

JO-CARROLL ENERGY, INC. (NFP)
Board Meeting Minutes Summary
March 21, 2018

The board met on Wednesday, March 21, 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- Mark Prouhet, BKD CPAs & Advisors provided a summary of Jo-Carroll Energy's year-end audit results and noted that there were no deficiencies and his firm had issued a clean, unmodified audit opinion. No audit adjustments needed to be made and no deficiencies were noted. Director Mattingley inquired as to whether there were any identifiable issues beyond the scope of the engagement letter with the firm, of which Prouhet advised there were none.

Chairman's Report – Senn briefed the board on the Governance Task Force report presented during the NRECA (National Rural Electric Cooperative Association) Annual Meeting. The importance of maintaining good governance practices and procedures within the organization was also discussed.

AIEC (Association of Illinois Electric Cooperatives) and NRECA Report – Senn reported on upcoming proposed resolutions, as well as providing an update on topics discussed at the latest AIEC meeting.

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

Dairyland Report – Mattingley provided updates from the most recent Dairyland Power board meeting. Mattingley noted that energy sales have fallen among all Class A Dairyland members, which poses revenue challenges.

Executive Session – A motion was made, seconded and carried unanimously to move into executive session at 9:54 A.M.

Out of Executive Session - A motion was made, seconded and carried unanimously to come out of Executive Session at 10:31 A.M.

Action Items As a Result of Executive Session – None.

PPI Report – Director Hallendorff reported on Prairie Power Inc.'s (PPI) most recent generation figures and provided operational highlights from Prairie State Units 1 and 2.

Board Policy Update –

Policy 116 – Board Policy 116 was discussed and recommendations were made for a revision to update section C1, specifying that during an election, verified director

candidates will receive a list of service addresses only. A motion to amend the current policy was made, seconded, and carried unanimously to amend the policy as presented.

CEO's Report –

- a. **Financial Operating Report** – CFO Woods reported on the Cooperative's operating margins for February. The current equity of the cooperative is approximately 24.87%, compared to 24.62% at this time last year. By general consent, the board moved to file the financial operating report with the auditor. Woods also commented that operations and maintenance expenses were slightly less than budgeted.
- b. **Technical Presentation** – President and CEO Mike Casper discussed Energy Systems Integration (ESI). This is a process of coordinating the operation and planning of energy systems across multiple pathways and/or geographical scales to deliver reliable, cost-effective energy services with minimal impact on the environment.

Operations & Regulatory/Legislative Update –

- a. **Senior Vice President and Assistant General Manager** – Buros provided information on Jo-Carroll Energy's load transfer to Dairyland Power Cooperative (DPC). Jo-Carroll Energy's current Alliant load will be transferred into DPC on April 1, 2018.
- 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 discussed election results from the March primary election. NWIL Economic Development (formerly TCEDA) recently held their Annual Meeting on March 15. Discussions took place on the direction of the organization and the various measures to help promote economic development in the area.

Board Issues

- a. **Discounted Estate Capital Credit Retirements** – A motion was made, seconded, and carried unanimously to approve the discounted estate retirements as presented.
- b. **1. Prairie Power Inc. (PPI) Designation of Delegate and Alternate of the Annual Meeting of Members** – A motion was made, seconded and carried unanimously to approve Bob Kuhns as the delegate and Marcy Stanger as the alternate delegate.
2. Certification of Prairie Power Inc. (PPI) Candidates for Directors and

Alternate Director – A motion was made, seconded and carried unanimously to approve Bob Kuhns as the Director and Marcy Stanger as the Alternate Director.

- c. **Dairyland Annual Meeting Attendees** – Attendees for the Dairyland Annual Meeting were selected.
- d. **CFC Forum Attendees** – Attendees for the CFC Forum were selected.
- e. **Bluestem Development Agreement** – A motion was made, seconded and carried unanimously to approve the Bluestem Development Agreement for a 9 month period.

Adjournment

Chairman Senn adjourned the meeting at 11:56 A.M.