

JO-CARROLL ENERGY, INC. (NFP)

January 24, 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 Thursday, January 24, 2019 at 9:00 A.M.

A Safety Moment was provided by Director Larry Carroll.

Presentations – CFO Chuck Woods, provided a summary of Jo-Carroll Energy's audit process and noted that the full auditor report will be presented at the March board meeting.

Ken Sivertsen and Jeff Harrelson discussed Jo-Carroll Energy's Business Continuity project. The main-focus of Business Continuity is to be able to effectively respond to a crisis or emergency while still meeting legal and regulatory obligations, minimize risks to members and employees, and having contingency plans ready in the event of a disruption of normal business activities.

Chairman's/AIEC NRECA Report – Senn provided positive feedback on the Business Continuity plan that was presented. Senn also 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 – The Dairyland Report was emailed prior to the board meeting.

Prairie Power Inc. (PPI) Report – Director Kuhns provided an electric generation summary from the December PPI board meeting.

Board Policy 126 – A motion was made, seconded and carried unanimously to rescind Policy 126 "Purchase of Materials, Supplies & Equipment". It was explained that the President & CEO has discretion over these matters and a board policy is unnecessary.

Policy 121 – A motion was made, seconded and carried unanimously to approve Board Policy 121 "Safety and Job Training".

Governance Overview Topic – Director Tindell presented a governance video from National Rural Electric Cooperative Association (NRECA) regarding finding the right level of transparency in an organization.

CEO's Report – President and CEO Mike Casper commented on the new format of the "Hi-Lines" center section in the Illinois Country Living magazine.

Financial Operating Report -

CFO Woods noted that the Cooperative's operating margins for December YTD were approximately \$2 million vs. a budgeted amount of approximately \$2.125 million. The current equity of the cooperative is 22.83%.

Operations & Regulatory/Legislative Update – Kyle Buros, Senior V.P. and Assistant General Manager discussed Jo-Carroll Energy’s enhancements to the organization’s strategic vision. Economic Development, smart energy use, business continuity, and enhancing value for our members are areas that Jo-Carroll Energy continues to focus.

External Relations Update – Chris Allendorf, Vice President of External Relations & General Counsel, noted that Governor Pritzker has signaled that he will hold Illinois to the Paris Climate Accord emissions standards. Allendorf also commented on the U.S. government shutdown and the effects it is having locally. Northwest Illinois Economic Development (NWILED) will be holding their 10th Annual Meeting on March 14 at the Eagle Ridge Resort. Allendorf also shared that the Campbell Center in Mt. Carroll was recently purchased by Rock Island Development Group.

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 a donation in the amount of \$1,000 towards the National Rural Electric Cooperative Association International Annual Campaign.

A motion was made, seconded and carried unanimously to approve the bylaw amendments as presented.

NRECA Annual Meeting voting delegates were selected.

CFC voting delegates were selected.

Action items as a result of Executive Session – None.

Chairman Senn adjourned the meeting at 11:31 A.M.