

Approved by the Board of Trustees
March 14, 2019

PEI 2

Board Meeting
March 14, 2019

AMEND THE PRAIRIELAND ENERGY, INC., BYLAWS

Action: Amend the Prairieland Energy, Inc., Bylaws

Funding: No New Funding Required

The University procures energy commodities and related energy services from market sources through Prairieland Energy, Inc. (Prairieland), a University-Related Organization. Prairieland was authorized by the Board of Trustees of the University of Illinois (the Board of Trustees) in September 1996 to provide energy for the benefit of the University and others. It provides an efficient and effective vehicle for flexible, economical, and real-time participation in wholesale energy markets, resulting in cost savings and other benefits to the University. The Board of Trustees is the Sole Member of Prairieland and as such is responsible for approving amendments to Prairieland's corporate bylaws.

The current Prairieland bylaws were last amended and restated on January 15, 2015. A recent review conducted by the Prairieland President has identified the need for amendments to the bylaws and the Prairieland Board is in agreement and recommends the following changes:

- (a) Section 1- Updated 1.1 with additional company background, the

corporate address in 1.2 and removed references to the campuses and the no longer applicable Memorandum of Understanding in 1.3.

- (b) Section 2- Added Capital Contributions in 2.1 to indicate the cash provided by the Sole Member for the formation of Prairieland and new language in 2.4 for Prairieland to reimburse the Sole Member for tax liabilities incurred from allocated profits.
- (c) Section 3- Revised 3.5 to reflect how Sole Member actions are communicated.
- (d) Section 4- Modified 4.4 to eliminate the need for staggered terms and removed section 4.5 for Affirmation of Service. Resignation in 4.6 and Succession of Directors in 4.7 were updated to reflect current practices and address future vacancies in the Chair position.
- (e) Section 5- Added email in 5.9 as a form of written consent.
- (f) Section 6- Revised 6.1, 6.3, 6.4, and 6.9 to reflect “assistant vice president” more consistently as an officer, add a reference to the Duties of the Vice Chair related to succession of the Chair, and to clarify supervisory responsibilities of the President.
- (g) Section 7- Updated the Audit & Finance Committee Composition in 7.3 to address future Independent Director vacancies.
- (h) Section 9- Clarified 9.3 to address the annual conflict disclosure requirement for filing.
- (i) Section 11- Expanded the definition for non-discrimination to be more consistent with the University’s definition.
- (j) Section 13- Modified the amendment section to be more consistent with current practices.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

Accordingly, the Vice President/Chief Financial Officer and Comptroller recommends adoption of the proposed policy modification.

The President of the University concurs.