

JO-CARROLL ENERGY, INC. (NFP)
Board Meeting Minutes Summary
January 25, 2017

The board met on Wednesday January 25, 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 how a new Administration may relieve some of the extensive regulatory burdens placed on cooperatives by executive agencies; these agencies have seemingly ignored rural America, focusing only on urban centers with regard to the impact of regulations.

Dairyland Report – Director Mattingley provided an update on the work of Dairyland's Wholesale Power Contract Task Force.

AIEC Report – Chairman Senn reported on the AIEC Meeting that he recently attended with Director Mattingley. The lack of a state budget continues to be the main topic in Springfield, with other issues taking a backseat.

APGA Report – Director Carroll provided an update on regulatory matters being followed by the APGA. There is still hope that Congress will send an energy bill to the President, though it will probably be scaled-down from what has been proposed in the last 2 years. Carroll provided a copy of a press release from the Administration regarding a "freeze" on new administrative regulations.

PPI Report – Director Hallendorff reported on PPI's most recent generation figures as well as some 2016 operational highlights on compliance and safety.

Monthly Committee Review

- a. **Policy 106**- Policy 106 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 current equity of the cooperative is approximately 23.61% after capital credit retirements, which is up from 23.06% in 2015. Unaudited 2016 margins are approximately \$3.2 million. By general consent, the board moved to file the Financial Operating Report with the auditor.
- b. **CFO Report** – CFO Heidenreich provided a brief update on the cooperative's year-to-date financials.
- c. **Sr. Vice President and Assistant General Manager Report** – In addition to his written report, Buros reported on the generation numbers for the cooperative's

natural gas peaking unit, noting that the unit was online for almost every monthly peak in 2016, which helps reduce overall power costs to our members.

- d. **Culture of Excellence and Communications** – Merri Sevey, Vice-President of Human Resources invited Peggy Francomb, Marketing Manager, to provide a summary of the most recent member satisfaction survey. Francomb noted that the overall score for the cooperative dropped from 82 to 81, though that number is still significantly higher than in previous years.
- e. **Member Services** – Jennifer Meyer, Vice-President of Member Services provided an update on cold weather disconnects, due to the warm winter being experienced. Meyer noted the importance of proactively reaching out to members to try and place them on a payment plan, which provides better results for everyone. Energy Advisor, John Scott, presented on the benefits of geothermal power and outlined the cooperative's updated rebate program for this renewable energy source.
- f. **External Affairs Update** – Chris Allendorf, Vice President of External Relations and General Counsel, detailed several new executive orders that may impact the cooperative through limitations placed on executive agencies. The Illinois Senate is working on a “grand bargain” budget bill. Key items include an increase in the state income tax from 3.75% to 4.99%, and an increase in the corporate tax rates, and a “business opportunity tax” on companies based on their payroll. Allendorf also reported on the activities of TCEDA, noting that its annual meeting will be held on March 16th at Timmerman's in East Dubuque, IL.

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. **Per Diem Discussion** - No motion. Per diem will not increase.
- c. **NRCO Delegate/Alternate Delegate**- A motion was made, seconded and carried unanimously to select Mike Casper as the NRCO delegate and Kyle Buros as the alternate.
- d. **CFC Voting Delegate/Alternate** - A motion was made, seconded and carried unanimously to select Bob Kuhns as the CFC voting delegate and Director Lundy as the alternate.

Meetings and Training

- a. **NRECA Training Course 2610.1**- Attendees were selected to attend the NRECA Training Course 2610.1.

- b. **Dairyland Power District Meeting-** Attendees were selected for the Dairyland Power District Meeting.
- c. **NRECA Training Course 964.1-** Attendees were selected for the NRECA Training Course 964.1.
- d. **Legislative Conference-** Attendees were selected for the Legislative Conference.
- e. **Open Meetings Potential Dates-** Potential Dates were discussed for open meetings.

Executive Session- A motion was made to move into Executive Session at 11:25 A.M. which was seconded and carried unanimously.

A motion was made to come out of Executive Session at 11:47 A.M. which was seconded and carried unanimously.

Reports

Reports were heard on: NRECA Course 2600.1.

Other Business- None

Adjournment

Chairman Senn adjourned the meeting at 11:48 A.M.