

JO-CARROLL ENERGY, INC. (NFP)
Board Meeting Minutes Summary
September 27, 2017

The board met on Wednesday, September 27, 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 the 2017 NRECA Region 5 and 6 Meeting that was recently held in Minneapolis, MN., noting that it was a great opportunity to exchange ideas. Cyber security and market trends were also discussed. Different ideas were challenged on how to conduct Annual Meetings in the future and how to attract the younger members so that their voice can be heard. Community involvement and engagement with members was also an important message received during the 2017 NRECA Region 5 and 6 Meeting.

Dairyland Report – Director Mattingley discussed the Dairyland Report and their various generation sites along with updates on their strategic and succession planning strategies.

AIEC (Association of Illinois Electric Cooperatives) Report – No September meeting to report upon.

APGA Report – Director Carroll provided an update on regulatory matters being followed by the American Public Gas Association (APGA). Carroll explained that due to destruction caused by Hurricane Harvey, a pipeline manufacturing plant was damaged and production has been temporarily halted. Carroll also commented on the direct use of natural gas and its efficiency.

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.

Monthly Committee Review

a. **Policy 111- Capital Management** – A motion was made, seconded and carried unanimously to approve Policy 111 as is.

CEO's Report - President and CEO Mike Casper provided operational highlights and shared with the board that Jo-Carroll Energy recently sent four linemen to assist with electric restoration in the aftermath of Hurricane Irma as well as providing an update on our first Geothermal informational meeting that was held at The Galena Territory on September 16, 2017. Casper noted the Administrative United States Penitentiary (AUSP) in Thomson will be adding more employees. Casper reminded the board of the upcoming open board meeting scheduled for October 25, 2017 at 9:00 A.M., which will be open to all Jo-Carroll Energy Members.

- a. **Financial Operating Report** – Casper reported that the Cooperative’s operating margins for the year-to-date were approximately \$1.4 million, compared to a budgeted amount of approximately \$1.7 million. The current equity of the cooperative is approximately 25.23%, compared to 24.56% this time last year. By general consent, the board moved to file the financial operating report with the auditor.
- b. **Technology Update** - Casper recently had the opportunity to visit the Prairie State Energy Campus (PSEC). Casper discussed how the powered generation facility operates and noted that it produces 1600 MW of efficient clean energy and provides 2.5 million families energy in 8 states.
- c. **Fiber Update**- Casper provided a fiber plan overview which included the future of smart grid deployment and financial considerations. Talking points are being developed and will be shared with the board once they are completed. Casper also stressed the importance of Fiber to our area and strategies that Jo-Carroll Energy is taking to provide service to our Members.

Strategic Projects-

- a. **Senior Vice President and Assistant General Manager Report** – Kyle Buros, Senior Vice President and Assistant General Manager, discussed Jo-Carroll Energy’s strategic goals and initiatives and the process to develop. The three strategic goals are enhancing cooperative value, cooperative growth and operational excellence. The next step in the process is the development of employee action groups to implement.
- b. **Vice President and Chief Financial Officer** – Peggy Kemp provided an overview of the form 990.

Board Issues

- a. **Policy Committee Meeting** – A date was tentatively set for the Policy Committee to meet on October 23, 2017 at 10:30 A.M.
- b. **Illinois Bank and Trust Change of Terms for Line of Credit** – A motion was made, seconded and carried unanimously to approve the Illinois Bank and Trust change of terms for line of credit.
- c. **Form 990**- A motion was made, seconded and carried unanimously to approve the form 990 as presented.

Executive Session- A motion was made, seconded and carried unanimously to go into executive session at 12:21 P.M.

Out of Executive Session- A motion was made, seconded and carried unanimously to come out of Executive Session at 12:24 P.M.

Consideration of Matters discussed in Executive Session – None

Other Business- None.

Adjournment

Chairman Senn adjourned the meeting at 12:26 P.M.