

JO-CARROLL ENERGY, INC. (NFP)
March 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, March 27, 2019 at 9:00 A.M.

A Safety Moment was provided by Director Tom Lundy.

Presentations – The Annual Meeting theme cover was presented by Peggy Francomb, Manager of Communications & Marketing. Francomb also demonstrated the new Jo-Carroll website that will also be presented at the Annual Meeting on June 12th at the West Carroll Middle School in Mt. Carroll.

Mark Prouhet, BKD CPAs & Advisors provided a summary of the 2018 Audit Report, which included the financial statements and management letter. Prouhet noted that there were no audit adjustments and they issued a clean, unmodified opinion. No deficiencies were noted in the management letter.

Chairman's/AIEC Report – Director Senn discussed the co-op industry as a whole and noted that cooperatives provide approximately 661,000 jobs across rural America. Senn and Jo-Carroll Energy employees also had the opportunity to attend Electric Cooperative Lobby Day in Springfield, IL, which provided an opportunity to meet with our state legislators to discuss issues affecting rural cooperatives and communities.

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 provided highlights from the Dairyland Report.

Prairie Power Inc. (PPI) Report – Director Kuhns provided the PPI generation reports and highlights from the PPI board meeting.

Member Advisory Council (MAC) Meeting Report – Director Tindell discussed the MAC meeting that was held on March 15th at the Jo-Carroll Energy office in Elizabeth.

Board Policy 128 – A motion was made, seconded and carried to approve Board Policy 128 "Investments Short-Term", as amended.

Governance Overview Topic – Director Stanger reviewed the roles and responsibilities of a Director.

Executive Session – A motion was made, seconded and carried unanimously to go into Executive Session at 10:55 A.M. A motion was made, seconded and carried unanimously to come out of Executive Session at 11:45 A.M.

Action Items as a result of Executive Session – None

CEO's Report – President and CEO Casper discussed the audit summary and noted that he and CFO Woods meet throughout the year to discuss the financial strategy of the cooperative. CFO Woods also works closely with Cooperative Finance Corporation to review financial models.

Financial Operating Report – YTD margins for February were approximately \$2.4 million vs. a budgeted amount of approximately \$2.1 million. The current equity of the cooperative is 24.34% compared to 24.87% this month last year.

Strategic Objectives – Kyle Buros, Senior VP and Assistant General Manager provided information on Jo-Carroll Energy's strategic objectives, including fostering a culture of safety for members, employees, and our communities. Focus on the fiber initiative is to construct fiber infrastructure reaching as many members as possible, while balancing projects between differing population densities.

External Relations Update – Chris Allendorf, Vice President of External Relations & General Counsel, discussed State energy topics in Illinois, and provided an update from the Northwest Illinois Economic Development (NWILED) Annual Meeting.

Board Issues and Action Items –

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

A motion was made, seconded and carried unanimously to approve Administrative Policy 411 Net Metering.

A motion was made, seconded and carried unanimously to approve the Credentials and Election Committee.

Chairman Senn adjourned the meeting at 1:05 P.M.