



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

### Electric energy costs continue to increase

I've been thinking a great deal lately about the increases in electric energy costs your Cooperative continues to see and experience. This is a continuing frustration. While there have been signs of late that would point toward some easing of electric energy costs, we haven't seen that on the Cooperative's wholesale power bills!

I've mentioned before that one of the few good things to emerge from the economic downturn was the decrease in energy consumption overall, especially by big manufacturing plants throughout the region that had to temporarily close or reduce production. This has provided a downturn in the market price of electricity, although I think this will be a short-term phenomenon. The price of natural gas is also down – as I write this in early April 2010, the price of natural gas is below \$4.00 per dekatherm.

On the electric generation side of this issue, cost pressures continue. One of the big drivers right now is the cost of new environmental control equipment (scrubbers, etc.) that are needed for coal-fired power plants. The Clean Air Act and regulations under the EPA are requiring these changes. Most electric utilities that have coal-fired power plants in their generation fleet are spending hundreds of millions of dollars right

now on these environmental projects – this will continue for several more years.

Electric transmission costs also continue to increase. This issue relates to the very large electric lines that move bulk power across the region. Although not alone, Jo-Carroll Energy's transmission costs have skyrocketed. One of the transmission providers in our service area is ITC Midwest; its rates increased over 100 percent in 2008 and another 40 percent (on the new higher amount) in 2009. The other transmission provider in our service area is Dairyland Power Cooperative. Their transmission rate increases have been much smaller – a few percentage points. However, Dairyland has transmission cost pressures as well; Dairyland must also work with and pay ITC Midwest for transmission services! Part of the transmission cost pressure is from the addition of new transmission lines to move power from the big wind farms in the Midwest.

As our country adds renewable power sources like wind generation, cost pressures rise. Wind energy and other types of renewables cost more than traditional conventional sources of electricity such as coal, nuclear

■ **Continued on 16b**

### 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

### HOLIDAY CLOSING

#### CLOSED MEMORIAL DAY

Jo-Carroll Energy will be closed Monday, May 31, for the Memorial Day holiday.

# Resume of Minutes

## Regular Board Meeting • March 3, 2010

The Jo-Carroll Energy Board of Directors met on Wed., March 3, 2010 at Cooperative's headquarters in Elizabeth Illinois. The following is a summary of the meeting activities.

Joe Mattingley, Chairman, called the meeting to order at 9 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 and Russ Simpson were also present during all or part of the meeting.

The agenda was approved as modified. The consent agenda items were approved, including the January 2010 board meeting minutes and minutes summary, safety report, written reports from staff, correspondence and board expense summaries.

### Member Presentation

Randy Prasse, Executive Director of the Tri County Economic Development Alliance (TCEDA), provided a presentation about TCEDA activities. TCEDA is very involved in the economic development of the region. Prasse discussed recent TCEDA activities and plans to assist area businesses and communities.

### Chairman's Report

Chairman Mattingley discussed several key issues being reviewed by the Jo-Carroll Energy board of directors. These issues included the monthly facility charge and advanced metering infrastructures (AMI). A board performance review was scheduled. Mattingley also discussed the legislative plan being pursued by the National Rural Electric Cooperative Association (NRECA).

### Dairyland Report

Chris Stadel reported on activities

of Dairyland Power Cooperative. Stadel noted that the Jan. 27, 2010 minutes state the incorrect amount awarded Dairyland for costs incurred for the dispute with the federal government. The correct amount is \$37.6 million versus \$7.6 million in damages. The Jan. 27, 2010 minutes will be revised. While there had been no February 2010 board meeting at Dairyland, there was a regional meeting held in Decorah, Iowa that was attended by a number of Jo-Carroll Energy directors.

### Strategic Activity

- Pat Smith presented the monthly policy for consideration, Policy 132 – Municipal Franchise Fees and Other Charges. The board approved the policy as presented.
- Smith provided a report of the activities of the Jo-Carroll Energy Policy Committee.
- The board approved a suggested modification to Policy 103 – Directors Conflict of Interest.
- The board tabled the proposed changes to Policy 105 – Director's Compensation and benefits. The policy will undergo further review at the next Policy Committee Meeting.
- Mattingley provided a report of activities at the recent Executive Committee meeting.

### CEO Report

- **Financial Operating Report** – The CEO reported that the Cooperative had an unaudited margin of \$827,191 for the month of January 2010. This compares with a budgeted margin for the month of January 2010 of

\$278,718. Other aspects of the financial report were highlighted. Hastings reported on the recent Dairyland rate survey. Hastings also noted that the 2009 audited financials, which were included in the financial materials. The board approved the monthly financial operating report.

- **Power Supply Report** – The CEO reported on issues involving the Cooperative's electric and natural gas suppliers. Staff continues to work with Interstate Power and Light (IPL) regarding a billing error issue.
- **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 at the Illinois EPA with the project's air permit application. Work also continues on the water discharge permit process. Additional risk modeling is underway regarding the project. Discussions continue with several potential development partners.
- **Strategic Planning Implementation** – Hastings reported on the staff's work on implementing the new strategic planning strategies as developed at the recent sessions. Buros presented a new tracking system he had designed for management to better track the strategic issues and projects.
- **Economic Development Program**

■ **Continued on 16f**

### ■ **President's Report continued.**

and natural gas-fired electric generation. While there is no question in my mind that we need all the new renewable generation we can add, it does cost more. This is putting upward pressure on electric prices. Most of the utilities in this region have rate increases

pending right now – renewable generation costs are a big part of these increases.

I wish that I could report that I see an end in sight to these electric energy price increases. Unfortunately, I don't. I will continue to advocate sensible approaches to these issues

whenever I can. These strategies include all of us looking for ways to reduce our total energy consumption.

Thank you for your attention. Until next month, we will keep the lights on and the gas flowing for you!

## Budget billing accounts recalculate in May

**M**embers with budget billing will have their budget amounts recalculated in May.

Your budget amount is based on an average of the previous 12 months' actual charges and payments. The May recalculation could result in a higher or lower monthly budget amount than what you pay now.

The billing statement you receive in May will show your new budget amount. A message will print on your billing statement, indicating this new amount. If you do not see a

message on your billing statement, your budget amount has remained the same.

If you have more than one billing account on budget, it is possible that one or both budget amounts may change.

You will begin paying the new budget amount in June.

Budget billing can help you manage your energy costs by allowing you to proportion the same amount each month. Monthly utility bills can vary significantly throughout the year due to cold winters and

hot, humid summers. With Jo-Carroll Energy's budget billing plan you can levelize your payments throughout the year, removing the month-to-month fluctuations caused by changing weather.

If you have any questions regarding budget billing or your budget bill account with Jo-Carroll Energy, please contact the Billing Services Department at (800) 858-5522.

## Jo-Carroll Energy members choose 'paperless' option

**J**o-Carroll Energy received just under 200 responses to the recent e-bill campaign asking members to "go paperless." A total of 199 members responded, electing to receive their billing statements electronically via e-mail.

Every member who signed up for the e-bill feature during the campaign was entered into a drawing for a Garmin nuvi 255W widescreen portable GPS navigator. Winners of the drawing were Colleen Yanda and Connie Allendorf.

With e-billing, you can view your billing statements online, anytime. The e-bill looks exactly like the current paper bills. Those signing up receive an e-mail every month telling them when the billing statement is ready to view online. The e-mail also includes a direct link to Jo-Carroll Energy's secure online payment feature.



**Winners of the e-bill drawing were Colleen Yanda and Connie Allendorf, pictured with Jo-Carroll Energy billing service representative Wendy Meyer (center).**

For more information about e-billing, contact the Billing Services Department at (800) 858-5522 or go online at [www.jocarroll.com](http://www.jocarroll.com)

and click on the e-bill button to sign up.

## Co-op Connections featured business Great American Popcorn Co. in Galena, Ill.

The first thing he asked was, “Do you want to try a sample?” Dave Lewis, owner and operator of The Great American Popcorn Company of Galena makes it easy for anyone to enjoy their time in Galena.

“Whether they buy or not I want everyone to remember that they had a great experience here,” said Lewis.

He and his wife opened their store in 1994 at the first of its locations. Now, at 110 S. Main Street, they have decided this is their final and best place to sell popcorn and so much more.

With each move, the business has improved by adding new ideas and more products. Over the years they have provided more than 300 different flavors of popcorn with about 40 on hand. Twenty-four flavors of Chocolate Shop Ice Cream Company ice cream, an array of their own homemade chocolates and many different candies and coffee have also been added to the overall enjoyment of customers.

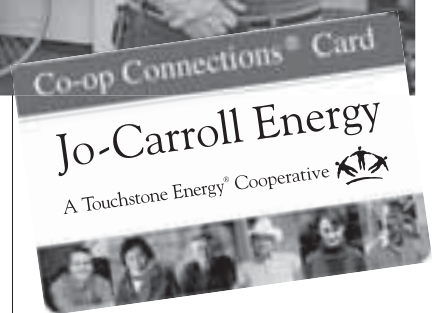
Lewis has a background in sales from working many years in the ceramic tile business. He worked his way up from the warehouse to national sales manager and is now a very unique business owner. Before opening The Great American Popcorn Company, Lewis made his living across the street at Rocky Mountain Chocolate Factory. Many of his ideas were sparked from the chocolate busi-



ness as well as the Iowa Popcorn Company in Marian, Iowa. Lewis put all of it together to build a store that has “all of their favorite things.”

Lewis is not just here for the popcorn, or even for the money. Promoting tourism in Galena is a huge priority of his. Bringing people to the area and improving the local economy is the ultimate goal of owning his store and being a part of the community.

Expanding to a larger customer base is another goal of the Great American Popcorn Company. Wholesaling his product to a larger area and making corporate packaging contracts will help the business immensely. Perfecting the website, [www.greatpopcorn.com](http://www.greatpopcorn.com) and tapping into a larger market share through the Internet will take time but is in progress for the



business.

In the long-term plans, Lewis hopes to market his own label and franchise The Great American Popcorn Company. Over the past 14 years Lewis has gradually grown the business and the future has more room to expand production and popularity.

*The Great American Popcorn Company is open Monday through Saturday 10 a.m. – 9 p.m. and Sunday 10 a.m. – 6 p.m. With the Co-op Connections Card, Jo-Carroll Energy Members will receive a free bag of popcorn with the purchase of any two.*

### Reader prize

Each month we print the name of a Jo-Carroll 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 no later than the tenth of the month following publication to claim your prize.

## Area teachers encouraged to apply for mini-grants

Area educators whose schools or communities are served by Jo-Carroll Energy are encouraged to apply for \$500 mini-grants for the 2010-11 school year.

Ten mini-grants of \$500 each will be awarded nationwide to K-12 classroom teachers by the National Rural Education Association (NREA) and the National Rural Electric Cooperative Association (NRECA). The mini-grant program is sponsored and funded by the NRECA.

Teachers whose schools or communities are served by a rural electric cooperative or whose students' homes are served by a rural electric cooperative are eligible to apply for these grants.

To apply, teachers must submit a project proposal featuring an investigation of the science of energy or electricity.

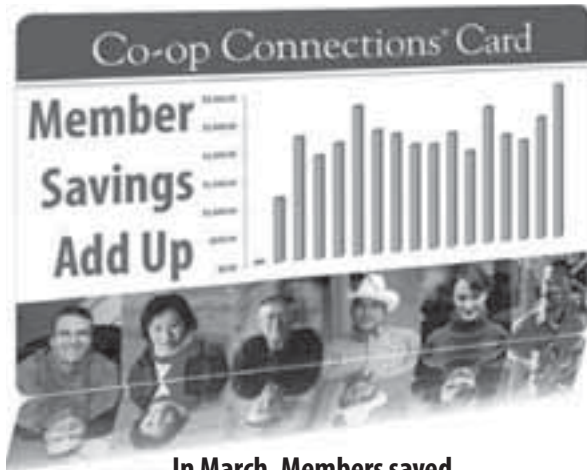
Grant applications will be judged on the following criteria:

- project demonstrates cooperation between students;
- appropriateness for age and grade levels;
- project encourages a high level of student involvement;
- project indicates coordination with the local electric cooperative;
- project focuses on student learning; and,
- overall quality of the application and adherence to grant guidelines.



Entries must be postmarked by May 15.

Complete information on the grant program and application forms can be found on the Jo-Carroll Energy website at [www.jocarroll.com](http://www.jocarroll.com). For more information, contact the Jo-Carroll Energy Member Services Department at 800-858-5522.



**In March, Members saved  
\$3,221.20 on prescriptions alone  
Rx Savings Total since October 2008:  
\$37,055.55**

We're Always Thinking  
of Ways to Help Our  
Members Save Energy.

*And then we thought,  
why stop there?*

To help our members save on goods and services of all kinds, we started the Co-op Connections program.

The Co-op Connections Card is just one more benefit of being a member of a Touchstone Energy cooperative.



**Jo-Carroll Energy**

A Touchstone Energy® Cooperative   
The power of human connections®

For more information on the Co-op Connections Card, visit our website at [www.jocarroll.com](http://www.jocarroll.com)

## Board Report continued from 16b

**Update** – Simpson provided a report on the co-op's economic development efforts. This is a transition period for Jo-Carroll Energy as many economic development activities are now being pursued by TCEDA. Jo-Carroll Energy will continue to emphasize economic development and will be working closely with the communities in the area to assist them.

- **Thomson Prison Update** – Simpson and Cox provided a brief update regarding progress with the federal government's planned purchase of the prison just north of Thomson, Ill.
- **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 now in place. Buros discussed a new online site survey form that is available for member use. A new map was presented that highlighted the Cooperative's infrastructure for the project.
- **External Affairs Update** – Cox provided a report on the health care debate in Congress. He discussed possible changes to the "cap and trade" provisions of climate change bills being considered by Congress. He also discussed several different bills to prevent the United States EPA from implementing greenhouse gas emission reductions under the Clean Air Act. The co-op's "Our Energy Our Future" program will be highlighting these issues in the coming weeks and months. The upcoming 2010 NRECA Legislative Conference in Washington, D.C. was discussed.

### Board Issues

- **Dairyland Power Bill Prepayment Program** – The board reviewed a proposal for continuation in the Dairyland power bill prepayment program. The board approved participation in the program.
- **CRC Voting Delegate and Alternate**

– The board named Jo-Carroll Energy's voting delegate to the 2010 Cooperative Response Center (CRC) Annual Meeting.

- **Power Contract Negotiations** – Hastings provided an update on ongoing negotiations with several large members on power contracts.
- **Retention of Law Firm** – Hastings presented a recommendation to retain a law firm for assistance with a legal project. The board approved the recommendation.
- **2010 NRECA Legislative Conference Attendees** – Preliminary discussions took place regarding those planning to attend the 2010 NRECA Legislative Conference.
- **Advanced Metering Infrastructures (AMI) Program** – Buros presented a detailed overview of the Cooperative's plans for an AMI program. This included a written recommendation from staff regarding vendors, budget and other details. After discussion, the board approved the AMI plan.
- **Facility Charge Review** – The board reviewed a number of different options regarding the Cooperative's facility charges. It was staff's recommendation to continue with the present course, which was to bring together the facility charges for the legacy and new service areas over the 5-7 period following the February 2007 IPL acquisition closing. The board approved continuation with the present facility charge plan.
- **Board of Directors Performance Evaluation** – A new director performance evaluation form as developed by the Executive Committee was distributed. Board members were advised to complete the evaluation and return them to attorney Cox for compilation.
- **Elizabeth TIF District Inclusion** – The Village of Elizabeth recently contacted the Cooperative about possible inclusion in the Village's Tax Increment Financing (TIF) district. Staff members met with the Village President, Mike Dittmar, as well as the Village's TIF District consultant,

Sharon Pepin. The board approved the Cooperative requesting inclusion in the Village of Elizabeth's TIF district.

- **CoBank Signatory Resolution** – The board approved a new CoBank Signature Authorization resolution for and requested by CoBank.
- **The National Bank Signatory Resolution** – The board approved a new Signature Authorization resolution for and requested by The National Bank of Savanna, Ill.
- **Scheduling of Policy Committee Meeting** – March 23, 2010 at 5 p.m. was set as the next meeting of the Cooperative's Policy Committee.
- **Inspection of Mobile Substation** – After lunch, the board of directors and a number of staff members inspected the Cooperative's new mobile substation. Buros provided a brief overview and answered questions regarding the unit.

### Executive Session

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

### Reports

- Those attending NRECA Course 2630.1 – Strategic Planning, held at the AIEC on Feb. 3, 2010, reported on that course.
- Those board members that attended the 2010 NRECA Annual Meeting in Atlanta, Georgia on February 15-17, 2010 discussed that event.
- Those attending the Dairyland district meeting in Decorah, Iowa on February 23, 2010 discussed that event.
- Smith reported on her attendance at the 2010 Jo Daviess County Leadership Forum.

### Upcoming Meetings

The Board of Directors noted the upcoming NRECA Course 2640.1 – Financial Decision Making, scheduled for March 4, 2010 at the AIEC.

### Adjournment

The board meeting was adjourned at 3:35 p.m.

## Jo-Carroll Energy partners with NWTF

**W**ildlife habitat in Illinois will improve because of a partnership between the National Wild Turkey Federation and Jo-Carroll Energy. Jo-Carroll Energy recently became one of the newest members of the NWTF's Energy for Wildlife program.

"By becoming an Energy for Wildlife program member, Jo-Carroll Energy set their organization apart from many other companies in the industry," said Jay Jordan, NWTF's Energy for Wildlife coordinator. "They are committed to serving the needs of utility companies to provide safe, reliable energy for their customers, but they go a step further and strive to improve habitat for wildlife."

Energy for Wildlife is a membership-based certification program for all energy companies and associated industries. The program's primary goal is to enhance wildlife habitat on company managed, owned or influenced lands. These lands often include power line and gas right of ways, plant sites, forestlands or other properties.

Energy for Wildlife's members manage more than three million acres of wildlife habitat. Managing openings can provide beneficial habitat for many plant and wildlife species, including wild turkeys.

As part of the membership, companies receive guidance from the NWTF's Energy for Wildlife program staff to integrate wildlife management activities into their land management programs. When participating companies have implemented the wildlife component of their management



**Michael Hastings, Jo-Carroll Energy President and CEO, (right) and Jesse Shekleton, line superintendent, (left) display the plaque the cooperative received in recognition of attaining Energy for Wildlife Certification from the National Wild Turkey Federation.**

plans, they become certified members of the program.

Jo-Carroll Energy practices integrated vegetation management (IVM) on its rights-of-way, which creates high-quality wildlife habitat and helps keep prices down.

**Evelyn Parker**  
"We are pleased to be a partner with NWTF in this program," said Michael Hastings, Jo-Carroll Energy President and CEO. "We can use this plan to increase our level of environmental stewardship paralleled with providing affordable and reliable energy to our members."

According to Jesse Shekleton, line superintendent with Jo-Carroll Energy, becoming a member of the NWTF's Energy for Wildlife program offered the cooperative an opportunity to accomplish several things that lie

within the core principals of the cooperative, including environmental stewardship and reliable energy.

"The Energy for Wildlife program helped us set goals and objectives to build the most optimal right of way maintenance plan, and acted as a liaison to environmental agencies and outreach programs," Shekleton said. "With an established plan, we can help landowners enhance wildlife habitat on our rights of way and adjacent properties, partner on wildlife habitat projects on state and federal properties in Illinois and inspire community involvement in habitat restoration projects."

For more information about the NWTF's Energy for Wildlife Program or other NWTF programs, call (800) THE-NWTF or visit [www.nwtf.org](http://www.nwtf.org).

### Jo-Carroll Energy

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Elizabeth, Illinois 61028-0390

## Celebrate National Electrical Safety Month

May marks National Electrical Safety Month, and Jo-Carroll Energy is teaming up with the Electrical Safety Foundation International (ESFI) to launch a public awareness campaign to promote the importance of electrical safety and educate key audiences about the steps that can be taken to prevent electrical fires, injuries and fatalities in the home.

Electricity is the cause of over 140,000 fires each year, resulting in more than 500 deaths, 4,000 injuries and \$1.6 billion in property damage in the United States. In the workplace, more than 300 workplace fatalities and approximately 4,000 injuries occur each year due to electrical hazards, according to a study published by the Itasca-based National Safety Council.

To help raise awareness of electrical safety, ESFI will

focus on a different electrical safety topic each week as part of a broader outreach effort this May:

**May 2-8 – Educating Your Children:** Do your children know what it takes to stay safe when it comes to electricity? Visit ESFI's *Kids Corner*, a brand-new online resource designed as a one-stop shop for teachers, educators, parents and students! Kids Corner is available at [www.esfi.org](http://www.esfi.org) and [www.electrical-safety.org](http://www.electrical-safety.org).

**May 9-15 – Staying Safe at Work:** Electrical accidents in an office environment usually occur as a result of faulty or defective equipment, unsafe installation, or misuse of equipment. During the second week of National Electrical Safety Month, perform an electrical safety inspection of your office.

**May 16-22 – Renovating the Right Way:** Whether you are a first-time do-it-yourselfer or a “weekend warrior,” practicing safe habits can reduce your risk when it comes to home electrical work. Use ESFI's *Electrical Safety Workbook* to help better understand and maintain your home's electrical system. You can find the workbook on our website at [www.jocarroll.com](http://www.jocarroll.com).

**May 23-29 – Remembering Electrical Safety in the Field:** Use ESFI's *Never Assume* Electrical Safety Series to give you and your co-workers the right frame of mind when it comes to safety in the workplace. From job planning to arc flash awareness, this one-of-a-kind video program is a must for anyone working with or near electricity!

### 10 family outdoor safety tips

Outdoor family fun really takes off in the spring. But before you get out the kites and start those outdoor games, Safe Electricity and Jo-Carroll Energy recommend you review these safety rules:

- Never climb trees near power lines. Even if the power lines aren't touching the tree, they could touch when more weight is added to the branch.
- Fly kites and model airplanes in large open areas like a park or a field, safely away from trees and overhead power lines. Never fly a kite on a cloudy day when a thunderstorm may be brewing.
- If a kite gets stuck in a tree that's near power lines, don't climb up to get it. Electricity can travel down kite strings

or wires and electrocute you. Contact your electric utility for assistance.

- Never climb a utility pole or tower. The electricity carried through this equipment is extremely high voltage and could kill you.
- Don't play on or around pad-mounted electrical equipment. (those large green boxes sometimes located in yards)
- Never go into an electric substation for any reason. Electric substations contain high-voltage equipment, which can kill you. Never rescue a pet or retrieve a ball or toy that goes inside. Call your electric utility instead.
- Be sure all pools and outdoor play areas are away from power lines and call JULIE before

installing any new posts.

- Install and use GFCI outlets outside. Use portable GFCIs if outlets don't have them. Keep appliances 10 feet from pools, ponds and wet surfaces.
- Don't leave electrical appliances outside. They could become wet and cause an electrical shock when unplugged later. If the weather looks threatening, pack up and go inside.
- Spring showers bring more than just puddles to splash in. They can bring flooded areas that are never safe to play or wade in and may be in contact with energized equipment or fallen power lines.