

**JO-CARROLL ENERGY, INC. (NFP)**  
**June 26, 2019**  
**“Open” 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, June 26, 2019 at 9:00 A.M.

A Safety Moment was provided by Chairman Dave Senn.

An introduction for members attending the “Open Board Meeting” was made.

**Presentation** – A presentation was provided by Director of Utility Operations, Bob Pelelo. Pelelo discussed Jo-Carroll Energy’s natural gas and electric systems, including major projects that are in progress or have been completed. Pelelo also commented on the crews that were deployed to assist with restoration efforts after a recent storm in Minnesota and Wisconsin. Pelelo noted that over 600 poles were broken or damaged and Jo-Carroll Energy’s crews were able to help restore power quickly.

**Chairman’s/AIEC Report** – Chairman Senn discussed the importance of bringing fiber to rural America and noted that many members are diversifying their energy resources through solar, and other technologies. Senn reminded members to first contact Jo-Carroll Energy to discuss a potential project to ensure expectations are met. Senn also commented on the importance of getting out the rural vote so that rural issues are heard by legislators.

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

**Dairyland Power Cooperative (DPC) Report** – President and CEO Casper provided highlights from the Dairyland board and managers meeting and discussed the work being done on developing a more flexible rate structure.

**Prairie Power Inc. (PPI) Report** – Director Kuhns provided the PPI generation reports and highlights from the PPI board meeting he recently attended. Kuhns discussed key takeaways from the PPI Annual Meeting.

**Policy 130 (Capital Credit Retirement)** – A motion was made, seconded and carried unanimously to approve Policy 130 as written.

**Governance Overview Topic** – Director Stanger discussed portions of the NRECA’s “21<sup>st</sup> Century” report regarding the board’s governance responsibilities, including the board setting policies and the importance of reviewing those policies. Director Stanger also discussed the importance of board leadership and effective communication with members.

**CEO Report** – President and CEO Casper provided highlights from the Member Appreciation Days.

**Financial Operating Report** – YTD operating margins through May were approximately \$4 million vs. a budgeted amount of approximately \$2.8 million. The variance is due largely

to the timing of various O&M expenses. The current equity of the cooperative is 25.2% compared to 25.06% this month last year.

**Strategic Objectives** – Kyle Buros, Senior VP and Assistant General Manager gave a brief overview of broadband operations.

**External Relations Update** – Chris Allendorf, Vice President of External Relations & General Counsel, discussed current legislative issues. Allendorf noted that the new Illinois cannabis law included strong protections for employers allowing them to maintain a zero-tolerance policy at work. Allendorf also discussed the new \$45 billion capital that includes a doubling of the gas tax to \$0.38/gallon and an increase in vehicle registration fees across the board. Allendorf also stated that the board of Northwest Illinois Economic Development (NWILED) was close to hiring a new executive director.

### **Board Issues and Action Items –**

Attendees were selected for the Region 5 & 6 Meeting.

NRECA Director Election Voting Delegate and an Alternate Voting Delegate were selected.

President and CEO Mike Casper was nominated to serve as an APGA Director.

The floor was opened for general questions from the members.

**Executive Session** - A motion was made, seconded and carried unanimously to go into executive session at 10:25 A.M. A motion was made, seconded and carried unanimously to come out of executive session at 10:52 A.M.

**Action Items as a result of Executive Session** – A motion was made, seconded and carried unanimously to approve the following: The board acknowledges that a conflict exists for Director Mattingley, and, pursuant to the bylaws, finds significant cause exists to waive the conflict, with certain exceptions. The motion carried by a vote of 9-0.

### **Adjournment**

Chairman Senn adjourned the meeting at 11:02 A.M.