

## Jo-Carroll Energy board meeting minutes summary

May 26, 2016

The board met on Thursday, May 26, 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 thanked all of the Directors and staff that helped make the Jo-Carroll Energy Annual Meeting a success. Senn reported that he spoke with many members and they were pleased with the new meeting format and there were a lot of happy members who enjoyed the evening. Senn also reported on the work of the CEO Search Committee.

**Presentations-** None

**Dairyland Report** – Director Stadel reported on the recent joint Dairyland Managers Association and Dairyland Board Meeting he attended. Topics of discussion included capital expenditure projects and possible short-term rate increases.

**AIEC Report** – Director Senn reported that a proposed budget for the fiscal year 2016-2017, resulted in a dues increase of 1.9%. Senn also provided the board with a report from Illinois ACRE. Senn noted the importance of the NRECA's International Program and its current project to electrify rural villages in Bolivia, which is a project in which Jo-Carroll Energy personnel are involved.

**APGA Report** – Directors Carroll and Mattingley provided a report on the APGA's Government Relations Conference in Washington, D.C. in May. In addition to meeting with legislative staff, the main issues at the conference were a proposed gas furnace efficiency rule, increased regulation, and direct use of natural gas. Director Mattingley also provided the board with an update on a proposed resolution through the NRECA in support of the APGA's efforts to pass legislation allowing FERC to retroactively collect overpayment by ratepayers to pipeline utilities.

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

### Monthly Committee Review

- a. **(a) Policy Report** – Policy 102 – Director Search and Selection for Vacancies. Approved with no changes.

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

- b. **Financial Operating Report** – CEO Hastings reported that the Cooperative had an unaudited margin of approximately \$30,968 in April, compared to a budgeted amount of \$482,315, which was due to an increase in power costs above budgeted amounts. The Board accepted the April Financial Operating Report for filing with the auditor by general consent.
- c. **Power Supply Report** – CEO Hastings reported that Alliant Energy is setting up meetings with the Badger Group to discuss aspects of rates.

- d. **CFO Report** – CFO Heidenreich discussed increased rates from Alliant Energy that will take effect in July.
  
- e. **Sr. Vice President and Assistant General Manager Report** – Sr. Vice President and Assistant General Manager Buros reported on the addition of the Jo-Carroll Energy building. August 1 is the scheduled final completion date of the project. Buros discussed the status of the fiber pilot projects along with the discussion about formulating a renewables plan for the Cooperative.
  
- f. **Culture of Excellence and Communications** – Merri Sevey, Vice-President of Human Resources announced the hiring of 1,000 hour workers. Sevey discussed the Jo-Carroll Energy Annual Meeting, noting that the members were very pleased and preferred the new format of the 2016 Annual Meeting over previous years. Sevey informed the board that the Member Appreciation Days, to be held at the Elizabeth, Savanna, and Geneseo office locations will occur in June and July rather than in October. A blood drive will also be held at each location.
  
- g. **Member Services** – Jennifer Skien, Vice-President of Member Services reported on the pre-paid metering program including the next steps towards rolling-out the program for members, which includes staff training and review of automation and integration.
  
- h. **External Affairs Update** – Chris Allendorf, Vice President of External Relations and General Counsel reported that the Illinois budget impasse may possibly continue through the 2017 budget process, as well as the state’s backlog of unpaid of bills. Allendorf discussed the D.C. Circuit’s decision to hear oral arguments relating to litigation challenging the Clean Power Plan *en banc*. Allendorf provided updates on the activities of TCEDA. He concluded with reports of meetings with legislative staff during the NRECA’s Legislative Conference in early May.

## **Board Issues**

- a. **Discounted Estate Retirements Approval** – CFO Heidenreich presented the current discounted estate capital credit retirements for the board’s consideration. The discounted estate retirements were approved as presented.

- b. **CFC Integrity Fund Contribution** – A contribution to the CFC Integrity fund was approved as presented.
- c. **NRECA Course 963.1** – The attendees for the NRECA Course 963.1 were selected.
- d. **AIEC’s Annual Meeting** – The Attendees were selected for the AIEC Annual Meeting.
- e. **AIEC Voting Delegate/Alternate**–The AIEC Voting Delegate and Alternate were selected. Director Stanger was chosen as the delegate and Director Hallendorff as the alternate.
- f. **Rate Policy 730** – Revisions to Rate Policy 730, Miscellaneous Charges, regarding repeated credit card payment denials, was approved as presented.
- g. **CoBank Matching Grants** – CoBank matching grants request was approved as presented.
- h. **Dairyland Power Director/Alternate** – The Dairyland Power Director and Alternate were selected by secret ballot. Director Mattingley was chosen as the Director representative and Director Jones was chosen as the alternate.
- i. **Approval of a New Loan with CFC** – A new loan facility with CFC was approved as presented.

### **Executive Session**

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

### **Reports**

Reports were heard on: NRECA Legislative Conference, APGA

Government Relations Conference, and the Jo-Carroll Energy Annual Meeting.

**Upcoming Meetings**

CFC Forum, Dairyland 75<sup>th</sup> Annual Meeting, PPI Committee Meeting, PPI Annual Meeting, AIEC Annual Meeting and the Jo- Carroll Energy Board Meeting.

**Other Business-** None.

**Adjournment**

Chairman Senn adjourned the meeting at 12:09 PM.