

**JO-CARROLL ENERGY, INC. (NFP)**  
**Board Meeting Minutes Summary**  
**March 23, 2016**

The board met on Wednesday, March 23, 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 reported that the Cooperative will be submitting a resolution to the NRECA regarding potential changes to the Natural Gas Act which would benefit electric consumers.

**Dairyland Report** – Director Stadel reported that Dairyland's Class D members signed a power purchase agreement with Alliant Energy. Stadel also reported that the January PCA was 4 mills.

**AIEC Report** – Director Senn reported on the lack of a budget for the State of Illinois and utilities of all types not receiving payments from the state. Senn also discussed the Glenn English Youth to Washington Scholarship. Additionally, the search for a new CEO of the NRECA is continuing.

**APGA Report** – Director Carroll reported on the APGA's efforts regarding the "Furnace Rule". Carroll also noted that the Pipeline and Hazardous Materials Safety Administration has received federal funding to hire additional inspectors. These inspectors will be paying close attention to the wall thickness of pipe, which could increase costs to consumers to remediate, considering the average age of gas transmission lines is 60 years.

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

**Monthly Committee Review**

- (a) **Policy Report** – Policy 101– Communications was discussed and approved with no changes.
- (b) **Bylaw**: Article IV Section 1– A proposal was made by Vice President of External Relations and General Counsel, Chris Allendorf, to add a provision to Section V, Article IV of the bylaws, which would expressly prohibit nominations from the floor for director candidates during the Annual Meeting and was approved.

**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 \$569,000 in February, compared to a budgeted amount of \$940,000. The Board accepted the February Financial Operating Report for filing with the auditor by general consent.
- b. **Power Supply Report** – CEO Hastings reported that Jo-Carroll Energy is working with IPL (Interstate Power and Light) regarding the possible purchase of a share in a new combined-cycle natural gas plant in Iowa.

- c. **CFO Report** – The 2015 Audit for Jo-Carroll Energy was presented by Mark Prouhet, an accountant with BKD CPAs.
- d. **Sr. Vice President and Assistant General Manager Report** – Sr. Vice President and Assistant General Manager Buros reported on the addition to the Jo-Carroll Energy headquarters building, noting that staff are preparing to begin moving into the new office space beginning on April 22<sup>nd</sup>. Buros also reported on various renewable energy credit auctions. Buros concluded by announcing that the councils of the cities of Galena and Savanna have approved the Cooperative's plans for fiber broadband internet pilot projects.
- f. **Culture of Excellence and Communications** – Merri Sevey, Vice President of Human Resources, reported that two line crew employees, Ryan Stadel and Kurt Krohmer, have volunteered for and will be assisting with the NRECA's international project in Bolivia. Sevey also reported that Jo-Carroll Energy recognized our Gas Technicians on March 18<sup>th</sup> for National Gas Utility Workers Appreciation Day, and a similar celebration will be held for the line crews.
- g. **Member Services** – Jennifer Skien, Vice-President of Member Services, reviewed the rate changes for District 10 (former Farmers Mutual Cooperative area), which were previously accepted by the Membership as part of the merger of the two Cooperatives.
- h. **External Affairs Update** – Chris Allendorf, Vice President of External Relations and General Counsel reported on the impact of recent events involving the U.S. Supreme Court, as well as effects of the state's inability to approve a budget. Allendorf also reported on changes to the state Department of Commerce and Economic Opportunity that may have an effect on the efforts of TCEDA.

## **Board Issues**

- a. **Discounted Estate Retirements Approval** – CFO Heidenreich presented the discounted estate capital credit retirements for the board's consideration. The discounted estate retirements were approved as presented.
- b. **Credentials and Election Committee** – The Credentials and Election Committee Members were certified and approved.
- c. **Ratification of the Engagement Letter with Shay Phillips** – The engagement letter with Shay Phillips was approved.
- d. **Elimination of Rate 160** – Rate 160 was eliminated in District 10.

## **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** – None.

**Reports** – Reports were heard on: NRECA Course 2640.1-Financial Decision Planning and the TCEDA Annual Meeting.

**Other Business** – None.

**Adjournment** – The meeting was adjourned at 11:16 AM.