

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

The board met on Wednesday March 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 discussed the director vacancy for District 4, as well as current political and regulatory issues and asked that the board continues to stay engaged with our members. Senn concluded by discussing the importance of upcoming strategic planning sessions for the future of the cooperative.

Dairyland Report – Director Mattingley provided an update on Dairyland's monthly financials for February. Mattingley also provided an update on discussions regarding governance and wholesale power contracts.

AIEC Report – Chairman Senn provided an update from the AIEC meeting he recently attended and noted their strategic planning session was recently completed. Senn discussed Illinois Senate Bill 2603, which would allow for the state to receive unclaimed capital credits, rather than the cooperative keeping them for use within the service area for the benefit of members. Senn noted that cooperatives were not exempt from the bill.

APGA Report – Director Carroll provided an update on regulatory matters being followed by the APGA. A new issue the APGA is monitoring concerns "Made in America" provisions for new natural gas infrastructure.

PPI Report – Director Hallendorff reported on PPI's most recent generation figures and provided operational highlights from the Prairie State Units 1 and 2.

Monthly Committee Review

- a. **Policy 108**- Policy 108 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 Cooperative's margins for February were approximately \$475,000, which was approximately \$11,000 below budget. The current equity of the cooperative is approximately 24.62%, compared to 23.65% at the end of 2016. O&M expenses were \$550,000 under-budget. Casper also noted Jo-Carroll Energy paid down \$760,000 in long-term debt and will be developing a plan to refinance short-term debt in May. Casper discussed the long-term effects of using one-time receivables as deferred revenue to keep rates low. By general consent, the board moved to file the Financial Operating Report with the auditor.

- b. **External Affairs Update**– Chris Allendorf, Vice President and General Counsel, reported on the TCEA Annual meeting held at Timmerman’s Supper Club in East Dubuque, IL, noting that this year’s speaker received excellent reviews and attendance was around 150. The Build it-Grow it program has expanded into Warren, and scholarships are available for the program to members of the Galena Area Chamber of Commerce that are interested in participating. In his state and federal update, Allendorf noted that the state’s backlog of unpaid bills continues to grow, reaching a record high of \$13 billion. Allendorf reported that President Trump, through Executive Orders, has required the EPA to prepare a financial analysis of the cost impact of the Clean Power Plan and the Waters of the U.S. rule on the economy. Allendorf concluded by noting that the NRECA is working with the Administration to keep RUS Funding at current levels in the next budget.

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. **Resolution to Change Registered Agent/Office with the IL Secretary of State to Chris Allendorf** – A motion was made, seconded and carried unanimously to approve the Resolution to Change Registered Agent/Office to Chris Allendorf.
- c. **Appoint Credentials and Elections Committee** – A motion was made, seconded and carried unanimously to appoint the members of the Credentials and Election Committee.
- d. **2016 Margins Allocations** – A motion was made, seconded and carried unanimously to allocate \$3.125 million of the 2016 margins, which was seconded and carried unanimously.
- e. **April Board Meeting Date Change to April 19th** – A motion was made seconded, and carried unanimously to change the April Board Meeting date to April 19th.

Meetings and Training

- a. **March 27-28 Strategic Planning**- The upcoming meeting preparations were discussed as well as what was to be expected from the meeting.
- b. **Dairyland Annual Meeting, June 7th**- The attendees were selected for the Dairyland Annual Meeting.

Consideration of Matters discussed in Executive Session – None.

Reports

Reports were heard on: The NRECA Annual Meeting.

Other Business- None.

Adjournment

Chairman Senn adjourned the meeting at 11:20 A.M.