

JO-CARROLL ENERGY, INC. (NFP)
Board Meeting Minutes Summary
September 23, 2015

The board met on Wednesday, September 23, 2015, at the Jo-Carroll Energy Headquarters. The following is a summary of the meeting activities. The Agenda and the Consent Agenda were approved.

2015 Strategic Plan Presentation – Mike Tate, with On the Same Page Consulting, gave a brief presentation on the strategic planning process that the board and staff have been involved in for several months. Assistant General Manager Buros then presented the board with an overview of the strategic plan developed by staff from the board's direction. Vice President Sevey presented the board with a proposed mission statement and values, which were created and selected by the Cooperative's employees. The board approved the strategic plan, mission statement, and values, as presented.

Chairman's Report – Chairman Senn stated that the recent NRECA regional meetings highlighted the challenges posed to cooperatives by the Clean Power Plan.

Dairyland Report – Director Stadel reported that the JPM plant went down unexpectedly, which proved to be very costly for Dairyland.

AIEC Report – Chairman Senn reported that the AIEC did not have a meeting this month.

APGA Report – Director Carroll reported on the APGA conference that he attended. Carroll noted that various industry groups are still working to create a standardized definition of a "net-zero" building. Carroll also reported that the APGA is seeing increased utilization of natural gas for residential and commercial backup generators.

PPI Report – Director Hallendorff presented the board with PPI's energy supply report for August, 2015.

Monthly Committee Review

Director Smith reported the following recommendations from the policy committee meeting:

(a) Board Policy 142-Social Media –The committee recommended changes so the policy applies to directors, not directors and staff. An administrative policy will be developed that applies to employees.

(b) Board Policy 144-Code of Ethics and Board Policy 103-Director Conflict of Interest - the committee recommended changes to Policies 144 and 103 to incorporate the bylaw amendment approved by the Membership at the last annual meeting, which creates a conflict of interest for directors and director candidates involved in legal proceedings against the Cooperative. The board approved Policies 144 and 103, as amended.

Annual Meeting Planning Committee Meeting Report – Director Stadel reported that Wednesday, May 25, 2016 was the date chosen for the next annual meeting of the Membership. The meeting will begin at 5 P.M. at the East Dubuque High School, with dinner served by Tammy's Piggly Wiggly.

Board Self Evaluation Committee Report – Director Stanger stated that the committee has nothing to report to the board at this time.

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 an unaudited margin of approximately \$231,000 in August. Equity is at approximately 23.5%. The Board accepted the August Financial Operating Report for filing by general consent.
- b. **Power Supply Report** - CEO Hastings reported on the recent meeting of Dairyland's Compensation Task Force.
- c. **Rentech Report** – CEO Hastings reported that work with Rentech is continuing.
- d. **CFO Report** – Vice President and Chief Financial Officer Heidenreich reported that the Cooperative was able to negotiate reimbursement from PPI for certain transmission expenses dating back several years.
- e. **Sr. Vice President and Assistant General Manager Report** – Sr. Vice President and Assistant General Manager Buros reported that the building expansion has been delayed due to weather, though the geo-thermal system is in the process of being installed.
- f. **Culture of Excellence and Communications** – Merri Sevey, Vice President of Human Resources updated the board on Member Appreciation Days being held in October. Sevey informed the Board that the Cooperative staff will be participating in culture of excellence exercises with Caroline Fisher in October, based on the mission statement and values.
- g. **Member Services** – Jennifer Skien, Vice-President of Member Services, reported that bad debt write-offs were higher this year, due to the previous cold winter. Skien reported that the LIHEAP program is currently delayed by one month, which may mean that Members requesting LIHEAP funds may be forced to wait a month longer than normal.
- h. **External Affairs Update** – Chris Allendorf, Corporate Counsel, updated the board on recent legislative affairs at the state and federal level, including the state's inability to pass a budget and his recent meeting with Sen. Neil Anderson. Allendorf also provided an update on the activities of TCEDA.

Board Issues

- a. **CFC Financial Forecast** – CFO Heidenreich outlined for the board some of the features that can be utilized with CFC's new forecasting software. These features will be beneficial for future financial planning.
- b. **Form 990** – CFO Heidenreich reviewed the Cooperative's draft IRS Form 990 for the year 2014.
- c. **Co-Bank Board Election** – The Board approved CEO Hastings to vote on the Cooperative's behalf in the CoBank board election.

d. **NRECA Course 921.1 – Risk Oversight: The Board’s Role in Risk Management** – Attendees were noted for this course.

e. **IPEA Natural Gas Contract Extension** – A three-year contract with Illinois Public Energy Agency to purchase natural gas for the Cooperative was approved.

Executive Session

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

Consideration of Matters discussed in Executive Session – The board approved entering into a lease agreement for certain Cooperative real property.

Reports – Report was heard on the Region 5 & 6 Meeting.

Upcoming Meetings – Member Appreciation Days.

Other Business – Executive Committee Budget Meeting following the October Board Meeting. Blood Drive sign-up sheet.

Adjournment – The meeting was adjourned at 11:42 P.M.