

MEETING OF THE BOARD OF TRUSTEES

AS THE SOLE MEMBER OF
PRAIRIELAND ENERGY, INC.

September 27, 2018

This meeting of the Board of Trustees of the University of Illinois as the sole member of Prairieland Energy, Inc., was held Illini Rooms B and C, Illini Union, 1401 West Green Street, Urbana, Illinois, on Thursday, September 27, 2018, beginning at 8:04 a.m.

Chair Timothy N. Koritz called the meeting to order and asked the secretary to call the roll. The following members of the Board were present: Mr. Ramón Cepeda, Mr. Donald J. Edwards, Mr. Patrick J. Fitzgerald, Dr. Stuart C. King, Dr. Timothy N. Koritz, Mr. Edward L. McMillan, Mr. Sanford E. Perl, Ms. Jill B. Smart. Mr. James D. Montgomery and Governor Bruce Rauner were absent. Ms. Shaina Humphrey, voting student trustee, Springfield, was present. The following nonvoting student trustees were in attendance: Mr. Trayshawn M. W. Mitchell, Urbana, and Mr. Darius M. Newsome, Chicago. President Timothy L. Killeen was present.

Also present were the officers of the Board: Mr. Lester H. McKeever Jr., treasurer; Dr. Avijit Ghosh, comptroller (and vice president/chief financial officer); Mr. Thomas R. Bearrows, University counsel; and Ms. Dedra M. Williams, secretary of the Board of Trustees and of the University.

Dr. Koritz asked the secretary to read the titles of the items on the agenda to be considered. By consensus, the Board agreed that one voice vote would be taken.

(The record of the Board action appears at the end of each item.)

Approve Minutes of Prairieland Energy, Inc., Meeting

(1) The secretary presents for approval the minutes of the Prairieland Energy, Inc., meeting of May 17, 2018.

On motion of Mr. Fitzgerald, seconded by Ms. Humphrey, these minutes were approved.

Appoint Directors, Prairieland Energy, Inc.

(2) The University procures energy commodity and related energy services from market sources through Prairieland Energy, Inc. (Prairieland), a University-Related Organization. Prairieland was approved by the Board of Trustees of the University of Illinois (Board of Trustees) in September 1996 to provide low-cost energy for the benefit of the University and others. Prairieland provides an efficient vehicle for flexible, nimble, 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 appointing directors to the Prairieland Board, which currently has two vacancies.

The Board of Trustees appointed Dr. Mohamed Attalla as the executive director of facilities and services in Urbana-Champaign on July 19, 2018, to replace Helen Coleman, who was serving in this capacity on an interim basis. The University president previously nominated the individual serving in this position to serve as a

Prairieland director. Ms. Coleman served on the Prairieland board until August 31, 2018. Larry Altenbaumer, independent director, resigned from the Prairieland board on June 14, 2018. The Prairieland board recommends filling director Altenbaumer's seat with the appointment of Dr. Mark Laufenberg, president of PowerWorld Corporation and alumnus of the University of Illinois at Urbana-Champaign. Pursuant to its authority, the Board of Trustees hereby appoints Dr. Attalla and Dr. Laufenberg to serve as Prairieland directors for a three-year term.

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.

On motion of Mr. Fitzgerald, seconded by Ms. Humphrey, these appointments were approved.

Amend the Energy Cost Management Policy

(3) The Board of Trustees ("Board") at its March 2009 meeting approved the *Energy Cost Management Policy* ("Policy") and later approved subsequent amendments to this Policy at its September 2010, December 2011, September 2014, May 2016, and November 2017 meetings. This Policy provides a risk management strategy for minimizing the price risk associated with procuring energy commodities to facilitate reliable budget planning. It provides authority for Prairieland Energy, Inc., ("Prairieland") an Illinois corporation authorized by the Board in September 1996 to

procure natural gas and electricity on a rolling, forward-looking, 10-year basis. This is adequate for meeting operational needs but is not a sufficient period for making investments in and sourcing of sustainable energy.

The Public University Energy Conservation Act (110 ILCS 62/) allows for investment in energy conservation measures with energy related cost savings achieved within a 20-year period. Energy savings may include energy reduction and offsetting sources of renewable energy. To facilitate University investment in and sourcing of sustainable energy, it is recommended by the Prairieland board of directors that the Policy be modified to allow Prairieland to be authorized to enter into power purchase agreements for investment in and sourcing of sustainable energy with a term not to exceed 20 years.

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.

On motion of Mr. Fitzgerald, seconded by Ms. Humphrey, this recommendation was approved.

MOTION TO ADJOURN MEETING

On motion of Mr. Perl, seconded by Mr. Edwards, the meeting adjourned at 8:07 a.m.

There were no “nay” votes.