

**JO-CARROLL ENERGY, INC. (NFP)**  
**Board Meeting Minutes Summary**  
**May 27, 2015**

The board met on Wednesday, May 27, 2015, 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 reported on the status of the Clean Power Plan, which has colloquially become known as “111(d)” among the utility industry and the difficult outcomes that may result from it.

**Dairyland Report** – Director Stadel deferred to CEO Hastings' report.

**AIEC Report** – Director Senn reported that Duane Noland has agreed to remain as President and CEO of the AIEC.

**APGA Report** – Director Carroll provided regulatory updates from the APGA.

**PPI Report** – Director Hallendorff reported on issues with Prairie State Unit 1, favorable prices for PPI in a recent MISO auction, and efforts to create a loop in the Geneseo area.

**Monthly Committee Review**

**(a) Policy Report** – Policy 139 – Whistle Blower Protection - approved as is

**(b) Policy Committee Report** – Director Smith presented policies 136.1 and 136.2 to the board, both dealing with net metering. Policy 136.1 keeps in place current arrangements with members utilizing net metering, while Policy 136.2 would apply to new net metering accounts and mirrors Illinois Commerce Commission guidelines. Both were approved unanimously, as presented. Director Smith also presented a new Policy 147 – Prepaid Metering. The policy creates a framework for staff to implement prepaid metering when the Cooperative is ready to adopt it. Policy 147 was approved unanimously, as presented.

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

- a. **Financial Operating Report** – Hastings reported that the Cooperative had unaudited margins of approximately \$208,000 in April, compared to a budgeted amount of \$122,000.

The Board accepted the April Financial Operating Report for filing by general consent.

- b. **Power Supply Report** - CEO Hastings deferred the report until executive session.
- c. **Rentech Report** – Deferred to executive session.
- d. **CFO Report** – Vice President and Chief Financial Officer Heidenreich reported during the “Board Issues” portion of the meeting.
- e. **Sr. Vice President and Assistant General Manager Report** – Sr. Vice President and Assistant General Manager Buros reported several outages that occurred recently, one of which, in the Mt. Carroll area, was caused by Dairyland.

- e. **Culture of Excellence and Communications** – Merri Sevey, Vice President of Human Resources was absent; CEO Hastings reported Caroline Fisher will be at the Cooperative in June to present on the results of the recent culture survey.
- f. **Member Services** – Jennifer Skien, Vice-President of Member Services, reported on unbundling and rate redesign, noting that the first new bills have gone out to Members. Skien also informed the board that Jo-Carroll Energy was selected to receive a \$90,000 grant from the USDA to assist with energy audits.
- g. **External Affairs Update** – Chris Allendorf, Corporate Counsel, reported on meetings with legislators at the NRECA’s Legislative Conference, including updates on the President’s Clean Power Plan. Allendorf also shared information on topics covered at the NRECA’s Legal Seminar that he attended. Allendorf provided the board with an update of TCEDA’s current activities.

John Cox, Board Attorney, reported on activities at the Campbell Center.

### **Board Issues**

- a. **Past Due Interest Rate** – CFO Heidenreich recommended to the board that they adopt a 1.5% interest charge on all past-due accounts receivable. The board approved a motion to implement the charge on past-due accounts receivable.
- b. **2014 Audit Management Letter** – CFO Heidenreich updated the board on her department’s efforts to address deficiencies noted in the Audit Management letter.
- c. **NRECA Course 957.1 Attendees** – The board decided on attendees for the course.
- d. **AIEC’s Annual Meeting Attendees** – The board decided on attendees for the meeting.
- e. **Voting Delegate/Alternate to AIEC Annual Meeting** – Director Kuhns was approved as the delegate and Director Hallendorff as the alternate for the AIEC Annual Meeting.
- f. **AIEC Director/Alternate** (Two Year Term) – Chairman Senn was approved as the AIEC Director and Director Smith as the alternate.
- g. **NRECA Director/Alternate** (Two Year Term) – Director Holesinger was approved as the NRECA Director and Director Stanger as the alternate.
- h. **CFC Delegate/Alternate** (new) – Director Stadel was approved as the NRECA Delegate and Director Stanger as the alternate.
- i. **Dairyland Power Director/Alternate** (One Year Term) – Director Stadel was approved as the Dairyland Power Director and Director Werner as the alternate.

### **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** – The board approved the CEO’s compensation, pursuant to his contract.

**Reports** – Report were heard on: Legislative Conference.

**Upcoming Meetings** – Dairyland Annual Meeting, CFC Forum, and PPI Annual Meeting.

**Adjournment** – The meeting was adjourned at 11:30 A.M.