

JO-CARROLL ENERGY, INC. (NFP)
October 28, 2020
Board Meeting Minutes Summary

The regular board meeting of Jo-Carroll Energy, Inc. (NFP) was held via video phone conference on Wednesday, October 28, 2020 at 9:00 A.M.

A Safety Moment was provided by Director Bob Kuhns.

Presentation – Ken Sivertsen, Key Accounts Manager and Jeff Harrelson, Director of Safety and Loss Control, provided a report on Business Continuity (BC). Harrelson reported that significant progress has been made over the last 7 months, noting that BC is a continuing process. A Pandemic Response Plan was created by the Incident Command Team, with the primary goal of planning for scenarios that can impact the cooperative, such as the current Covid-19 pandemic. The BC team meets twice weekly to provide reassurance that we are providing the most value in the event of an incident, with focus on educating our employees in that regard. President and CEO Casper thanked Ken and Jeff for their hard work leading the effort, noting that everyone has been very responsive and responsible within the organization.

Association of Illinois Electric Cooperatives (AIEC) Report – Chairman Senn discussed how professional and efficient the Jo-Carroll Energy Linemen were at restoring power after the large Derecho storm which affected a large portion of the Midwest. Senn also provided highlights from the NRECA Regions 5&6 Meeting and commented on various speaker presentations. Director Stanger also commented on the director education courses offered through the AIEC and the added value they provide to their continuing director education.

American Public Gas Association (APGA) Report – Director Carroll discussed the latest topics within the gas industry, noting that APGA continues to meet virtually with a series of online virtual conferences focusing on safety and reliability.

Dairyland Power Cooperative (DPC) – Director Mattingley provided highlights from the DPC Report. President and CEO Casper noted that strategic growth and the importance of culture have continued to evolve within the organization. In addition, a fiber task force has been developed for which Jesse Shekleton, Jo-Carroll Energy Director of Engineering, has been chosen as a representative.

Prairie Power Incorporated (PPI) Report – Director Kuhns provided a summary of the most recent generation numbers. President and CEO Casper added that a budget has been approved for 2021.

Policy 140 – Policy 140/Fraud will be rewritten to synchronize with Administrative Policy 240.

Policy 141 – A motion was made by Director Kuhns to approve Policy 141/Use of Cell Phones as is, which was seconded by Director Tindell and carried unanimously.

CEO Report – President and CEO Mike Casper provided an overview of some of the major 2021 budget items that will be discussed at the December 10th budget meeting.

Financial Operating Report – CFO Woods provided a summary of the financial operating report. YTD revenue is approximately \$43.7 million vs. a budgeted amount of \$44.4 million. YTD margins are approximately \$(1.3 million) vs. a budgeted amount of \$(315,000). Most of the difference was due to the cost of purchased power, which is approximately \$1.1 million overbudget. All other O&M expenses are under budget by (\$235,181). These expenses are expected to catch up by year end. TIER and MDSC ratios for the year are below CFC’s minimum requirements. By general consent, the board moved to file the financial operating report with the auditor.

Board Issues and Action Items

A motion was made, seconded, and carried unanimously to approve the Form 990.

A motion was made, seconded, and carried unanimously to approve the Capital Credits General Retirement, in the amount of approximately \$1.5 million.

A motion was made, seconded, and carried to approve the Illinois Bank and Trust Change of Terms for Line of Credit. Director Mattingley left the meeting for this agenda item and returned after the vote on the motion.

An overview of the Position Statement Regarding donations was discussed.

Operations and Regulatory Update

Operations Update - Kyle Buros, Senior Vice President and Assistant General Manager provided an operations update including information on the scope of the Reconnect grant for fiber. Buros noted that an environmental review will have to be completed prior to any execution of agreements. The projected buildout is approximately 5 years. Buros also provided an update on strategic planning. Buros also commented on OSHA recordables and what types of events are recordable.

Regulatory Update - Chris Allendorf, V.P. of External Relations and General Counsel provided an update on Covid-19 in the area, commenting that Region 1 is in Tier 2 mitigation. Allendorf also provided commentary on the upcoming federal election as well as state and local political races.

Jennifer Meyer, V.P. of Member Services, provided an update on subscriptions for the Illinois Shines solar program available through the cooperative. The goal is 100% subscription by the end of November.

Merri Sevey, V.P. of Human Resources provided an update on the Jo-Carroll Energy employee training day. Most training was completed virtually due to Covid-19. Sevey noted that safety is our number one core value, highlighting how to safely return to work according to our company guidelines.

Action Resulting from Executive Session – A motion was made, seconded, and carried unanimously that the Board of Directors of Jo-Carroll Energy declares they have reviewed the President & CEO’s performance and found that it exceeds expectations. With that finding, and pursuant to the terms of the President & CEO’s employment contract, the board authorizes the execution of certain obligations therein.

Other Business – None.

Adjournment

Chairman Senn adjourned the meeting at 12:51 P.M.