

JO-CARROLL ENERGY, INC. (NFP)
Board Meeting Minutes Summary
December 20, 2016

The board met on Tuesday, December 20, 2016, at the Jo-Carroll Energy Headquarters. The following is a summary of the meeting activities. The Agenda, as amended, was approved.

Board Issues-

- a. **November Financials-** President and CEO Mike Casper discussed the November Financials, mentioning that due to the warmer weather and late-arriving invoices, revenue was down and costs were up compared to budgeted amounts. Jo-Carroll Energy's equity was at 24.68% before capital credit checks were distributed, and Heidenreich estimated that the cooperative would finish the year with margins of approximately 24%.
- b. **2017 Budget-** A presentation was given by President and CEO Mike Casper on the 2017 Budget. Discussion was had on rising power costs, especially transmission costs, as well as a review of other estimated cost increases and revenue projections. Casper noted that capital spending is down significantly from 2014. Discussion was also had on maintaining the power cost adjustment (PCA) at zero, subject to review, in order to help stabilize Member rates. Consensus among the board was for the PCA, along with other rate components, to be reviewed during 2017. The proposed budget was approved.
- c. **Resolution to Approve \$500,000 in deferred revenue from 2016 and move to 2017-** Discussion was had about the effects of deferring revenue from previous years on the cooperative's longer-term financials. After discussion, the general feeling of the board was that deferring some revenue from 2016 into 2017 would help stabilize rates in 2017. The Board approved a resolution to defer \$500,000.00 in 2016 revenue to 2017.

Executive Session- Entered Executive Session at 10:32 A.M.

Out of Executive Session- Out of Executive Session at 10:47 A.M.

Consideration of Matters discussed in Executive Session – None

Other Business- None

Adjournment

Chairman Senn adjourned the meeting at 10:50 A.M.