

JO-CARROLL ENERGY, INC. (NFP)

October 25, 2023

Board Meeting Minutes Summary

The regular board meeting of Jo-Carroll Energy, Inc. (NFP) was held on Wednesday, October 25, 2023.

Safety Moment – A safety moment was provided by Director Russ Holesinger. Holesinger shared the five (5) “E”s of safety, education, encouragement, engineering, enforcement, and evaluation (for improvement).

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

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

Presentation – Brandon Sebena, JCE Director of Utility Operations presented an overview of the Electric and Natural Gas Operations business units. Sebena highlighted projects that were completed throughout the year. In addition, Jesse Shekleton, Manager of Broadband Operations provided an overview of fiber projects completed to date and commented on the future growth of JCE’s fiber expansion efforts.

Governance Topics and Board Policy Review

Governance Talk Video – A Governance Talk Video on Cybersecurity was shared with the attendees. Patrick Mangan, National Rural Electric Cooperative (NRECA) Senior Director of Governance Education, discussed his role at the NRECA. Mangan shared that the Governance Topic Videos are important for Directors continued education and noted that he was pleased to see the incorporation of videos into our monthly board meetings.

Board Policy Review – None.

CEO/Financial Operating Report

CEO Report – President and CEO Mike Casper shared that a Power Cost Adjustment (PCA) Credit continues to be applied to members bills, which is evaluated each month. In addition, Casper shared that JCE has an independent third party perform a rate analysis each year in conjunction with a cost-of-service study, which results will be reported to the board at the December board/budget meeting.

Financial Operating Report – Chuck Woods, Chief Financial Officer, provided a summary of the September financial operating report. Revenue year-to-date (YTD) is approximately \$49.2 million. Total operations and maintenance expenses are approximately \$39.2 million, which is (\$4,062,240) under budget of \$43.2 million. Margins are approximately, \$3.5 million versus a budgeted amount of \$847,380 and amounts to \$2.5 million over budget. By general consent, the board moved to file the financial operating report with the auditor.

Operations and Regulatory/Legislative Update

Operations Update – Senior V.P. and Chief Operating Officer, Kyle Buros, shared that our former Manager of Broadband Operations, Todd Tunks, has retired from his position at JCE. Ryan Randecker was promoted to the position. Buros noted that it will be a seamless transition, as Ryan is well equipped for the role and has been working with Tunks the past five (5) years as part of a succession plan.

Member Services Update – V.P. of Member Services, Jennifer Meyer, provided an overview of the Strategic Plan. In addition, Meyer shared member engagement opportunities that JCE recently participated in, which included Member Appreciation Days and the Galena Halloween Parade. Meyer also noted that the member satisfaction survey was open online, and the second phase of that campaign (phone calls) will be upcoming.

Human Resources Update – President and CEO Casper shared new employee statistics, noting we continue to grow as we expand our broadband services.

Executive Assistant Update – None.

External Affairs/Legislative Update – General Counsel, Terry Kurt shared highlights from the Regulatory Policy Conference he attended. Kurt also noted that a House Bill was being introduced that would remove the ban on building new nuclear facilities in Illinois.

Board Issues and Action Items

A Position Statement on Broadband Fiber was reviewed.

Member Comments – Chairman Senn opened the floor for member comments.

Reports/Updates

Association of Illinois Electric Cooperatives (AIEC) Report – Chairman Senn discussed highlights from the AIEC board meeting.

Dairyland Power Cooperative (DPC) – Director Mattingley shared that DPC margins are positive and provided a future perspective, noting that they are focusing more on strategy-based performance metrics (i.e., key performance indicators) to measure their progress and success. Mattingley commented that DPC's goal is to be in the top quartile from a competitive rate standpoint. Being part of the Midcontinent Independent System Operator (MISO) helps stabilize the cost of wholesale power.

American Public Gas Association (APGA) Report – Director Carroll discussed various new and proposed regulations affecting the natural gas (NG) industry, noting that Federal agency actions and state regulatory policy are proposing a ban in Maryland, potentially costing Maryland households upwards of \$26,000 each. President and CEO Casper noted that the APGA has developed a message to the Maryland Climate Pathway Report urging the state to continue the use of the gas infrastructure and the skilled workforce that operates it.

Prairie Power Incorporated (PPI) Report – Director Kuhns shared the PPI Board highlights and the most recent generation numbers, noting near perfect operation for unit 2.

Member Appreciation Days Roundtable Discussion – The board discussed Member Appreciation Days where a record number of members attended and learned more about the value-added services that we provide.

Executive Session

Into Executive Session – A motion was made, seconded, and carried unanimously to go into Executive Session at 12:30 P.M.

Out of Executive Session – A motion was made, seconded, and carried unanimously to come out of Executive Session at 1:30 P.M.

Action Resulting from Executive Session – A motion was made, seconded, and carried unanimously that the Board of Directors of Jo-Carroll Energy declares they have reviewed the President & CEO’s performance and found that it exceeds expectations. With that finding, and pursuant to the terms of the President & CEO’s employment contract, the board authorizes the execution of certain obligations therein.

Other Business – None.

Adjournment – Chairman Senn adjourned the meeting at 1:35 PM.

Secretary