

**ILLINOIS PUBLIC ENERGY AGENCY
BOARD OF DIRECTOR'S MEETING
APRIL 12, 2018**

A regularly scheduled meeting of the Board of Directors of the IPEA was held pursuant to proper notice at the Thelma Keller Convention Center, Effingham, Illinois on April 12, 2018.

Chairman Cory Sheehy called the meeting to order at 2:00 p.m. and roll call was taken showing that a quorum was present. Greg Hazel made a motion to approve the minutes of December 13, 2017, seconded by Justin Griffith. The voice vote showed all in favor.

The Treasurer's Report for February was presented by Tia King. She stated that in February 2018, gas revenues had increased by 41% from the previous year and dekatherm sales had increased by 53% from the previous year. With there being no questions, Mike Lebshier moved to approve the Treasurer's Report, seconded by Greg Hazel, which passed by unanimous voice vote.

Opportunity for Public Comment: Chairman Cory Sheehy stated that pursuant to the Open Meetings Act, any person in attendance at a meeting shall be permitted an opportunity to comment. He then asked if anyone would like to make a comment and hearing none, the meeting continued.

President & CEO's Report: CEO Gaden reported how the volatility in the weather affects the short-term and long-term gas market. He stated that First Energy is removing approximately 4,000MW of existing coal and nuke generation in Ohio over the next three years and that new gas generation will be coming on line to supplement those needs. He explained that long-term gas storage and supply options could be affected and battery storage evolution could have dramatic effect on spot gas pricing in the future. CEO Gaden also discussed how fracking capabilities and international options would keep gas prices low especially if Russia develops fracking techniques. Regarding international demand, he stated that Liquefied Natural Gas (LNG) should expand through shipping ports, but prices would need to stay low. He recommended members monitor regular pricing changes and hedge short term.

CEO Gaden discussed the specifics of IPEA's quorum rules and how 40% of the membership must be physically present to establish a quorum which totals five members. Changes to the Bylaws were discussed; providing for a lower percentage or to vacate the seat if the member stops purchasing natural gas from IPEA, but none were recommended. To ensure members can attend, the consensus was to reschedule a meeting if a conflict arises which causes Board members not to be able to attend. CEO Gaden reported that hands-on Natural Gas Operations Training would be held at the Ameren facility in Pawnee on November 6 and 7 and to contact Ed Cobau with training topic suggestions. Discussion ensued regarding whether or not to conduct the IPEA annual meeting in Effingham or to join the combined IMUA/IMEA annual conference held in Springfield. It was the consensus of the Board to remain in Effingham for next year's annual meeting.

Ordinance #18-04-162 – Adopting and Approving Revised Budget for the Fiscal Year ending April 30, 2018: Tia King presented the revised budget stating that the Management and Administrative Services paid to IMEA increased by \$4,000 due to higher DTH sales. There were no other revisions to administrative and general costs. With there being no questions, Mayor Ann Short moved to approve this ordinance, seconded by Justin Griffith. A voice vote was taken showing all in favor.

Ordinance #18-04-163 - Adopting and Approving Budget for the Fiscal Year ending April 30, 2019: Tia King then reviewed the budget for fiscal year 2018-19 stating projected sales are based on the last five-year average gas volumes, with volumes projected to decrease by 3.5% DTH due to assuming a normal winter season. Changes to the administrative and general costs included lowering the administrative services paid to IMEA (\$4,000) and increasing APGA membership dues (\$1,300). There were no other changes in the A & G budget. With there being no questions, Bob Coble moved to approve this ordinance, seconded by Terry Gard. A voice vote was taken showing unanimous approval.

Legislative Update: Staci Wilson reported that a top priority for APGA this year was to repeal and possibly replace Section 433 of the Energy Independence & Security Act (EISA). EISA mandates the elimination of all fossil fuel-generated energy use (including direct use of natural gas) in new and renovated Federal buildings by year 2030. The California state legislature is trying to mandate that all new buildings are required to be “electric ready” beginning in 2022. APGA has submitted testimony and may testify in opposition. She also reported that FERC approved issuing a Notice of Proposed Rulemaking allowing FERC to determine which pipelines under the Natural Gas Act may be collecting unjust and unreasonable rates in light of the corporate tax reduction. Interstate pipelines must file a one-time report on the rate effect and put forth changes in pipeline rates along with the timing of rate changes which will vary on a pipeline-by-pipeline basis. Consumers may not see impacts until late summer or early fall.

Regarding State issues, Wilson noted that the Governor had signed SB1451, the Small Cell 5G Wireless bill, which will take effect on June 1. She is coordinating a webinar in preparation of the inception of this bill along with addressing zoning codes for all poles (light poles, traffic poles and electric poles). Wilson recommended city attorneys participate. The Illinois Municipal League has a basic model ordinance to use as a beginning sample. Wilson discussed bills SB3005 and HB5119 that would allow anyone to file a grievance to the State permitting processes. This may open the floodgates for interest groups to interject in administrative decisions and could have significant effect on permitting of generation and transmission sources. HB4365 which refers to overdue state bill payments did not make it out of Committee. HR123 is posted for Committee and encourages pipeline companies to have an independent environmental impact study conducted before laying any new section of pipe and before any section of existing pipe begins to transport tar sands oil or natural gas extracted by fracking. Wilson also reported that there are several pieces of legislation regarding fracking.

Nominations & Awards (N&A) Committee: CEO Gaden reported on a meeting of the N&A Committee held by teleconference on March 14th with Bob Coble, Justin Griffith, Mayor Tom Martin and Cory Sheehy in attendance. General discussion was held on the slate of Officers for fiscal year 2018-19. After confirming all the officers had expressed a desire to remain, the committee recommended the following slate:

Cory Sheehy, Chairman
Mayor Ann Short, Vice Chairman
Terry Gard, Secretary/Treasurer
Mike Lebshier, Member-at-Large
Justin Griffith, Member-at-Large

And to reappoint Troy Fodor as Assistant Secretary/Treasurer

Election of Officers & Executive Board Members: CEO Gaden asked if there were any further nominations from the floor. There being none, Bob Coble then moved to approve the recommended slate from the N&A Committee. Greg Hazel seconded the motion which carried by unanimous voice vote.

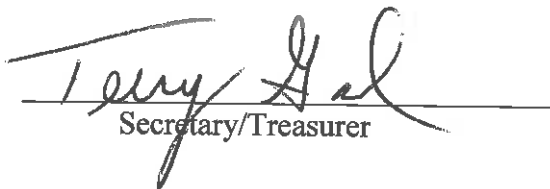
Resolution #18-04-164 – Establishing the Meeting Schedule for FY 2018-19: CEO Gaden reviewed the meeting schedule for the upcoming year noting a change in the time from 11:00 am to noon. The 2019 annual meeting will be held on April 11 and 12 in Effingham. Mike Lebshier moved to approve this resolution, seconded by Justin Griffith. Voice vote showed all in favor.

Committee, FOIA and OMA Appointments: CEO Kevin Gaden reported that during the Nominations & Awards Committee meeting on March 14th, it was recommended that all current members remain on the Nominations & Awards Committee and the Financial Oversight Committee. It was also recommended that Troy Fodor and Staci Wilson continue as the FOIA and OMA officers. Justin Griffith moved to approve the recommended appointments, seconded by Greg Hazel. A voice vote was taken showing all in favor.

Mike Genin reported on the specifics of the annual conference to include the banquet that evening and speaker presentations. They included Jim Germain from Constellation, Dave Schryver from APGA and Kyle Maxwell from Ameren Illinois regarding utility use of drones. The meeting will adjourn by noon.

There being no further business, Justin Griffith moved to adjourn the meeting at approximately 3:20 p.m., seconded by Terry Gard with all being in favor via voice vote.

Respectfully submitted:


Secretary/Treasurer

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MEMBERS PRESENT

Bethany	Shannon Risley
Bushnell	Justin Griffith
Casey	Shelby Biggs
Edinburg	Mike Lebshier
Flora	Bob Coble
Greenup	Mike Ryder
Marshall	Cory Sheehy
Martinsville	Terry Gard
Rantoul	Greg Hazel
Sullivan	Mayor Ann Short

MEMBERS ABSENT

Fairfield	Mayor Brent Maguire
Roodhouse	Mayor Tom Martin

OTHERS PRESENT

IPEA	Kevin Gaden
IPEA	Mike Genin
IPEA	Staci Wilson
IPEA	Tia King
IPEA	Bob Childers
IPEA	Rodd Whelpley
IPEA	Tammy Hall