

JO-CARROLL ENERGY, INC. (NFP)

May 26, 2021

Board Meeting Minutes Summary

The regular board meeting of Jo-Carroll Energy, Inc. (NFP) was held via video phone conference on Wednesday, May 26, 2021, at 9:00 A.M.

A Safety Moment was provided by Director Dave Senn.

Presentations – A presentation was provided by Jo-Carroll Energy Director of Marketing and Communications, Peggy Francomb. Francomb provided a presentation on the Young Adult Member Engagement (YAME) program, which focuses on the changing demographics of the cooperative and ways that the co-op can be more engaged with this member demographic. Francomb discussed ways that the cooperative is connecting and delivering on core services through technology by providing more product and service communication options, thus helping with young adult member engagement.

Association of Illinois Electric Cooperatives (AIEC) Report – Chairman Senn discussed highlights from the AIEC meeting, noting how to safely operate chainsaws while trimming trees. Senn discussed legislative and committee issues taking place in the State of Illinois. Senn also noted that the current President of the National Rural Association of Electric Cooperatives (NRECA) Phil Carson will be retiring in July during the AIEC Annual Meeting.

Dairyland Power Cooperative (DPC) – Director Mattingley provided a summary on the progress of the DPC strategic planning group. Noting that the Financial Forecast for 2022-2036 has been completed. In addition, President and CEO Mike Casper commented on his time holding the position as President of the Dairyland Managers Association (DMA) and noted that the DMA provides input into DPC's strategic plan and serves in an advisory role to the CEO.

American Public Gas Association (APGA) Report – American Public Gas Association (APGA) Report – Director Carroll provided highlights from the APGA natural gas and marketing virtual conference, which he recently attended. President and CEO Casper also commented on the meeting. He also shared that he met virtually with Commissioners from the Federal Energy Regulatory Commission (FERC) to further discuss the natural gas price spike. The APGA, which Jo-Carroll Energy is a member, will continue the discussion with FERC on price indices.

Prairie Power Incorporated (PPI) Report – Prairie Power Incorporated (PPI) Report – Director Kuhns provided a summary of the most recent generation numbers, noting that Unit 1 had one of its best operating months running at 100%. In addition, Kuhns discussed a proposed mandate to close the generation facility prior to its useful life and that PPI is closely working with AIEC to minimize the risk.

Board Policy 105A/Director Compensation and Benefits – A motion was made by the Policy Committee to approve amended board policy 105A, which was seconded, and carried unanimously.

Financial Operating Report – Controller Kemp provided a summary of the financial operating report for April. Year to date (YTD) revenue is approximately \$22.6 million vs. a budgeted amount of \$21.1 million. Total operations and maintenance expenses were approximately \$1.1 million over budget, due to the increased purchased gas expense. YTD margins are approximately \$1.1 million vs. a budgeted amount of approximately \$444,200. 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 a 5% participation level with the Cooperative System Integrity Fund going forward with the option to review.

A motion was made, seconded, and carried unanimously to select President and CEO Mike Casper to serve as the voting delegate for the 2021 CFC Annual Membership Meeting.

A motion was made, seconded, and carried unanimously to approve rate Policy 750 (Mt. Carroll Solar Array).

A motion was made, seconded, and carried unanimously to re-open Jo-Carroll Energy Offices to the public and senior staff to develop a safety plan for the offices and present the plan at a future board meeting.

A motion was made, seconded, and carried unanimously to approve a Director and Alternate Director to serve on the Association of Illinois Cooperatives (AIEC) Board of Directors.

Attendees were selected to attend the Board Leadership Course.

A motion was made, seconded, and carried unanimously to approve a voting delegate and alternate voting delegate for the AIEC Annual Meeting.

A motion was made, seconded, and carried unanimously to approve a voting delegate and alternate voting delegate for the Illinois National Rural Electric Association (NRECA) Director Election.

Operations and Regulatory Update

Operations Update – President and CEO Mike Casper provided an overview of the May strategic planning, which was focused on enterprise risk management and noted that a summary would be presented during a future board meeting. Casper shared the top 3 risks to the coop: revenue risks (slow growth and loss of load), cyber security and member engagement.

Covid Update – Merri Sevey, V.P. of Human Resources, provided an update on Covid statistics in our region, and provided an update on business travel.

External Affairs/Legislative Update – President and CEO Casper discussed proposed regulation that is being discussed on the legislative front that could potentially have an impact on cooperatives and public utilities throughout the United States.

Action Resulting from Executive Session – None.

Other Business – None.

Adjournment

Chairman Senn adjourned the meeting at 11:27 A.M.