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JO-CARROLL

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



PRESIDENT'S REPORT

by Michael Hastings

You're Invited!

Attend the 2010 annual meeting; learn more about how membership matters

One of the most important events at Jo-Carroll Energy each year is our annual meeting of members. If you've never attended an annual meeting, I hope you will this year and learn more about why membership matters at your cooperative.

Many members don't realize how much say they have in their co-op. Jo-Carroll Energy is a not-for-profit organization, democratically governed by the people we serve — you, our members.

The annual meeting is a time for you to meet the board of directors and the staff who run your co-op. Plans are coming together for the meeting on Saturday, April 17, and we hope you will be there.

An appreciation lunch kicks off the day beginning at 11 a.m. at the Elizabeth Community Building. The business meeting begins at 1:30 p.m. in the gymnasium at Highland Community College West in Elizabeth. Take some time before the meeting to visit our various displays to learn more about the services and programs offered by your cooperative. We'll have information on our high-speed wireless Internet service, Sand Prairie Wireless, as well as displays about the Co-op Connec-

tions card, energy efficiency, safety and more.

At the meeting, you'll hear more about your co-op and updates on the past year's activities in reports from the board chairman and myself. You'll vote on a bylaw amendment and learn the results of the election for the board of directors.

By the time you read this, you should have received your copy of the annual report, and if there is an election in your district, your ballot for the board of directors. You can vote by mail or bring your ballot to our headquarters in Elizabeth or Savanna by 4 p.m. on Friday, April 16. Elections are being held in districts 1, 2 and 4.

Membership in a co-op has its privileges — attending the annual meeting and voting in the board elections are just some of them. We hope you'll take the opportunity to attend the annual meeting, get together with your friends and neighbors, talk with your directors and learn more about your co-op. The board, employees and I look forward to seeing all of you at the 2010 annual meeting!

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

Annual Meeting and Candidate Bios

Director candidate profiles

District 1



Martin Werner (Incumbent),
361 Sherwood Ave., East
Dubuque, IL 61025

Martin Werner lives in East Dubuque with his wife, Sherrie. They have been married for 38 years. Martin has lived in this area for over 60 years. Martin's grandfather John Werner was the Marshall of East Dubuque. Martin and Sherrie have two daughters and four grandchildren. Martin formerly worked for John Deere in Dubuque Iowa for 30 years. He also owned and operated a part-time auto repair business (Marty's Auto Repair) for 25 years.

Martin attended St. Mary's grade school and graduated from East Dubuque High School. He served two years in the United States Army in the Armored Division at Fort Hood, Texas. He also worked in a missile unit in Germany.

Martin serves on the East Dubuque Zoning Board and is a retired member of the East Dubuque Volunteer Fire Department.

"I would like to represent district 1 with the knowledge that I have gained from all the years that I have lived in this area. The fact that I am now retired gives me plenty of time to invest in

servicing the members of the cooperative. I feel that my experience in many different fields should serve well as a director for Jo-Carroll Energy."

District 2



Joe Mattingley (Incumbent)
292 West Schapville Rd., Scales
Mound, IL 61075

Joe Mattingley is from rural Scales Mound, Ill. and resides in Guilford Township. He and his wife, Michelle, have a horse farm and have been members of the co-op since the late 1990s. Currently Joe is the General Manager of The Galena Territory Association and was a graduate from Scales Mound High School.

Post graduation he enlisted in the Navy as a Medical Corpsman. Upon completion of his stint in the Navy, he finished his college degree from Highland and then Columbia College of Freeport. Since his appointment to the board in May of 2006 he has brought ideas to Jo-Carroll Energy from his member constituents that have led to board and administrative policy advancements.

The initiatives that have evolved from Joe's input range from energy conservation to a recycling program. He promotes

the idea of cooperative communications and has assisted multiple times with member communiqué and if re-elected he will continue to promote these efforts within his district as well as throughout Jo-Carroll Energy.

Currently serving as board chairman, Joe is committed to be an active board member that will look out for what is best for the membership as a whole when policy decisions are made. If any district members have questions for Joe please feel free to contact him at (815) 777-2000.

District 4



Chris Stadel (Incumbent)
6609 S. Blanding Rd., Hanover,
IL 61041

Chris has been a member of the Jo-Carroll Energy board of directors since 2004. Chris is the director for the Dairyland Power Board. He has been a Jo-Carroll Energy member since August of 1991. Chris has seven daughters and one son. He graduated from Scales Mound High School in 1983. Chris currently owns a small excavation business known as Brush Hog Mowing.

His primary hobbies are hunting and fishing and various other outdoor activities. He is running for the Jo-Carroll Energy Board because he wants to

2010 Annual Meeting set for April 17

The 71st annual meeting of Jo-Carroll Energy members is fast approaching. Mark your calendars for Saturday, April 17. This year's meeting will be at Highland Community College West in Elizabeth.

Members will want to come early for the appreciation luncheon served by Jo-Carroll Energy directors and staff from 11 a.m. to 1:30 p.m. at the Elizabeth Community Building. Everyone will have the opportunity to meet CFL Charlie, Touchstone Energy® Cooperatives' energy efficiency mascot and take home a CFL light bulb.

The annual meeting gives you a chance to meet and talk with the co-op board of directors and employees as well as your neighbors and friends. You'll also have a chance to win one of many prizes.

Board of Directors voting process

Democratic Member Control – It is the second of seven principles that guide cooperatives. If you haven't already, you should be receiving the 2010 Jo-Carroll Energy Annual Meeting book and, if you live in a district with a director election, ballots for the Jo-Carroll Energy board of director's election. Districts with elections this year include Districts 1, 2 and 4.

The annual meeting book contains important information about your cooperative, as well as profiles of the candidates for election in the 2010 director elections. Ballots are mailed separately.

Cooperative members have equal voting rights — one member, one vote. By returning your ballot you are participating in

the democratic process; each vote counts, so please remember to return your ballot. Only members in those districts with a director up for election will receive ballots and may vote for the director from their district. Strict anonymity is enforced when tallying the ballots. By signing the return envelope, your ballot is in no way associated with your account.

When completing your ballot remember the following: The ballot must be filled out by the person under whom the membership is listed.

The return envelope must be signed or the ballot is invalid. All ballots must be received by 4 p.m. on Friday, April 16.

Director candidate profiles continued

help ensure the lowest rates possible for our members. He also would like to make sure that the members have a voice representing them.

Chris states, "due to the rising cost of energy, I want to do all that I can in helping members to find ways to reduce energy cost as well as providing reliable service at the lowest possible cost."



Paul Girot
4801 S. Pleasant Hill Road
Elizabeth

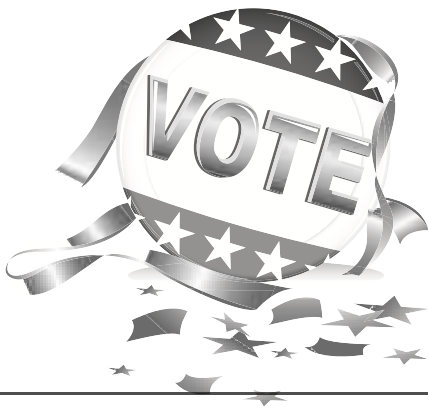
Paul Girot is from rural Elizabeth, Illinois. He has been a member of Jo-Carroll Energy for three years.

A dairy farmer since 1992, he also works for Jo Daviess County as an equipment opera-

tor/mechanic. He has worked for the county highway department for 14 years. He also worked as a diesel mechanic for Tri-State Tours for two years and as a truck mechanic at Truck Country of Iowa for five years.

Paul has served one year as a Jo Daviess County Farm Bureau director. A drag racing and tractor pull enthusiast, he has also served two years as a director for the United Drag Racers Association and two years as vice president for the Midwest Funny Car Association.

Paul and his wife, Debra, have two daughters, Victoria, 20, and Valerie, 16, and two sons, Neil, 14, and Nicholas, 9.



Co-op Connections featured business Jackson Concrete & Construction in East Dubuque, Ill.

Experience is everything for John Jackson of Jackson Concrete and Construction. Jackson grew up in East Dubuque and while in high school worked part-time pouring concrete for his uncle. The knowledge and experience gained during these years led Jackson to begin his own business. He and his wife, Robyn, have made it their own for over 25 years now and in 2004 they incorporated Jackson Concrete and Construction.

Jackson's personal service stands above the competition in the tri-state. Before he begins planning or drafting a project Jackson will personally meet the customer and survey the current sight. He is always willing to offer advice on any home remodeling or repairing project. It is no wonder that Jackson has many repeat customers.

"They can count on you and that is why they keep coming back," said Jackson.

Half his customers reside in East Dubuque and 80 percent are from Illinois. Jackson focuses on the local community but does expand to regions in Wisconsin and Iowa when he is needed.

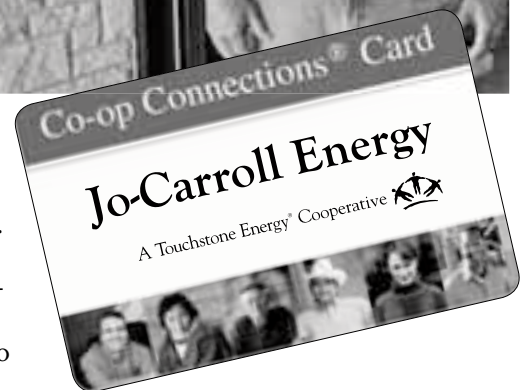
All of the grunt work in construction and laying concrete is done by Jackson himself. For larger projects he often brings in

help to complete the job quickly and with great quality. Jackson Concrete and Construction will lay flatwork concrete, install a wide variety of siding, windows, roofing, landscaping, as well as design bathrooms, additions, garages, or a whole house remodel or repair. Commercial shelving, mezzanines, drywall repair and hot tub dormers are also on the list of services Jackson provides.

The newer products and materials in the business have helped Jackson provide the best quality to his customers.

"When the product is of better quality it will last longer and you will see a better job in the end," stated Jackson.

Jackson is never short of advice due to his many years of experience in the community and in the business. He is always able and willing to lend a helping hand. Volunteering for the school, sports boosters and other community projects takes up any time not spent at work



or with family.

"If there is a need I will expand my business, but until then I am going to continue to offer personalized service to my customers," stated Jackson.

To reach Jackson Concrete and Construction for a consultation and estimate, call (815) 747-2170. All Jo-Carroll Energy Members receive 5 percent off labor charges with the use of their Co-op Connections Card.

Reader name

Each month we print the name of a Jo-Carroll Energy member who is eligible to win a \$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.

Energy efficiency savings abound in 2010

Take advantage of Jo-Carroll Energy's 2010 Rebate Program and government incentives

There has never been a better time to invest in energy efficiency for the home, farm or business. Whether your goal is to keep energy costs low or reduce your carbon footprint, there are many sources to assist you, including the energy efficiency rebates and support offered by Jo-Carroll Energy. When used in conjunction with stimulus bill funds provided by state and federal government, you can “up” your energy savings while upgrading your home or business.

The 2010 rebates and incentives offered by Jo-Carroll Energy are designed to address the diverse needs of our members' home and work environments. New to the cooperative's rebate program are rebates for our natural gas members.

“We encourage members to call us to learn more about how to become more energy efficient at home or work, while taking advantage of our great rebates. Now is a great time to purchase an Energy Star appliance or make other energy efficient upgrades to your home,” said Heidi



Weber, manager of marketing and member services.

All rebates will be in place through Dec. 31, 2010, or until funds are depleted. Lighting rebates will continue to be distributed via bill credits, all others will be distributed in the form of a check from Jo-Carroll Energy. Visit www.jocarroll.com for complete information and to download the rebate forms.

Through the 2009 American Recovery and Reinvestment Act — better known as the stimulus bill — Uncle Sam offers tax credits for energy efficiency measures made at existing homes during 2009 and 2010. Many of the incentives offered

by Jo-Carroll Energy, including our \$25 rebate on ENERGY STAR appliances, are designed to supplement these state and federal stimulus funds.

For details on the tax credits, please visit www.irs.gov/recovery; www.energystar.gov, keyword: tax credits; or consult with your tax accountant on both state and federal incentives.

For a description of some of the rebates offered by the State of Illinois, visit http://www.illinoisbiz.biz/dceo/Bureaus/Energy_Recycling/Energy+Star+Rebates/appliances.htm

Going shopping?

Make sure to look for the ENERGY STAR label when shopping for appliances, because ENERGY STAR items are 10 to 50 percent more efficient than standard appliances. Since your heating and cooling equipment comprises the bulk of your energy bill, investing in these appliances will save your family money over time. Energy efficiency is also good for the environment, since the less energy you use, the less needs to be generated.

For more information and for suggestions on how to make your home more energy efficient, call Jo-Carroll Energy at 800-858-5522 or visit www.togetherwesave.com.



Resume of Minutes

Regular Board Meeting • January 27, 2010

The Jo-Carroll Energy Board of Directors met on Wednesday, January 27, 2010 at Chestnut Mountain Resort. 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, Pat Keleher, Tracy Heidenreich, 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 December 2009 board meeting minutes and minutes summary, safety report, written reports from staff, correspondence and board expense summaries.

Member Presentation

Mike Murphy, Manager of Chestnut Mountain Resort, welcomed the Jo-Carroll Energy Board of Directors to the resort and provided an overview of Chestnut Mountain's operations, including recent improvements and updates. He invited members of the Board of Directors to take a tour of the facility following the meeting.

Chairman's Report

Chairman Mattingley discussed the recent strategic planning sessions held by the co-op and believed they went extremely well. He noted that several new values statements were to be presented. Mattingley thanked the members of the board and staff for their help in making the process a success.

Dairyland Report

Chris Stadel reported on activities of Dairyland Power Cooperative. Dairyland scheduled two full load control days in December 2009. Dairyland received a very positive court ruling

regarding its ongoing dispute with the federal government over its failure to pay Dairyland for nuclear decommissioning and storage costs associated with Dairyland's nuclear assets. The court awarded Dairyland \$37.6 million in damages for costs incurred by Dairyland to date. The federal government is expected to appeal. Stadel reported on Dairyland's 2009 margins and how they were allocated to the members. Stadel noted that the Sierra Club had not yet filed its threatened lawsuit against Dairyland regarding power plant emissions. Stadel also discussed several transmission projects Dairyland had in its 2010 work plan.

AIEC Report

Dave Senn provided a report regarding activities of the Association of Illinois Electric Cooperatives (AIEC). Senn noted that the media campaign regarding global warming being discussed at the AIEC was not implemented. A new law regarding lobbyist reporting was discussed. Senn reported on Federated Rural Electric Insurance Exchange's plans to move its annual meeting to the Fall rather than holding it in conjunction with the NRECA's annual meeting. A survey was developed by the AIEC regarding services provided by the Association. Senn also discussed new developments with media access and information, including Facebook and Twitter. These tools are now being utilized by cooperatives to communicate with members and the public at large.

Strategic Activity

Smith presented the monthly policy for consideration, Policy 131 – Distributed Generation. Policy 131 was approved as presented.

CEO Report

- **Financial Operating Report** – The CEO reported that the Cooperative had an unaudited margin of \$861,852 for the month of December 2009. This compares with a

budgeted margin for the month of December 2009 of \$497,836. The Cooperative finished 2009 with an unaudited margin of \$1,920,672 compared to a budgeted margin of \$2,278,455. Other aspects of the financial report were highlighted. The monthly financial operating report was approved.

- **Power Supply Report** – The CEO reported on Dairyland's rate increase for 2010, which will be just under a 5% increase. Hastings also discussed the Interstate Power and Light's (IPL's) wholesale rate true-up, the IPL demand charge increase and other IPL rate issues that were underway.
- **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. A new property option was discussed that would expand the amount of property available for the plant's development. Work continues with the water discharge permit. Discussions with potential project partners continue.
- **NRCO Report** – The CEO reported on activities involving the National Renewables Cooperative Organization (NRCO). He discussed renewable generation projects being pursued by the NRCO, work with the Rural Utility Service regarding NRCO renewable power contracts, and work to develop a biomass power purchase agreement.
- **Strategic Planning Implementation** – Hastings reported on the staff's work on implementing the new strategic planning strategies as developed at the recent sessions. A new organizational chart was presented that had been developed to better assist the Cooperative in pursuing its strategic objectives. The CEO reported on other actions taken to date.
- **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 new Executive Director has been hired. Randy Prasse has been selected for the position. Mr. Prasse has held a number of leadership positions involving economic development. Work continues in earnest regarding the proposed purchase of the Thomson prison by the federal government. TCEDA is mobilizing to assist with this effort.

- **Substation Infrastructure/Broadband Update** – Buros provided a report on progress with the substation infrastructure/broadband program. More members have signed up for the co-op's wireless internet service, Sand Prairie Wireless. Several new towers have been erected. A redundant bandwidth path from Clinton, Iowa is being planned. A new wallet sized marketing card has been developed regarding the service. The cards were distributed to board members.
- **Facilities Charge Update** – Hastings reported on an analysis of the co-op's facilities charges.
- **External Affairs Update** – Cox provided a report on the climate change issue being considered by Congress.

Board Issues

- **Dairyland District Meeting** – Board members that planned to attend Dairyland Power Cooperative's 2010 District Meeting in Decorah, Iowa discussed that event.
- **Approval of Work Orders and Special Equipment** – The Board of Directors approved the 2009 work orders and special equipment listing.
- **Approval of 2010 Strategic Plan** – The Strategic Plan developed for 2010 was presented, including several new value statements. The Board of Directors approved the 2010 Strategic Plan, including the changes to the Cooperative's values statements.
- **Consideration of Property Option** – Hastings discussed a recommendation to pursue a second property option involving the biomass plant site. After discussion, the Board of Directors voted to approve the second property option proposal as presented.

- **Approval of Nominees for the Credentials and Election Committee** – The Board of Directors reviewed the listing of nominees for the Credentials and Election Committee. Proposed Committee nominees were Jeffrey Klein, Michelle Randecker and Don Slaats from District One; Alan Bird, Bob Strahlman and Rob Volkommer from District Two; and Dale Harms, Harvey Kloss and Gary Lietz from District Four. The Board of Directors approved the Committee nominees.
- **NRECA Course 2640.1 – Financial Decision Making** – Those directors planning to attend the NRECA Course 2640.1 involving Financial Decision Making, scheduled for March 4, 2010 in Springfield, Illinois discussed that event.
- **CFC Voting Delegate and Alternate** – Chris Stadel was selected as the Cooperative's Voting Delegate to the 2010 CFC Annual Meeting, to be held in conjunction with the NRECA 2010 Annual Meeting in Atlanta, Georgia. Russell Holesinger was selected as the Cooperative's Alternate Delegate to the CFC Annual Meeting.
- **Federated Voting Delegate** – Pat Smith was selected as the Cooperative's Voting Delegate to the Federated Rural Electric Insurance Exchange's 2010 Annual Meeting to be held in conjunction with the NRECA's 2010 Annual Meeting in Atlanta, Georgia.
- **NRTC Voting Delegate and Alternate** – Dave Senn was selected as the Cooperative's Voting Delegate to the NRTC 2010 Annual Meeting, to be held in conjunction with the NRECA 2010 Annual Meeting in Atlanta, Georgia. Marcia Stanger was selected as the Cooperative's Alternate Delegate to the NRTC Annual Meeting.
- **Conflict of Interest Declaration** – The Board of Directors completed conflict of interest forms for 2010 pursuant to Policy 103.
- **Committee Meeting Scheduling** – A meeting of the Cooperative's Policy Committee was scheduled for February 10, 2010 at 5:00 p.m. A

meeting of the Cooperative's Executive Committee was scheduled for February 23, 2010 at 5:00 p.m.

- **AIEC Survey** – The Board of Directors discussed the AIEC survey regarding services provided by the Association.
- **Jo-Carroll Energy 2010 Annual Meeting Theme and Report Cover** – The Board of Directors reviewed several possible themes and report covers for the Cooperative's 2010 Annual Meeting. "Membership Matters" was selected as the 2010 theme. Pictures for the Annual Meeting report cover were chosen.
- **Dairyland Power Plant Tour** – Those planning to attend the tour of Dairyland Power Cooperative and one of its power plants on February 11, 2010 discussed that event.

Executive Session

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

After coming out of Executive Session, the Board of Directors approved a budget variance for 2010 and ratified a decision to retain Sullivan and Ward, an Iowa law firm, to assist the Cooperative with a complaint filed against the Cooperative by the Iowa Utility Board involving a natural gas pipeline.

Reports

- Those attending NRECA Course 2620.1 – Board Roles and Relationships, held at the AIEC on January 7, 2010, reported on that course.
- The Board of Directors discussed the Cooperative's Strategic Planning sessions held on January 11-12, 2010.
- Those attending the Galena Rotary Club's 2010 Rotary Roundtable Event on January 13, 2010 discussed that event. Cox was one of the featured speakers at the 2010 Roundtable.
- Smith reported on her attendance at the 2010 Jo Daviess County Leadership Forum.

Adjournment

The board meeting was adjourned at 3:40 p.m.

Celebrate Earth Day with energy savings

Earth Day turns 40 on April 22! Celebrate by saving energy — the quickest, cheapest, cleanest way to extend our world's energy supplies and help the environment by improving efficiency.

Follow these simple tips for greater energy efficiency and lower costs:

- Replace regular incandescent bulbs with energy-efficient compact fluorescent lights (CFLs) that use only a quarter of the energy to produce the same amount of light. CFLs help reduce electric bills and the bulbs last four times longer.
- A well-placed tree can reduce cooling costs and provide a relaxing and refreshing spot to enjoy the outdoors. Re-

member when planting a tree to be aware of overhead power lines and avoid taking unnecessary risks (see sidebar).

- Clean or change filters monthly during the cooling or heating seasons. An efficiently running cooling system will save dollars.
- Cooling costs can be lowered by about 3 percent for each one-degree increase in the thermostat setting.
- Weather-stripping and caulking are inexpensive measures to seal air leaks and boost overall efficiency.
- When replacing appliances large or small, look for Energy Star qualified products.
- Turn off lights, televisions and other electric appliances when



leaving a room.

- Operate your clothes washer and dryer and try cooking and baking during cooler morning and evening hours.
- Take cell phones and other items off chargers once they have finished charging. These items continue to use energy until they are unplugged.

Know where to plant that young tree

Many people plant trees during the spring, especially around National Arbor Day, occurring April 30 this year. Planting young trees has many environmental and beautification benefits, but Jo-Carroll Energy wants to remind everyone to be aware of electrical hazards while planting this year.

Seek help from professionals when choosing and placing trees and bushes, and remember the following:

- Consider mature height of trees. Never plant a tree near a power line that could grow within 25 feet of it. Tall growing trees should be planted a mini-



**Know what's below.
Call before you dig.**

mum of 20 feet away from power lines, and 50 feet away to avoid future pruning. A mature height of less than 15 feet is recommended for trees planted near power lines.

- Do not plant near underground utility services. Tree roots can grow to interfere with underground pipes, cables and wires. Future

repairs to these facilities could damage the health and beauty of nearby plants and trees, or even require removal.

- Keep areas around electric meters, transformers or other electrical equipment free of any vegetation that could limit utility service access.
- Before digging, call the underground utility locator service to mark the location of underground utilities so that accidental contact, damage and injuries can be avoided.

Call JULIE at 811 or 800-892-0123.