

JO-CARROLL ENERGY, INC. (NFP)

February 27, 2019

Board Meeting Minutes Summary

The regular board meeting of Jo-Carroll Energy, Inc. (NFP) was held at the cooperative's headquarters in Elizabeth, Illinois on Wednesday, February 27, 2019 at 9:00 A.M.

A Safety Moment was provided by Director Bob Kuhns.

Presentations – Results from the Member satisfaction survey were provided by Keith Kaderly, Inside Information, Inc. In addition, Dan Marcure, Director of Network Technology discussed cybersecurity and cybersecurity protection at the cooperative.

Directors Conference – Director Tindell provided insights gained from the Directors Conference.

Chairman's/AIEC Report – Director Senn discussed the Clean Power Plan and Governor Pritzker's stance on the issue. Senn also discussed trends in fuel diversification and provided some highlights from the AIEC meeting he recently attended.

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

Dairyland Power Cooperative (DPC) Report – Director Mattingley discussed highlights from the Dairyland Report.

Prairie Power Inc. (PPI) Report – Director Kuhns provided an electric generation summary from the January PPI board meeting which included the financials and a Midwest Independent System Operator (MISO) energy market volatility report.

Board Policy 127.1 – A motion was made, seconded and carried to approve Board Policy 127.1 "Sale of Real Property".

Governance Overview Topic – Director Tindell presented a governance video from National Rural Electric Cooperative Association (NRECA) on the topic of Grassroots.

CEO's Report – President and CEO Mike Casper informed the board of the next Member Advisory Council (MAC) Meeting, scheduled for March 15, 2019. Casper also noted that the theme for the Annual Meeting booklet will be emailed to the directors.

Financial Operating Report - CFO Woods noted that the Cooperative's operating margins for January were approximately \$1.3 million vs. a budgeted amount of approximately \$1 million. The current equity of the cooperative is 23.5% compared to 24.8% this month last year. Woods has reviewed the draft audit that will be presented from the auditor at the March board meeting. By general consent, the board moved to file the financial operating report with the auditor.

External Relations Update – Chris Allendorf, Vice President of External Relations & General Counsel, discussed the closing of the Honeywell plant located in Galena, IL. Allendorf also updated the board with the date for the Northwest Illinois Economic

Development (NWILED) Annual Meeting. Allendorf also provided the board with an update on energy issues in Illinois, including Exelon's attempt to receive further state subsidies for its nuclear plants with the threat of possible plant closures.

Board Issues and Action Items –

A motion was made, seconded and carried unanimously to approve the Discounted Estate Capital Credit Retirements.

Attendees for the Cooperative Finance Corporation (CFC) Forum (July 1-3) were selected.

A motion was made, seconded and carried unanimously to approve the Deferred Revenue Resolution that repeals and replaces a 1/24/18 Resolution.

A motion was made, seconded and carried unanimously to add language to the natural gas and electric rate tariffs, that the new rates will be applied to billing cycles from April 7th on.

A motion was made, seconded and carried unanimously to amend the October 2018 Minutes and Minutes Summary to correct a typographical error in the financials.

In addition to the October 23rd open board meeting, a second date, June 26th was selected.

Action items as a result of Executive Session – None.

Chairman Senn adjourned the meeting at 2:28 P.M.