

JO-CARROLL ENERGY, INC. (NFP)
Board Meeting Minutes Summary
November 29, 2017

The board met on Wednesday, November 29, 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.

Presentation- Nick Reitz, AIEC Vice President of Government Relations, provided an update on Legislative matters at the federal and state level. Nick thanked the board for its 100% commitment in the ACRE program and offered his appreciation of Jo-Carroll Energy's participation in the Youth Day Tour, which allows students from the Cooperative's service area to tour Springfield and visit with lawmakers.

Dan Marcure, Manager of Network Services provided an update on Cyber Security and efforts the Cooperative takes to protect digital information. Marcure noted that the best defenses against phishing attacks are public awareness and training.

Chairman's Report – Chairman Senn provided information on risk management for business decisions by the board.

Dairyland Report – Director Mattingley discussed the Dairyland report and Dairyland's various generation sources, along with updates on their strategic and succession planning.

AIEC (Association of Illinois Electric Cooperatives) and NRECA Report – Nothing in addition to Nick Reitz's presentation.

APGA Report – Director Carroll provided an update on regulatory matters being followed by the American Public Gas Association (APGA).

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 113 – A motion was made, seconded and carried unanimously to approve Policy 113 as is.

CEO's Report – President and CEO Mike Casper provided operational highlights and shared with the board the American Customer Satisfaction Index (ACSI) survey results. Jo-Carroll Energy's score was 82, which was higher than last year's score and tied the Cooperative's highest score from 2015. Casper also discussed the Culture of Excellence training that is scheduled for Senior Staff and Managers of Jo-Carroll Energy.

- a. **Financial Operating Report** – Casper reported that the Cooperative’s operating margins for the year-to-date were approximately \$2.3 million. The current equity of the cooperative is approximately 25.57%, compared to 24.31% at this time last year. Casper also noted that Operations & Maintenance expenses were approximately \$2 million under budget, due to mid-year budget revisions and cost-saving measures. Casper also provided a review of the 2018 Budget. By general consent, the board moved to file the financial operating report with the auditor.

Strategic Projects

- a. **Vice President of Human Resources** – Merri Sevey invited Peggy Francomb to provide an overview of the Broadband Fiber Toolkit that Jo-Carroll Energy will make available to Members. This will provide Members with tools and talking points to help reach a broader audience and expand areas of interest for fiber buildout.
- 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. Allendorf updated the board on Tri-County Economic Development Association’s (TCEDA’s) recent activities, noting that TCEDA will be changing their name to Northwest Illinois Economic Development. The new name will better identify the area for businesses looking to locate within the tri-county area.

Board Issues

- a. **Approve Resolutions to add CFO Chuck Woods as the signatory to Bankcard Signature Line for the following banks; Apple River State Bank, CoBank, CFC, Farmers National Bank, Illinois Bank and Trust, and Triumph National Bank.** A motion was made, seconded, and carried unanimously to approve CFO Chuck Woods as the signatory to the Bankcard Signature line for the banks listed above.
- b. **Discounted Estate Capital Credit Retirements**– CFO 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.
- c. **Voting Credentials for the Illinois Cooperative Workers Compensation Group and Rochdale Services Annual Meetings** – A motion was made, seconded, and carried unanimously to approve Mike Casper as the Voting Delegate and the Alternate Voting Delegate for the ICWCG and RSI Annual Meetings.
- d. **Select 2018 Board Meeting Dates** – A motion was made, seconded, and carried unanimously to approve the 2018 Jo-Carroll Energy board meeting dates presented.

- e. **Attendees for the 2018 NRECA Annual Meeting-** Attendees were selected for the 2018 NRECA Annual Meeting.
- f. **Budget 2018-** A motion was made, seconded, and carried unanimously to approve the 2018 budget as presented.

Executive Session– A motion was made, seconded and carried unanimously to go into Executive Session at 12:48 P.M.

Out of Executive Session– A motion was made, seconded and carried unanimously to come out of Executive Session at 1:22 P.M.

Consideration of Matters discussed in Executive Session – A motion was made, seconded, and carried unanimously to ratify the collective bargaining agreement for the inside unit employees between Jo-Carroll Energy and IBEW Local 953.

CEO Appraisal – A motion was made, seconded, and carried unanimously to enter into Executive Session at 1:26 P.M. to discuss the results of the CEO appraisal.

A motion was made, seconded and carried unanimously to come out of Executive Session at 3:10 P.M.

Consideration of Matters discussed in Executive Session – A motion was made, seconded, and carried unanimously that pursuant to requirements of an existing employment agreement, the CEO's performance is found to be satisfactory, and, accordingly, to fulfill certain contractual obligations.

Adjournment

Chairman Senn adjourned the meeting at 3:15 P.M.