

JO-CARROLL ENERGY, INC. (NFP)
Board Meeting Minutes Summary
June 28, 2017

The board met on Wednesday June 28, 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 offered his congratulations to newly appointed Director Dan Tindell for his successful completion of the Directors Summer School program he recently attended. Senn discussed rural broadband deployment and the importance of having high speed internet in rural areas. Senn encouraged the Directors to continue speaking with members about the need for and access to broadband/fiber.

Dairyland Report – Director Mattingley discussed the Dairyland Annual Meeting. Going forward, only Class A Dairyland members will have director positions. Mattingley was selected to serve on the Governance Committee. Mattingley also discussed the May financials, projections, and margins. President and CEO Mike Casper communicated about the importance of accurate forecasting and the positive impact it creates when budgeting

AIEC Report - Chairman Senn reported on the Association of Illinois Electric Cooperatives (AIEC) board meeting he recently attended and discussed resolutions regarding support for reform of Section 5 of the Natural Gas Act, as well as support for rural broadband deployment by cooperatives.

APGA Report – Director Carroll provided an update on regulatory matters being followed by the American Public Gas Association (APGA) as well as the Government Relations Conference he recently attended in Washington D.C. During his visit to the capital, Carroll had a chance to meet with legislators on topics that impact APGA members.

PPI Report – Director Hallendorff reported on Prairie Power Inc. (PPI's) most recent generation figures and provided operational highlights from Prairie State Units 1 and 2. Hallendorff noted that the Alsey generation site # 6 is PPI's newest electric generating unit and operates very efficiently.

Monthly Committee Review

- a. **Policy 108.3-** By General Consent, Policy 108.3 will be reviewed by the Policy Committee.

CEO's Report - President and CEO Mike Casper announced that Jo-Carroll Energy has reached our 25% equity goal. We will be revisiting the budget and rate structure in the coming months. In addition to his written report, Casper informed the board of a new mapping application that can provide technicians with real-time data.

- a. **Financial Operating Report** – Casper reported that the Cooperative’s operating margins for the year to date were approximately \$1,455,000, compared to a budgeted amount of approximately \$1,530,000. The current equity of the cooperative is approximately 25.05%, compared to 23.65% at the end of 2016. By general consent, the board moved to file the financial operating report with the auditor.
- b. **Tech Update** - Casper provided information on energy storage cost trends for battery storage technologies.
- c. **Senior Vice President and Assistant General Manager Report** – CEO Casper reported that staff would have a fiber rate proposal for the board’s consideration at the July meeting.
- d. **External Relations Update** – Chris Allendorf, Vice President of External Relations and General Counsel, provided the board with a review of his trip to Washington, D.C. to testify before a U.S. House subcommittee regarding rural broadband deployment. In addition to his testimony, Allendorf was able to meet with staff from four Illinois representatives’ offices to discuss Jo-Carroll Energy’s successes and difficulties with rural broadband. Allendorf also updated the board on Illinois’ fiscal situation and federal regulatory matters.

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. **Voting Delegate/Alternate Delegate for NRECA Director Election** – The voting delegate and alternate voting delegate were selected for the NRECA Director Election.
- c. **Approval of Auditing Firm** – A motion was made by the Audit Committee to remain with our current auditing firm, BKD Accounting, to complete the 2017 Audit, which was seconded and carried unanimously.

Consideration of Matters discussed in Executive Session – None.

Reports-

Reports were heard on: The PPI Annual Meeting, Dairyland Annual Meeting, CFC Forum and the Dairyland Managers Meeting.

Other Business- None.

Adjournment

Chairman Senn adjourned the meeting at 11:56 A.M.