

JO-CARROLL

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



PRESIDENT'S REPORT

by Michael Hastings

Join us for the 73rd Jo-Carroll Energy Annual Meeting

Reader Prize

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 a part of any article, contact Jo-Carroll Energy and claim your prize no later than the 10th of the month following publication.

Office hours

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8 a.m. to 5 p.m.

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

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I hope all members will take the opportunity to join me, the board of directors and employees of Jo-Carroll Energy at our 73rd annual meeting at 10:30 a.m. on Saturday, April 14, at the West Carroll School in Thomson. The annual meeting is one of the biggest days of the year for the cooperative. It's a time when we get to share with members all the cooperative's accomplishments of the past year as well as our plans for the future.

This year is special as we join cooperatives across the nation and around the world in celebrating 2012 as the International Year of Cooperatives and how co-ops build a better world. And, we have plenty to celebrate at Jo-Carroll Energy this year.

In August we energized a new substation—replacing a smaller three-transformer substation—at Metform that was constructed in part to support new equipment and increased production capacity at the plant just south of Savanna. While this substation mainly serves the Metform facility, it also improves reliability and allows for future growth on our system.

At the northern end of our territory, we're currently working on upgrades at our Sandridge Substation that serves Rentech Energy Midwest near East Dubuque. These system improvements will create increased reliability and capacity to the Rentech facility. Both these projects support the potential for new jobs and economic development in our area.

Also helping support the local economy, the Home residential energy efficiency program helped Jo-Carroll Energy members

realize big savings with energy efficiency upgrades to their homes. During the program, almost 400 Jo-Carroll Energy members requested home assessments. Members who then completed energy efficiency measures received \$158,361 in rebates—and they will continue to realize savings due to those upgrades. Those same members spent \$1.6 million on the upgrades, providing a significant impact to the local economy.

Although that program has ended, we're now introducing a new low-interest residential energy efficiency loan program designed to help homeowners make their existing homes more energy efficient. You can read more about the program inside this issue.

Jo-Carroll Energy's Co-op Connections Card also puts savings in our members' pockets. In November, we were proud to announce that our members have saved over \$100,000 with the pharmacy discount feature of the card. Those savings have now topped \$116,000—and that's just on prescription drugs. A number of area businesses offer special discounts and savings for Jo-Carroll Energy members through the program.

We'll also have more information about the loan program, the Co-op Connections Card and all of our services at the annual meeting. There are a number of reasons why we hope you'll attend. I'll close with what we think are the Top Ten reasons why you should attend the Jo-Carroll Energy annual meeting:

- Meet and talk with your directors—the people you've elected to lead the cooperative.

Continued on 16c ▶

Resume of Minutes

Regular Board Meeting • January 24, 2012

The board met at the Cooperative headquarters in Elizabeth on Tuesday, January 24, 2012. The following is a summary of the meeting activities. The Agenda was approved as modified and the Consent Agenda was approved.

Chairman's Report—Chairman Mattingley reviewed the Board's focus on controlling costs consistent with similar efforts throughout the Cooperative. He commented on the Board's desire for fulfilling their responsibilities and leadership role with the Cooperative while taking care to minimize expenditures wherever possible. He commented on ongoing efforts in the resolutions process and pending leadership changes in the NRECA. He commented on the pending rate study, margin issues, increased involvement in the American Public Gas Association (APGA) as well as the upcoming legislative conference in Washington, D.C.

Dairyland Report—Director Stadel described activities involved with the committee for labor negotiations, employee lay-offs related to plant closings and shutdowns, and his increased involvement in labor negotiations.

AIEC Report—Director Senn commented on the health issues related to Senator Kirk. Senn commented on the appearance of Jay Bartlett of Prairie Power, Inc. and his presentation to the AIEC Board. Director Senn also discussed the new IRS ruling on capital credits, and commented on Phil Carson's service on the nine member nominating committee for the replacement of the head of NRECA.

APGA Report—CEO Michael Hastings reported that the APGA is opposing the export of liquefied natural gas. Their concerns are that it would lead to higher prices. Due to the warm winter, large amounts of natural gas remain in storage.

Monthly Policy Review—A motion was made, seconded and carried unanimously to approve Policy 102E without changes.

CEO's Report—The CEO reported on the following in addition to his written report:

■ **Financial Operating Report**—The CEO reported that the Cooperative

had an unaudited margin for December of (\$595,185).

STRATEGIC PROJECTS

■ **Power Supply Report**—Chairman Hastings reported that he had provided Interstate Power & Light Company (IPL) with a two year Notice of Termination as authorized in the Power Supply Contract. He also reported that the Badger Group Cooperatives had extended their contract with IPL to 2022. Hastings stated that the Dairyland swap agreement was completed. He also stated that increases in power costs from Dairyland for 2012 should be less than 4%.

■ **Biomass Plant Update**—CEO Hastings stated that the power plant remains on hold.

■ **Farmers Mutual Report**—Hastings said that a recent meeting with the Due Diligence Committee had gone well with conversations focused on how and when to proceed.

■ **Rentech Update**—The CEO reviewed current contract negotiations with Rentech. He said that things were going very well.

■ **Danisco Update**—Hastings stated that recent negotiations with Danisco have gone especially well.

■ **TCEDA Update**—CAO Russ Simpson reported that Cindy Lenz has been on the job in the role of Executive Director for approximately six months. The Rural Business Opportunity Grant process is proceeding well. The LRA had recently provided \$2,200 to assist TCEDA in its work on developing the LRA, and the Buyer-Supplier Program is now open to businesses.

■ **Rates**—CFO Tracy Heidenreich reported basic information regarding the rate study using the 2012 budget.

■ **REDLG**—CAO Simpson reviewed the three REDLG options to provide funds for economic development in the form of loans:

- **Intermediary**—limited to money available
- **Rural Economic Development Loan**—0% interest rate with possible administrative fee

- **Rural Economic Development Grant**—valid for ten years with 0% interest.

The Board would see a complete business plan for each such project and would approve any loan made. A motion was made, seconded and carried unanimously to approve the application for the REDLG program as recommended.

■ **Communications**—Year of the Cooperative - Heidi Weber, Member Relations and Marketing Manager, described Jo-Carroll Energy efforts in participation in the Year of the Cooperative.

■ **Revenue Generation Strategy: Natural Gas**—COO, Kyle Buros, reviewed strategic initiatives which involve natural gas activities: expanding the service area as well as the capacity of the natural gas system grain drying activities. He talked about expanding into new service areas and incentives as well as other options that the committee is considering. He described an effort to look into increasing off season load, increasing overall usage (with incentives) and adding new accounts.

■ **Culture of Excellence**—Merri Sevey, Human Resources Manager, reviewed the status of the Culture of Excellence process.

■ **External Affairs Update**—John Cox, Vice President of External Affairs and General Counsel, reported on the recent visit to the Cooperative by State Representatives Jim Sacia and Rich Morthland. Duane Noland, President and CEO of the Association of Illinois Electric Cooperatives also attended. All in attendance described the meeting as very successful.

BOARD ISSUES

■ **Approval of Nominees for the Election Committee**—A motion was made, seconded and carried unanimously to approve the Nominees to the Election Committee.

■ **NRECA Course 974.1**—Rate Strategies for the 21st Century, Northfield Center, March 14, 2012 - Directors identified attendees.

Continued on 16c ►

"Board Minutes" continued from 16b

- **Dairyland District Meeting, February 8, 2012, Allamakee-Clayton Electric Cooperative** – Directors identified attendees.
- **Approval of 2011 Work Orders & Special Equipment** – A motion was made, seconded and carried unanimously to approve.
- **Conflict of Interest Forms-Policy 103** – Directors were provided with forms to be filled out and returned.
- **Jo-Carroll Energy 2012 Annual Meeting Theme & Report Cover** – A cover was selected by the directors by consensus.
- **Voting Delegate/Alternate for IL Co-op Worker's Comp Group & RSI** – A motion was made, seconded and carried unanimously to appoint President and CEO, Michael Hastings, as the voting delegate.
- **Approve Bylaw update for Article 4, Section 2** – A motion was made, seconded and carried unanimously to approve an update to the previously approved amendment to Article 4, Section 2 of the bylaws.
- **Schedule Policy Committee Meeting** – The Board agreed to schedule a Policy Committee Meeting for February 22, 2012.
- **Schedule Resolutions Committee Meeting** – A Resolutions Committee Meeting was scheduled for February 21, 2012.

Upcoming Meetings—The board reviewed a list of upcoming meetings.

Other Business—Director Holesinger identified a new nominee for his district for the Election Committee to replace a previously named nominee. A motion was made, seconded and carried unanimously to approve the changed nominee.

Adjournment—A motion was made, seconded and carried unanimously to adjourn the board meeting at 1:37 p.m.



Annual Meeting Reminder!

Jo-Carroll Energy's annual meeting will be held on Saturday, April 14 at the West Carroll School in Thomson. The meeting begins at 10:30 a.m. A pancake breakfast will be served from 7 to 10 a.m. Every member attending receives a \$5 bill credit.

Board candidates

Three seats are up for election on the Jo-Carroll Energy Board of Directors. Seeking election are Pat Smith of Galena, District 5; David Senn of Mt. Carroll, District 7; and Russell Holesinger, District 8.

All three incumbents are unopposed. A bylaw change approved in 2011 provided that ballots will be mailed only in districts where more than one candidate has been nominated. Election will be by a motion of acclamation at the annual meeting.

"Join us" continued from 16a

- Receive a \$5 bill credit just for attending.
- Learn about what's new at the co-op.
- Visit displays by some of our Co-op Connections businesses.
- Learn about Sand Prairie Wireless, our high-performance internet service.
- Vote on bylaw amendments.
- Win one of the great door prizes—the top prize is a \$200 bill credit!
- Meet CFL Charlie.
- See the sparks fly as you learn about safety at our hotline demonstration.
- Pancakes! Join us for breakfast from 7 to 10 a.m. before the meeting.

We value your participation in the cooperative, and encourage you to come and take part in the meeting. I look forward to seeing you there as we celebrate our cooperative and having you as members!



Give us your best shot

Share your photos with us!

Enter your photos taken within the Jo-Carroll Energy service territory for the chance to see your photo published in our 2013 calendar.

We're looking for photos that represent life in our area...whether it's an action shot or a scenic landscape.

See complete details and entry forms on our web site at www.jocarroll.com

Deadline to enter: June 30, 2012

'Wired' exhibit at Savanna museum

The Savanna Historical Society has been home to the traveling Smithsonian Institution exhibit "The Way We Worked" since Feb. 25. The exhibit ends April 7.

Jo-Carroll Energy is honored to be a part of the event as one of several local businesses with displays at the Savanna main street museum. The cooperative, has had its "Wired: Rural Electrification in Northwest Illinois" exhibit on display since the Smithsonian exhibit opened in February.

"The Way We Worked" is the Smithsonian's newest Museum on Main Street exhibition. It explores the diversity of the American Workforce and showcases how people from different backgrounds both came to identify and segregate from one another. It explores how Americans identify with work, how they come to know work as meaningful and how work assigns cultural meanings and allows people

to view their communities in a larger, social context.

Savanna was one of only six communities chosen to host this exhibition. It was made possible through a grant from the Illinois Humanities Council.

Jo-Carroll Energy was one of several businesses that put up kiosks at the museum during the exhibit. The cooperative's "Wired" exhibit features early records, images and stories of how electricity came to the rural areas. The exhibit was originally created in partnership with the Galena History Museum.

Other area businesses participating with displays include: Palisades



Jean Ferris of the Savanna Historical Society and Heidi Weber of Jo-Carroll Energy discuss the cooperative's "Wired" exhibit.

Golf Course, Brown Fisheries, Memoirs from private collection of Ed and Vera Breck, Carroll County Review, Metform, Elkay, McKee Lumber, Neumiller Farms, The Swiss Colony and archives from the former Savanna Army Depot and photo collection from the Depot archives.

Manny's Pizza earns incentive check for energy efficiency

Jo-Carroll Energy representatives presented Manny's Pizza in Savanna with an incentive check for energy efficiency upgrades in the restaurant's new building. Manny's received the incentive from the cooperative for installing energy efficient heating and cooling



systems and energy efficient equipment in the kitchen area. The restaurant has been rebuilt after a fire that destroyed the main street landmark in November of 2010. Manny's reopened March 1, with a grand opening planned for the first weekend in May, coinciding with the Cinco de Mayo weekend. Pictured from left are: Wendy Sipe, Manny's manager; Sharon Woodhurst, Manny's owner; John Scott, Jo-Carroll Energy's energy advisor; Ken Sivertsen, Jo-Carroll Energy's key accounts manager; Manny Castro, Manny's owner; and Holly Haring, Jo-Carroll Energy's operations coordinator.

Jo-Carroll Energy reminds local residents to call 811 before digging

Don't let a digging accident diminish your efforts

Jo-Carroll Energy recognizes that many people will be planting trees for Earth Day and Arbor Day projects and starting their Spring planting projects, so it is important to remember to call JULIE at 811 at least 48 hours ahead of time to have underground utility lines marked before digging begins.

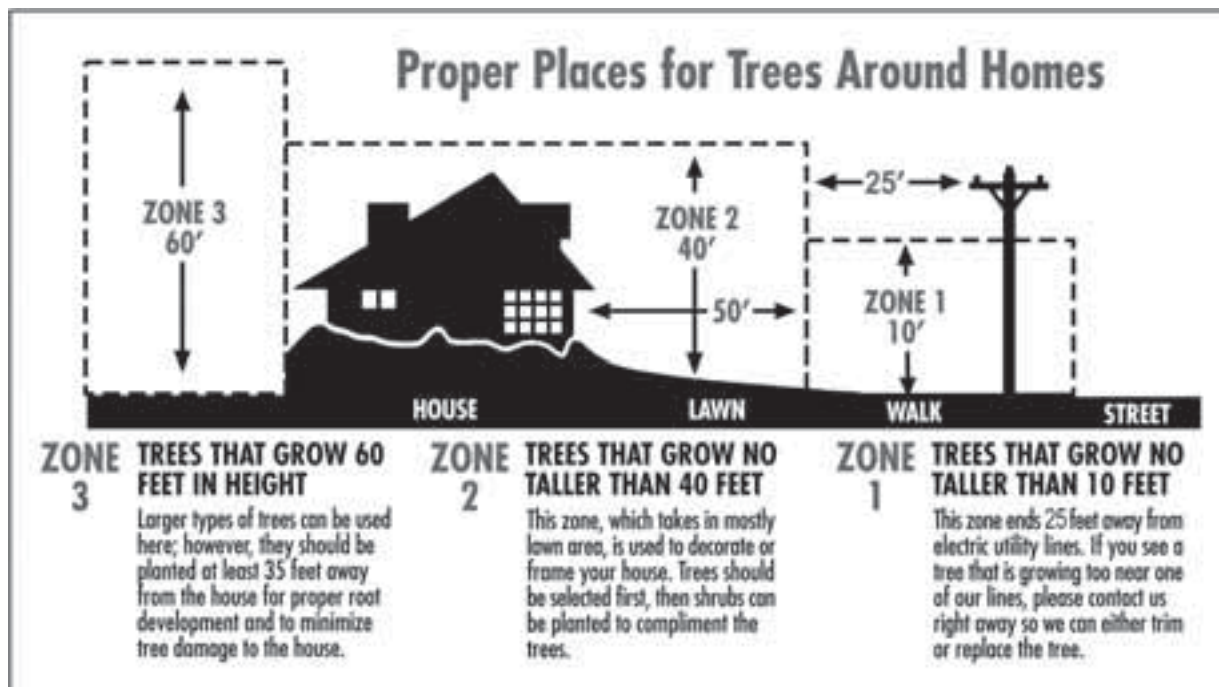
Striking a single line can cause injury, repair costs and inconvenient outages. Everyone who calls

811 is connected to JULIE, which notifies the appropriate utility companies of the caller's intent to dig. Professional locators are sent to the requested digging site to mark the approximate locations of underground lines with flags or spray paint. Once lines have been properly marked, digging can begin around the marked lines.

The depth of utility lines can vary for a number of reasons, such as

erosion, previous digging projects and uneven surface. There are more than 165,000 utility damages every year, with one in three resulting from failure to call 811.

With the possibility of utility lines only a few inches from the surface, this simple call to 811 will help volunteers, contractors and do-it-yourself diggers avoid striking an underground utility line.



Celebrate Earth Day on April 22

April 22 is known worldwide as Earth Day. The first Earth Day took place in 1970, and over the years the observance has grown to spotlight ways people can make Earth-friendly choices.

Cooperatives like ours have been working to help members reduce their use of energy. We work all year long to promote the use of high-efficiency lighting like CFLs or LEDs, and we promote proper home sealing as a way to lower energy bills while enhancing comfort.

We also offer a paperless billing option with our eBill program and online bill pay.

Sand Prairie Wireless is helping our area schools celebrate Earth Day, too, by making wildflower seed packets available to area elementary teachers.

Jo-Carroll Energy offers new residential energy efficiency loan program

If you're a homeowner and need a new heating system, new windows or need to add weather stripping, caulking or insulation, Jo-Carroll Energy has a new program that may be able to help.

The low-interest residential energy efficiency loan program was started to help homeowners make existing homes, that are their primary residence, more energy efficient, and will loan electric and natural gas members from \$200 to \$5,000 at a low interest rate to make these improvements.

Qualifying projects include:

- EnergyStar qualified geothermal heat pumps
- Air source heat pumps with a SEER greater than 15
- Central air conditioners with a SEER greater than 16
- Heat pump water heaters
- Furnace with 95 percent AFUE or greater
- Solar water heaters (with an electric back-up)
- Attic, wall and floor insulation
- Caulking and weather stripping

- Windows and doors
- Mobile home "roof-overs"
- Natural gas service extension (available to existing members only where available)

Homeowners interested in the new program are required to have a home assessment completed by the cooperative prior to beginning work. After the homeowner has identified their project and has had the assessment completed, they will obtain estimates and complete a loan application. Work must be completed within 60 days of the loan approval date.

Loans from \$200 to \$1,500 will be amortized for up to 36 months. Loans over \$1,500 will be amortized for up to 60 months. The current interest rate is 6.2 percent. Loan repayments can be included on the member's electric or gas bill. Complete information about the new program can be found on our web site at www.jocarroll.com. For help with energy efficiency improvement ideas, visit www.TogetherWeSave.com.





Care. Share. Connect.

More than *just* Internet service.

36%

Average savings on prescription medication in January 2012

We care about you—we save you more.

When you choose Sand Prairie Wireless, you become a member of the Jo-Carroll Energy cooperative and save even more.

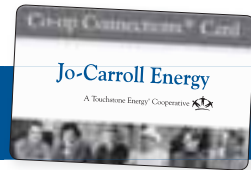
Co-op members have saved **more than \$110,000** on prescription drugs by using their Co-op Connections card since the program began in 2008. How much more could you be saving?



Sand Prairie
Connecting our members to the world.
A service of Jo-Carroll Energy

Learn more: connectSP.com or call toll-free: 877.571.9851

Co-op Connections Card featured business



Galena State Bank (Galena, Elizabeth & Stockton)

Jo Daviess County's largest banking institution has grown exponentially since its 1967 start in Galena. The Galena State Bank has continued to provide a good alternative in banking for the citizens of the county just as it did the day it opened.

Today, Galena State Bank serves over 7,500 households with more than 12,000 accounts at four different locations in Galena, Elizabeth and Stockton.

Because Galena State Bank is a subsidiary of Heartland Financial, it is able to provide the services of a much larger company while still delivering the local customer service you expect from your bank.

"We view our customers with relationships in mind, not just a transaction," stated Michelle Murdock, VP of Retail Sales and Marketing.

The employees of Galena State Bank are always learning new skills, laws and regulations within the industry in order to confidently advise customers of the best way to manage their finances.

"We bring the consultative method of business to help customers achieve financial success," stated Drew Townsend, President and CEO of Galena State Bank.

Galena State Bank has gone through many changes since its inception; many of them regulatory. This will continue to be the case so it is this bank's goal to remain as consistent as possible while working to understand all required changes for the customer's benefit.

Customers have continued to trust Galena State Bank over the years when other businesses in the industry struggled.

"We were able to stay very stable and strong through the recession", stated Townsend. "We are a trusted advisor for our clients. We want to be a part of the decisions of our customers' lives and an influence in their purchases".

Galena State Bank is an influence in the community through its customers as well as its employees.

"I enjoy working at Galena State Bank because of what the bank does for the community," said Murdock. More than 100 local organizations are supported through financial donations as well as through 4,000 annual employee volunteer hours.

Enjoy a free box of checks when you start a new checking account at the Galena State Bank, just by being a member of Jo-Carroll Energy. Bring your Co-op Connections Card

to any Galena State Bank location to receive this discount. Call 815-777-0663 or visit www.galenastate.com for more information.

New Co-op Connections Card Business!

Glad Rags Resale Boutique

815-947-3081

117 S. Main St., Stockton, IL

5%

off dry cleaning service

10%

off tuxedo/suit rental

10%

off shopping order

New Co-op Connections Card Business!

Ink & Paper • Inkandpaperinvitations.com

815-947-2878

113 S. Main St., Stockton, IL

50%

off graphic design
on any print order over \$100

15%

off any gift item

New Co-op Connections Card Business!

Gray Unlimited Restoration, Inc.

815-745-1012

802 W. Jefferson St., Warren, IL

5%

off all services

New Co-op Connections Card Business!

Galena Area Rentals – Eagle's Nest

www.vrbo.com/343745

630-904-7464

4721 W. Long Hollow Rd., Galena, IL

10%

off each two night rental rate

New Co-op Connections Card Business!

Galena Area Rentals – Home Retreat

www.vrbo.com/323562

630-904-7464

6 Traverse Ln., Galena, IL

10%

off each two night rental rate

Ribbon cutting held at Sand Prairie Wireless in Stockton

The Stockton Chamber of Commerce welcomed Sand Prairie Wireless with a ribbon cutting ceremony on Thursday, Feb. 16. In December, JISP Internet Service, formerly offered by Jedi Computing, was purchased by Jo-Carroll Energy and is now managed under the umbrella of its broadband service, Sand Prairie Wireless.

In addition to the ribbon cutting, Sand Prairie Wireless unveiled new window signage in shared office space with Jedi Computing at 102 South Main Street, Stockton, and hosted an open house with soup and sandwiches from 4-6 p.m. at the Stockton Park House.

Sand Prairie Wireless, a service of Jo-Carroll Energy, takes pride in continuing to build upon the principle that founded Jo-Carroll Energy more than seventy years ago — “to enhance the quality of life for its members.”

“We’re excited to offer service in Stockton and are dedicated to continuing to build and enhance our network,” said Jeff Harrelson, Sand Prairie Wireless manager of broadband services. “We’re also excited about being able to work together to offer more for our members with cooperative benefits.”

Harrelson outlined some of those benefits offered through Sand Prairie Wireless:

- **24/7/365 local support.** Technical Internet support is based in the Midwest, not in another country.
- **Local updates.** Local news, weather, events, as well as national feeds are found at my.connectSP.com. Community organizations may also share their photos and events on the portal.
- **Cooperative membership.** Subscribers are co-op members, giving them the power to vote for their board of directors.



Jeff Harrelson, Jo-Carroll Energy manager of broadband services, cuts the ribbon marking the expansion of Sand Prairie Wireless' high-performance internet service into the eastern Jo Daviess County area at a ceremony in Stockton. Pictured are, front row: Dave Winters, Stockton Chamber of Commerce; Harrelson; Amy Laskye, chamber president; Gloria Benson, chamber vice president; and David Funk, chamber member. Back row: Rich Curtiss, Stockton Village Board member; Dan Marcure, Sand Prairie Wireless; Bill Williams, Jedi Computing owner; Mark Beegle, Sand Prairie Wireless; Jim Palmer, chamber member; Caleb Wyman, Sand Prairie Wireless; and Andy McGovern, chamber member.

- **Co-op Connections Card discounts.** Prescription drug discounts are offered through the program at local participating pharmacies as well as discounts at local participating businesses.

Sand Prairie Wireless shares the commitment of its parent company, Jo-Carroll Energy, to enhance the quality of life for its members. A high-speed Internet provider, the company delivers reliable, affordable access, and in many instances, to members who have not before been able to receive Internet access. To find out more about the service area, products and offerings available through Sand Prairie Wireless, visit www.connectSP.com or call 877-571-9851.



GOOD FRIDAY

Jo-Carroll Energy will be closed on Friday, April 6 for Good Friday.