

Jo-Carroll Energy • Elizabeth, Illinois • 800-858-5522 • www.jocarroll.com

JO-CARROLL

A Touchstone Energy® Cooperative  **HI-LINES**



PRESIDENT'S REPORT

by Michael Hastings

Happy New Year! I hope each of you and your families had a wonderful holiday season and are looking forward to the new year.

As we look ahead to 2010 there is little doubt that the economy and energy policy will remain a focal point for some time to come. During times of economic stress, everyone looks for ways to do more with less. We will continue to help you with ideas to save money through energy efficiency and conservation. Providing you with the most inexpensive means of energy is what we strive for on a daily basis.

As often happens, challenges offer opportunities to improve the way we do business and the services we provide our members. Sand Prairie Wireless is a good example of how we are looking out for our members.

In 2009, Jo-Carroll Energy began work on a territory-wide substation communication infrastructure to allow full communication between headquarters and the Cooperative's electric and natural gas substations as one of the first steps toward smart grid technology. While the purpose of the project is to allow supervisory control data acquisition (SCADA) capability to provide improved system efficiency and reliability, we thought about what more we could do. How else could we utilize this point-to-point communication network?

It made good sense that Jo-Carroll Energy would develop a new service for its members —

making sure they have access to reliable high-speed broadband Internet service.

The backbone of the SCADA network is complete, along with the northern and central loops at or nearing completion. The loops are designed to allow continuous service even if a link goes down. Towers were built at the Elizabeth headquarters and five substations, with additional equipment placed on existing towers and other structures. Radios designed for 99.99 percent uptime reliability have been placed on towers from East Dubuque to Erie.

More and more of our members are choosing Sand Prairie Wireless to connect them to the world.

Our goal is to provide high speed Internet access to 100 percent of our members, including those in rural areas where access is often difficult and expensive. Sand Prairie Wireless offers free site surveys to determine if you can access our service. Even if service is not available at your location now, your name will remain in our database providing us with information on where we need to add infrastructure in the future.

Our employees work hard every day to provide you with safe, reliable and affordable energy and services. As we go forward in 2010, we'll continue to look for these opportunities that enhance the quality of life for all our members. And as always, we'll keep the lights on for you.

Office hours

Elizabeth Office
8 a.m. to 5 p.m.

Savanna Office
8 a.m. to 1 p.m.
1:30 p.m. to 4 p.m.

Both Offices
Monday - Friday
800-858-5522

For all outages and emergencies call
800-927-5254

Resume of Minutes

Regular Board Meeting • October 28, 2009

The Jo-Carroll Energy board met on Wednesday, October 28, 2009 at the Cooperative headquarters. The following is a summary of the meeting activities:

- Joe Mattingley, Chairman, called the meeting to order at 9:00 a.m. All board members were present. Others present were attorney John Cox, Recording Secretary Dorothy Young, and President and CEO Michael Hastings. Staff members Kyle Buros, Karen Hirsch, Richard Larimore, Russ Simpson and Dorothy Waters were also present during all or part of the meeting.
- The agenda was approved as modified. The consent agenda items were approved, including the September 2009 board meeting minutes and minute's summary, safety report, written reports from staff, correspondence and board expense summaries.

Chairman's Report

Chairman Mattingley discussed the Cooperative's progress towards automated metering technology and how this was consistent with the co-op's mission and values. Mattingley expressed his concern regarding Climate Change legislation pending in the United States Congress and how that legislation might impact Jo-Carroll Energy and its members' electric bills. Mattingley also expressed the importance of the Tri-County Economic Development Alliance (TCEDA) and its progress towards the hiring of an executive director. Mattingley noted that funding from corporate sponsors was critical during this phase of TCEDA's development.

Dairyland Report

Stadel provided a report regarding the October 2009

Dairyland Power Cooperative board of directors meeting. Further discussions took place at the meeting regarding the future of Gen-Sys. Stadel noted that Dairyland's bond rating had been reduced by the rating agencies. Stadel reported that Dairyland had received notification from the Sierra Club that it planned to pursue litigation against Dairyland under the Clean Air Act regarding emissions. Stadel noted that Dairyland's coal inventories continued to be high due to the cool summer and reduced electric generation demand during this period. Stadel also reported that arrangements were being made for a tour of a Dairyland power plant by members of the Jo-Carroll Energy board of directors and staff.

AIEC Report

Dave Senn provided a report regarding activities of the Association of Illinois Electric Cooperatives (AIEC). Senn contacted the AIEC board chair, Doug Darby, regarding the ideas of video conferencing and electronic voting. Senn also suggested that the AIEC consider conducting a survey of AIEC directors and Illinois co-op managers regarding the AIEC's services and the relative importance of those services. Also discussed was the new Touchstone Energy program, "Together We Save." Senn reported on the progress of discussions concerning the development of a new line school.

Strategic Activity

- Smith presented the monthly policy for consideration, Policy 129 – Disposition of Offers to Acquire All or Substantially All of the Cooperative's Assets.

The policy was referred to the Policy Committee for further consideration.

- Smith provided a report of the Policy Committee and the actions and recommendations from that committee meeting.
- Policy 105 was amended by the board of directors to allow the use of teleconference and video conference technology consistent with the co-op's existing bylaws.
- The board of directors considered and passed a new travel policy that was recommended by the Policy Committee.
- Smith reported on the progress of on-line voting capabilities being pursued by Jo-Carroll Energy.
- The board considered and approved modifications and a clarification to Policy 105 dealing with Board per diems. No increase in per diem amounts was authorized.
- The board approved an amendment to Policy 103 that would require the current conflict of interest form to be completed annually by each director and employee of the Cooperative. Currently, Policy 103 provides that this form be filled out by employees when initially hired and directors when initially elected or appointed.
- The board approved a bylaw provision to be presented to the members at the 2010 annual meeting that would increase the waiting period before a former Cooperative employee would be eligible to serve on the board of directors from one to three years.

CEO Report

- **Financial Operating Report** – The CEO reported that the Cooperative had an unaudited margin of \$407,754 for the

month of September 2009. This compares with a budgeted margin for the month of September 2009 of \$73,553. Year-to-date through September 2009, the Cooperative is \$233,885 below budget. The CEO reported that the Internal Revenue Service had approved Jo-Carroll Energy's private letter ruling request to allow the Cooperative's broadband business revenue to be treated as member income for the Cooperative as requested. Other aspects of the financial report were highlighted. The financial operating report was approved.

- **Power Supply Report** – The CEO reported on recent activities and issues involving the Cooperative's electric and natural gas suppliers.

- **Biomass Plant Update** – The CEO provided the board with a report on the Sand Prairie biomass plant, including a number of recent staff and consultant activities that have occurred regarding the project. Work continues on the air permit application. A decision has been made to utilize a smaller natural gas fired generator for the project.

- **Safety Accreditation Report**– Waters provided the board with an overview of the safety accreditation process the Cooperative just went through. Jo-Carroll Energy will retain its safety accreditation status as it continuously seeks to improve its safety and compliance programs.

- **Economic Development Program and TCEDA Update** – Simpson provided a report on the co-op's economic development efforts including progress associated with the Tri-County Economic Development Alliance (TCEDA). A Committee of the TCEDA board is pursuing the hiring of an Executive Director. Simpson reported on the recent TCEDA board meeting

held on October 1, 2009. The TCEDA website is planned for online status by the end of the month. Other upcoming economic development meetings and initiatives were discussed.

- **Substation Infrastructure/Broadband Update** – Buros provided a report on progress with the substation infrastructure/broadband program. Several new towers are planned for erection before the end of November 2009.

- **Facilities Update** – Buros provided a report on progress with the facility modifications in Elizabeth.

- **External Affairs Update** – Cox provided a report on activities associated with the co-op's "Our Energy Our Future" campaign. A Senate Bill addressing Climate Change has emerged from a key Senate committee. Other legislative matters were discussed.

Board Issues

- **Change in Date of Jo-Carroll Energy's 2010 Annual Meeting** – The board of directors changed the date of the co-op's 2010 annual meeting to April 17, 2010.

- **Authorization of Payment of Capital Credits** – The board of directors voted to retire the capital credits accrued in 1984 in the amount of \$239,948.58.

- **Accrual for Provision for Doubtful Accounts** – The board of directors voted to set a rate of 0.0048 for the accrual of doubtful accounts. The current rate being utilized is 0.0050.

- **Selection of 2010 Board Meeting Dates** – The board of directors selected board meeting dates for 2010.

- **January 2010 Board Meeting** – The board of directors voted to hold the January 2010 Cooperative board meeting at Chestnut Mountain Resort, at the invitation of the member.

- **Authorization of Retail Space Business Plan Study** – The board of directors voted to authorize staff to develop a retail business plan for further consideration by the Jo-Carroll Energy board.

Executive Session

The board of directors went into executive session to discuss pending litigation, potential property acquisitions and labor/employment issues.

Reports

- A report was made by Cox regarding attendance at the Sacia fundraising event on behalf of Illinois ACRE.

- Those attending the Digester Seminar sponsored by the AIEC in Springfield, Illinois on October 20, 2009 reported on that event.

- Stanger reported on her attendance at the 2009 Jo Daviess County Leadership Forum.

- Hastings reported on the recent Weatherization Challenge event. Twenty-one Cooperative employees participated in the event. Three separate homes of members in East Dubuque, Ill. were winterized by the Cooperative's employees.

Upcoming Meetings

The board discussed upcoming meetings involving Jo-Carroll Energy.

Adjournment

The board meeting was adjourned at 2:42 p.m.

Jo-Carroll Energy

793 U.S. Route 20 West • P.O. Box 390
Elizabeth, Illinois 61028-0390

Java Hut & Tanning in Savanna, Ill.

If you ever need a relaxing, stress-free and all around fun place to go, it is Java Hut & Tanning on Rt. 84 in Savanna, Ill. Kurt and LueAnn Dreger have transformed a former church building into a beach paradise where you can enjoy a coffee, get a great tan, ship packages through UPS, buy Avon Cosmetics, visit Lutheran Social Services, get your yard care done by Curb Appeal, and see River Cities Heating and Air Conditioning. These offices are located in Java Hut and Tanning along with rentable space for meetings, birthdays, bridal and baby showers, etc.

"It's the whole package."

Kurt Dreger stated.

LueAnn loves coffee and Kurt loves tanning and so they put the two together. They serve coffee, espresso, frappes, smoothies, Italian sodas, lemon shake-ups and much more. They have three tanning rooms each with Sollux high pressure bronzing beds, which are wider and longer than the standard 20-minute beds. The beds are maximum 10 minutes with three facial tanners which are great for the busy lifestyle almost everyone holds.

The whole building, inside and out, has been in the process of a complete makeover over the past four years since the couple bought it in 2005.

LueAnn Dreger believes, "Everything has to have a theme," and the large fiberglass shark hanging above the counter screams of their love for the beach.

"Everything in here has a story," says the couple and their way-out son, Cameron.

Surfboards hang from the ceiling and signed photographs of President Obama, skateboard stuntman Tony Hawk, and the Road Runners of Savanna are displayed on the walls.

From national to local, their customers love the atmosphere of



Java Hut & Tanning. Ever since they replaced the tables inside with lounge chairs the whole dynamic of the place has changed. Dreger remarked that so many people are starting conversations with strangers and networking in the new setup than ever before.

One comment on their online guestbook stated, "You never know who you will meet at the Java Hut." To access this guestbook and Java Hut & Tanning's website go to www.javahut.biz.

The Dregers believe in the community of Savanna and dedicate most of their time to improving the local economy. As a Carroll County Board Member, Kurt fights for entrepreneurs and opportunities to bring new business and attractions to the area. One project he has been passionate about for the past several years is bringing a skate park to Savanna. It will be a place for not only skateboarders, but BMX bikers and rollerblades to enjoy.

Kurt worked to secure funding for the Skate/Youth Park with Senator Mike Jacobs and private community sponsors. Interest is spreading and people are getting on board with Kurt to help this attraction to Carroll County. The Dregers said they are blessed to live on the Greater Mississippi and to live in a nice community. They are so proud of our West Carroll schools and claim that there is no better place to raise their child. They both agree this area needs more attractions for kids.

If you have any questions please call Java Hut & Tanning at (815) 273-4528 or stop in. Jo-Carroll Energy members can receive \$5 off (10 session) tanning package and 10% off all tanning products at Java Hut & Tanning with their Co-op Connections Card. Java Hut & Tanning is open Monday through Friday 7 am - 5:30 pm; Saturday 8 am - 3 pm; and closed on Sundays. Or as Kurt said, "When we're here, we're open."

NEW BUSINESS:

Infrared Imaging Services

The newest business to join the Co-op Connections program is Infrared Imaging Services, Inc. of Galena. They are offering a 10% discount on services. Check them out at www.jocarroll.com, and click on the card.

Clear a path



With winter upon us, we can expect the snow to blow and pile up. We would like to remind our members to keep the area around your meter and the path to your meter clear of snow and ice.

It is very important that our meter readers are able to locate and have access to your meter. Amanda Russ, member services manager, also notes that if the meter reader can't access your meter, we may have to estimate your bill.

Please, take just a few minutes to make sure your meter is accessible. Your meter reader will appreciate your efforts.

Annual meeting planning, nominations under way

Planning is already underway for Jo-Carroll Energy's 71st Annual Meeting to be held Saturday, April 17, at Highland Community College West in Elizabeth.

A hot meal at the Elizabeth Community Building will precede the meeting. Full details will appear in future center sections of Illinois Country Living.

Nomination petitions are now available for candidates to fill three open seats on the Jo-Carroll Energy board of directors. Cooperative members will vote on candidates prior to the annual meeting on April 17, 2010. Jo-Carroll Energy is governed by nine member-elected directors who represent the nine districts of the cooperative. Directors serve three-year terms.

Three seats are up for election in 2010 and include: District 1 now represented by Martin H. Werner, District 2 now represented by Joseph W. Mattingley and District 4 now represented by Chris A. Stadel.

This will be the first year that a nominating committee will not be used to identify candidates for director elections, a

change made through a bylaw amendment approved by the membership at the Jo-Carroll Energy 2009 annual meeting.

Under the new nomination process, any member residing in the district of a director whose term is expiring may petition for nomination. A petition form can be obtained from the Cooperative's headquarters in Elizabeth or on the cooperative's website at www.jocarroll.com. Candidates must obtain at least 25 signatures of cooperative members from the same district in which they live and are seeking election.

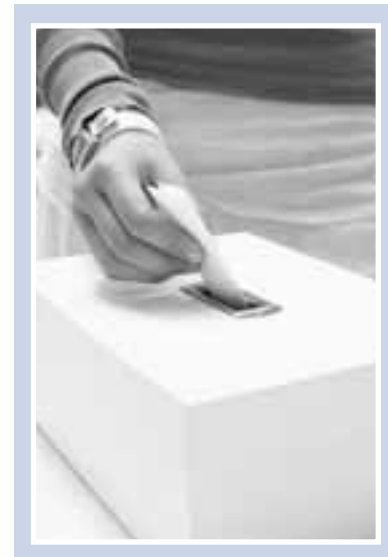
Completed petitions must be submitted to the cooperative between Nov. 18, 2009 and Feb. 16, 2010. In order to qualify to have their names placed on the ballot, all candidates must participate in an orientation process provided by the cooperative's attorney.

Profiles of the candidates will be included in the Annual Meeting Notice Booklet and in the April Illinois Country Living center section.

Ballots are mailed to each member residing in a district from which a director is to be elected.

Each member may vote for one director for the district in which the member resides, or in which the member is entitled to vote. If a member prefers, instead of using the mail ballot, he or she may cast his vote by ballot in person at the Cooperative office.

All balloting will be concluded on or before four o'clock (4:00) p.m. of the day prior to the annual meeting. The ballots will be counted by the Credentials and Election Committee. Results are reported at the annual meeting.



Energy efficiency tip of the month

Insulation provides comfort

Only 20 percent of homes built before 1980 are properly insulated. You can increase the comfort of your home while reducing heating and cooling needs up to 10 percent by investing in proper insulation and sealing air leaks.

One of the simplest ways to reduce your home's heating and cooling costs – and improve comfort – involves installing proper insulation. Doing so provides resistance to heat flow. The more heat flow resistance your insulation provides, the lower your heating and cooling costs.

Heat flows naturally from a warmer to a cooler space. In winter, heat moves directly from heated living spaces to adjacent unheated attics, garages, basements, and

even outdoors. It can also travel indirectly through interior ceilings, walls, and floors — wherever there is a difference in temperature.

During the summer cooling season, the reverse takes place. Heat flows from the outdoors to the interior of a house.

To maintain comfort, heat lost in the winter must be replaced by your heating system. In summer, heat gained must be removed by your cooling system. Proper insulation, though, decreases heat flow. Heat flow resistance is measured or rated in terms of its R-value. The higher the R-value, the greater the insulation's effectiveness.

When calculating the R-value of a multilayered installation, add R-values of individual layers.

Installing more insulation in your home increases the R-value.

Insulation effectiveness also depends on how and where it's installed. For example, insulation that gets compressed will not provide its full rated R-value. The overall R-value of a wall or ceiling will be somewhat different from the R-value of the insulation because some heat flows around the insulation through studs and joists. Therefore, it's important to properly install your insulation to achieve the maximum R-value.

Source: U.S. Department of Energy Office of Energy Efficiency and Renewable Energy. For more information, visit <http://www.eere.energy.gov>

ENERGY ASSISTANCE

Neighbor to Neighbor Care Funds help when needed

If you need assistance paying your energy bill this winter, help may be available through Jo-Carroll Energy's Neighbor to Neighbor Care Funds. This program is intended to coordinate with and work in tandem with the LIHEAP Agency program.

If funds are available and you qualify, you may receive a grant from these funds. The funds are ad-

ministered through the Northwestern Illinois Community Action

Agency (NICAA) and Tri-County Opportunities Council.

If you reside in: Jo Daviess County

Call NICAA at the Freeport office @ 815-232-3141 from 8 a.m. – 3:30 p.m., Monday through Friday.

Carroll or Whiteside Counties

Call Tri-County at the Rock Falls office @ 815-625-7830 from 8 a.m. – 4:30 p.m., Monday through Friday.

Illinois Department on Aging: Be a Savvy Senior

Were you the victim of a home repair or telemarketing scam? The Illinois Department on Aging says don't let it happen again!

They offer the following tips to deal with these situations:

- If it sounds too good to be true, it probably is.
- Get estimates before doing home renovations.
- Do not pay for work in advance.
- Never do business without checking references.

- Don't be afraid to call the police and have them check out the credentials of someone who is working in your area.
- Don't pay for any prize or send money to improve your chances of winning. It's illegal to ask you to pay to enter a contest.
- Don't be bullied into buying something "right now." If the caller persists, end the call.
- Don't give your credit card number to anyone over the

- phone unless you made the call.
- Don't give any caller your bank account number.

If you or someone you know has been the victim of a scam, break the silence. Call the Department on Aging to talk confidentially with someone who will help you to alleviate the situation. Call the Illinois Department on Aging Elder Abuse Hotline at 1-866-800-1409 (Voice) or 1-888-206-1327 (TTY).

Is there a crystal ball in Washington D.C.?

Youth to Washington trip may provide answers for your future

OK. So you aren't really into politics. As a junior or senior in high school, you're thinking about college and where you're going to come up with more than \$100,000 to pay for higher education. You're also trying to decide what you want to work at the rest of your life to make that college experience pay off.

Oddly enough, the very people who may have answers to those questions are wearing the title of state legislator or seated in chambers of the U.S. Congress in Washington D.C.

Dale Longmire
Before you know it, you will be voting in your first election and the weight of the country's decisions will partially belong to you. Will you support a Congressman who wants to pass Cap & Trade? Will you be in favor of farm subsidies? As you approach what was once "draft-age," do you think we should send more troops to Iraq and Afghanistan or should the military

be strengthening our borders? Oh, and when you get the opportunity to meet your Congressman, in addition to these questions will you ask: What has Congress done to make higher education more affordable and will I be able to find a job when I graduate?

Electric and telephone cooperatives in more than 40 states believe that young people deserve a first-class opportunity to educate themselves in the government process. Each year, the cooperatives across the nation sponsor more than 1,500 high school students to make the trek to Washington to get that personal initiation, and they have a lot of fun in the process.

This year marks the 51st trip to the nation's capital and promises to be as exciting as ever. Students learn the principles required to keep cooperative members working together for the cooperative's success by establishing their own "chip and pop" cooperative while on the bus trip.

While in Washington during the week of June 11-18, in addition to meeting with Congressmen from Illinois, students are treated to tours of historic sites, given the opportunity to make life-long friends and receive information to help determine career paths.

Hopefully, at the conclusion of the tour, you will understand the only crystal ball in Washington is the one you help develop through your participation in government and public service. The future of the country depends on the youth of today getting involved.

To learn about this opportunity, contact your local electric or telephone cooperative or visit the website at www.aiec.coop for additional details. Additional details on the application process for representatives from Jo-Carroll Energy will appear in the February Illinois Country Living.

Need help paying for college?

It's not too late to apply for a Jo-Carroll Energy scholarship

Jo-Carroll Energy will award five \$500 scholarships to high school seniors in 2010.

Current high school seniors within the Jo-Carroll Energy service territory are encouraged to apply for the scholarships. Applicants must be a current high school senior and a son or daughter of a Jo-Carroll Energy cooperative member who is receiving services from the cooperative at the time the application is submitted. Scholarships are for one year and are not renewable.

Applications are available from Jo-Carroll Energy and local school guidance counselors.

Applicants also will need to submit an essay and two letters of recommendation, one from a teacher or other school personnel and one



from a community member who is familiar with the student.

Deadline for application for the Jo-Carroll Energy scholarship is Jan. 31, 2010. Scholarship winners will be notified in May of 2010. Two scholarships will be awarded in both Jo Daviess and Carroll counties and one scholarship in Whiteside County.

Applications are available from Jo-Carroll Energy and local school guidance counselors.

For further information, please call 800-858-5522. Applications and details are available on the cooperative's website at www.jocarroll.com.

Kilowatt Meters

Kill-A-Watt meters available for checkout

Do you know how much energy your computer uses? Your phone charger? That old freezer in the garage?

With the help of Jo-Carroll Energy and your local library, now you can find out how much electricity your appliances consume and search your house for those phantom loads. Kilowatt meters, donated to the libraries by Jo-Carroll Energy, can be checked out just like a book or video.

When checked out, the meter comes with complete instructions on use and an energy-saving guide to assess energy use in your home. Additional copies of this guide are

available from Jo-Carroll Energy. Kilowatt meters can be checked out from Jo-Carroll Energy at both the Elizabeth and Savanna offices for two weeks.

Check with your local library for availability and checkout lengths. Libraries and their locations are:

- East Dubuque District Library
350 Wall St., East Dubuque
- Galena Public Library District
601 S. Bench St., Galena
- Elizabeth Township Library
210 Myrtle St, Elizabeth
- Hanover Township Library
204 Jefferson St., Hanover
- Savanna Public Library
326 3rd St, Savanna
- Mt. Carroll Township Public Library
208 N. Main St, Mt. Carroll
- Chadwick Public Library
110 Main St., Chadwick
- York Township Public Library
1005 W Main St., Thomson
- Schmaling Memorial Public Library
501 10th Ave., Fulton
- Erie Public Library
802 8th Ave., Erie
- Albany Public Library
302 S. Main St., Albany



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Reader Name

Each month we print the name of a Jo-Carroll Energy member who is eligible to win a monthly \$25 readership prize. If your name is printed in this month's edition, and not as a part of any article, contact Jo-Carroll Energy to claim your prize no later than the 10th of the month following publication.