

JO-CARROLL ENERGY, INC. (NFP)

February 23, 2022

Board Meeting Minutes Summary

The regular board meeting of Jo-Carroll Energy, Inc. (NFP) was held on Wednesday, February 23, 2022, at 9:00 A.M., via ZOOM and in person.

A Safety Moment was provided by Director Marcy Stanger on driving safety during hazardous conditions and proper lifting safety.

Approval of Agenda – A motion was made, seconded, and carried unanimously to approve the agenda.

Consent Agenda – A motion was made, seconded, and carried unanimously to approve the consent agenda to amend a typographical error in the minutes. The error will be amended accordingly. In addition, a motion was made, seconded, and carried unanimously to approve the Consent Agenda

Presentation – Keith Kaderly presented from *“Inside Information”*. He provided a summary of the 2021-member satisfaction survey results and shared key performance, satisfaction and benchmarking trends. Keith also included demographic data.

Annual Report Cover – Brooke Michael, JCE Communications and Marketing Coordinator, shared a preview of the JCE Annual Meeting Report Cover and provided information on the location for the Annual Meeting, noting that it will be held at the Fulton High School on June 2, 2022. Brooke also included an overview of her background and expertise in the graphic design field.

Governance Topics & Board Policy Review

Board Policy 101/Former Director Advisory Group – A motion was made, seconded, and carried unanimously to rescind Board Policy 101/Former Director Advisory Group.

Board Policy 102/Director Search & Selection /Vacancies – A motion was made, seconded, and carried unanimously to approve Board Policy 102/Director Search & Selection/Vacancies.

Board Policy 103/Director Conflict of Interest – A motion was made, seconded, and carried unanimously to approve Board Policy 103/Director Conflict of Interest.

Board Policy 105/Directors Compensation and Benefits – A motion was made, seconded and carried unanimously to approve Board Policy 105/Directors Compensation and Benefits.

Board Issues and Action Items

Resolution to Defer Revenue – A motion was made, seconded and carried unanimously to approve a resolution that classifies a portion of the Cooperative’s operating margins from 2021 as deferred revenue to be recognized as revenue in monthly installments during 2022 and 2023 to help stabilize Members’ rates over that period.

Budget or Levelized Pay Services – A motion was made, seconded and carried unanimously to offer eligible business owners the opportunity to request budget or levelized billing.

Select Attendees for NRECA Directors Conference (April 2-5) – Attendees were selected to attend the NRECA Directors Conference.

CEO/Financial Operating Report

CEO Report – President and CEO Casper discussed Jo-Carroll Energy’s Evergreen Renewable Credits Agreement with the City of Galena. Casper also reminded JCE Directors of the upcoming rate change that will go into effect in March.

Financial Operating Report – Chuck Woods, Chief Financial Officer provided a summary of the financial operating report for January. Revenue for January is approximately \$6.9 million vs. a budgeted amount of approximately \$6.4 million. Total operations and maintenance expenses were approximately \$202,776 under budget. Margins are approximately \$1.3 million vs. a budgeted amount of approximately \$508,704. By general consent, the board moved to file the financial operating report with the auditor. In addition, Woods noted that the auditors were recently on-site to perform their yearly audit. Woods also noted that the auditor’s findings will be presented at the March board meeting, and that our current Auditor BKD will be merging with another firm forming one of the top ten audit firms in the country.

Operations and Regulatory/Legislative Update

Operations Update – Kyle Buros, Senior V.P. and Chief Operating Officer provided an update on natural gas regulations and noted that we are working closely with the Illinois Commerce Commission.

Covid 19/Employee Update – V.P. of Human Resources, Merri Sevey discussed the all-employee training day that was recently held. Twice a year, our employees spend a day focused on training. She also complimented Alex Peebles, Manager of Safety and Loss Control, on the content of training that he helped organize.

2022 Initiatives – Jennifer Meyer, V.P. of Member Services provided an overview of JCE’s 2022 goals and initiatives.

External Affairs/Legislative Update – None.

Governance Topics and Board Policy Review – None.

Reports/Updates

Association of Illinois Electric Cooperatives (AIEC) Report – Chairman Senn provided highlights from the AIEC Board Meeting noting that co-ops are developing distributed generation (DG) net metering policies that meet new energy legislation requirements. Senn remarked that the Youth Tour to Springfield was canceled. However, the Youth Tour to Washington, will still take place.

American Public Gas Association (APGA) Report – Director Carroll discussed the various topics within the natural gas (NG) industry. CEO Mike Casper shared that he recently participated in the APGA Direct Use Taskforce Group meeting.

Dairyland Power Cooperative (DPC) – Director Mattingley provided highlights from the DPC Regional Meeting and the presentations that were provided. Director Smith also commented on the content of the meetings, noting that they were very informative.

Prairie Power Incorporated (PPI) Report – Director Kuhns provided a summary of the PPI Board Meeting that centered on cleaner emissions and reduced CO2 carbon emissions.

Executive Session – A motion was made, seconded and carried unanimously to go into executive session at 11:47 A.M.

Out of Executive Session – A motion was made, seconded and carried unanimously to come out of Executive Session at 12:11 P.M.

Action Resulting from Executive Session – None.

Other Business – None.

Adjournment – Chairman Senn adjourned the meeting at 12:12 P.M.