVIG and for Mike Casper to serve as a UVIG board member.

- f. **Review New Broadband Policy 805** – A motion was made, seconded and carried unanimously to approve Broadband Policy 805, which sets hotspot monthly charges.
- g. **Broadband Internet Business** – A motion was made by the Executive Committee to continue to support the existing wireless network and build out fiber based on demand, which was seconded and carried unanimously.
- h. **Defer 2016 Operating Expense Refunds to 2017**– Discussion was had on additional operating expense refunds the cooperative received for 2016. The consensus among the board was that deferring these additional refunds would help stabilize rates in 2017. A motion was made, seconded and carried unanimously to approve a resolution to defer additional 2016 operating expense refunds from 2016, including the settlement payment from Dairyland for the LaCrosse nuclear reactor, to 2017.

Meetings and Training

- a. **CFC Forum**- Registrations were turned in for the CFC Forum.

Executive Session- A motion was made to move into Executive Session at 11:23 A.M. which was seconded and carried unanimously.

Out of Executive Session- A motion was made to come out of Executive Session at 11:52 A.M. which was seconded and carried unanimously.

Consideration of Matters discussed in Executive Session –

- The board approved a resolution regarding severe temperature disconnects of members receiving LIHEAP funds.
- The board approved retaining John Cox as outside counsel for the board in the event of a conflict of interest, if one should arise.

Reports

Reports were heard on: NRECA Course 2610.1 and the Dairyland District Meeting.

Adjournment

Chairman Senn adjourned the meeting at 12:03 P.M.