

JO-CARROLL ENERGY, INC. (NFP)
Board Meeting Minutes Summary
January 24, 2018

The board met on Wednesday, January 24, 2018, 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.

Presentation- BKD Auditor Mark Prouhet provided the board with an overview of the audit process, noting that they were onsite performing their yearly review. BKD will be available to present the audit at the Board of Directors meeting in March, 2018. CFO Woods provided his preliminary reviews of Jo-Carroll Energy's internal controls and provided information on how they are conducted.

Peggy Francomb, Manager of Communications and Marketing provided a preview of the cover theme for the Annual Meeting Booklet. "Connecting with our Communities" will be the cover theme for the 2018 Annual Meeting.

Chairman's Report – Chairman Senn offered his appreciation to retiring CFO Tracy Heidenreich for her 14 years of service to Jo-Carroll Energy. Senn also mentioned the upcoming Dairyland Wholesale Power Contract Symposium scheduled for February 1, 2018.

AIEC (Association of Illinois Electric Cooperatives) and NRECA Report – Chairman Senn discussed what other cooperatives are doing for their annual meetings in order to encourage more members to participate. Senn would like to see the Member Advisory Council (MAC) promoted more and to increase engagement with the group. Senn also discussed the NRECA's upcoming legislative conference, to be held in Washington, D.C., in April.

Dairyland Report – President and CEO Casper discussed the Dairyland Board Report as well as the upcoming Wholesale Power Contract Symposium.

APGA Report – Director Carroll provided an update on regulatory matters being followed by the American Public Gas Association (APGA). The Department of Energy wants to ensure that all policies and procedures are being followed for natural gas infrastructure, and drug and alcohol testing programs. CEO Casper provided some comments on the Pipeline Public Awareness Program, noting a plan has been developed to provide information necessary to ensure that we have followed all policies and procedures that have been put in place. Casper noted the importance of public awareness about natural gas and potential risks.

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

Policy 114 – A motion was made, seconded and carried unanimously to approve Policy 114 as is, with no changes recommended.

CEO's Report – President and CEO Mike Casper provided operational highlights. Casper also discussed total closed work orders for the year, and reported on year-end Occupational Safety and Health Administration (OSHA) reporting numbers.

- a. **Financial Operating Report** – Casper reported on the Cooperative's operating margins for the year-to-date. The current equity of the cooperative is approximately 24.35%, compared to 23.91% at this time last year. By general consent, the board moved to file the financial operating report with the auditor.
- b. **Technical Presentation** – Casper discussed how Co-ops are deploying and planning solar projects. Casper also reported on the future of "Smart Home"-based technology products and the research happening on current and future IOT (Internet of Things) devices. In the future, Jo-Carroll Energy will seek solutions to provide our Members with the potential ability to be able to receive outage alerts, high usage alerts, and a usage portal, among other capabilities.
- c. **Wholesale Power Contract Symposium Precursor** – Casper provided information on the upcoming Dairyland Wholesale Power Contract Symposium scheduled for February 1, 2018. Casper also discussed the financial and operational relationships between distribution co-ops and G & T's, which is unique in the business world.

Strategic Projects

- a. **Senior Vice President and Assistant General Manager** – Kyle Buros presented some background on the Alliant Energy acquisition and the transition of that load to Dairyland Power in April.
- b. **External Relations Update** – Chris Allendorf, Vice President of External Relations & General Counsel, provided the board with an overview of matters concerning the State of Illinois and the federal government. President Trump imposed tariffs on imported solar panels and washing machines. Allendorf discussed the potential candidates running for Illinois office. Allendorf also noted that because Illinois continues to have a net out-migration of residents, the state will likely lose 1 congressional district after the 2020 census, with the possibility of losing 2. Allendorf also updated the board on Tri-County Economic Development Association's (TCEDA's) recent activities. The TCEDA Annual Meeting is scheduled for March 15 and will be held at Eagle Ridge Resort & Spa.

Board Issues

- a. **Discounted Estate Capital Credit Retirements** – Heidenreich presented the most recent discounted estate capital credit retirement requests for the board’s consideration. A motion was made, seconded, and carried unanimously to approve the discounted estate retirements, as presented.
- b. **2018 Reserve Allocation Resolution** – A motion was made, seconded, and carried unanimously to approve the 2018 Reserve Allocation Resolution.
- c. **Deferred Revenue Resolution** – A motion was made, seconded, and carried unanimously to approve the Deferred Revenue Resolution.
- d. **Bylaw Amendments** - No new Bylaw amendments were presented to the board for consideration.
- e. **Select Attendees for the NRECA Course 2640** – Attendees were selected for the NRECA Course 2640.
- f. **Director Peer Assessment**- A motion was made, seconded, and carried unanimously to authorize CEO Casper to engage a 3rd party to conduct a Director Peer Assessment.
- g. **Per Diem** – A motion was made, seconded, and carried unanimously to allow for an adjustment to the Director per diem.

Executive Session– None.

Adjournment

Chairman Senn adjourned the meeting at 11:45 A.M.