



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

It's hard to believe that over 11 years have passed since I arrived at Jo-Carroll Energy. And now, in a few short days, I'll be saying goodbye as my family and I are moving to Virginia where I'll start my new duties as president and CEO of Shenandoah Valley Electric Cooperative.

I came to Jo-Carroll Energy in the summer of 2005. While I was new to the position, I had been assisting the co-op for the previous 10 years as general counsel for the Association of Illinois Electric Cooperatives. Since that time, we have had several major accomplishments at the co-op. I have seen the cooperative grow both in size and services offered.

The summer I started at Jo-Carroll Energy was when the cooperative had signed the agreement with Alliant Energy Corporation to purchase the electric and natural gas distribution assets of Interstate Power and Light Company in Illinois. The acquisition, which closed in February of 2007, was good for the cooperative and its members.

Tripling the size of the co-op meant we were able to spread costs across more members and increased efficiencies in the operation of the systems. The acquisition also ushered the cooperative into the natural gas service, something that has helped with the co-op's overall business.

We grew again in 2013, merging with Farmers Mutual Electric Company. This action added 1,500 members and helped the former Farmers Mutual members with new services such as automatic bill pay and capital credit payments.

In 2009, the co-op entered the wireless internet business with the addition of our broadband division. Sand Prairie Wireless provided a service to members who were desperately in need of internet access. We're continuing to grow that business with recently announced fiber-to-the-premise pilot projects.

We have been committed to helping our region grow. In 2008, Jo-Carroll Energy helped develop a regional economic development entity, the Tri-County Economic Development Alliance (TCEDA) that has been very successful.

I certainly did none of this myself. Forming a great staff who serves the membership of Jo-Carroll Energy is perhaps one of the greatest accomplishments of my past 11 years.

It's been great working for the members of Jo-Carroll Energy! I want to thank all of you, the board of directors and employees for your many courtesies over these past years.

**South View
Solar Farm**

**Reserve your
place in the sun!**

**Subscriptions to
South View Solar Farm
panels now available
\$846 per panel**

*Vist www.jocarroll.com
for information*

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.

**Jo-Carroll Energy's offices
will be closed July 4**



**In observance of the Independence Day holiday, Jo-Carroll Energy's offices
will be closed on Monday, July 4. Remember to celebrate safely!**

Voluntary and open membership • Voluntary and open membership • Voluntary and open membership

Resume of Minutes

April 27, 2016

For your information

Your Board of Directors:

David Senn
Chairman
District 7

Russell Holesinger
Vice Chairman
District 8

Marcia Stanger
Secretary
District 3

Martin Werner
Treasurer
District 1

Joseph Mattingley
District 2

Bret Jones
District 4

Patricia Smith
District 5

Thomas Lundy
District 6

Larry Carroll
District 9

Robert Kuhns
District 10

Ronald Hallendorff
District 10

Office Hours:

Monday-Friday

Elizabeth
793 U.S. Route 20 West
8 a.m. to 5 p.m.

Savanna
103 Chicago Ave.
8 a.m. to 1 p.m.
1:30 to 4:30 p.m.

Geneseo
1004 S. Chicago St.
7:30 a.m. to 1 p.m.
1:30 to 4 p.m.

Services and Billing Questions:

(800) 858-5522
www.jocarroll.com

For emergencies and outages call:
(800) 858-5522

The board met on Wednesday, April 27, 2016, at the Jo-Carroll Energy Headquarters. The following is a summary of the meeting activities. The Agenda and the Consent Agenda were approved.

Chairman's Report – Chairman Senn stated that the EPA will not change their standards and the Clean Air Act is here to stay. Senn reported that the US election numbers are low for voting and the NRECA is pushing for more people to vote. Senn also noted, “we will not have a voice in Congress, if the lack of voting continues”. Senn also discussed the challenges of the ever-changing advances in technology and explained why we should always do our best to remain knowledgeable of the current trends.

Presentations – Amadou Fall, CEO of NRCO presented a slide show on Renewable Energy. Barry Shear, CEO of Eagle Point Solar, also gave a presentation to the Jo-Carroll Energy Board on Solar Photovoltaic Power.

Dairyland Report – Director Stadel reported on training and presentations that were given.

AIEC Report – No Report was given, as the AIEC Board did not meet.

APGA Report – Director Carroll reported on the APGA conferences he attended during the month of March. Carroll touched on regulations set by FERC (Federal Energy Regulatory Commission).

PPI Report – Hallendorff reported on the generation numbers for the Prairie State Generating Campus in March.

Monthly Committee Review

(a) Policy Report – Policy 101.1 – Jo-Carroll Energy Former Director Advisory Group was discussed and approved with no changes.

CEO's Report – The CEO reported on the following in addition to his written report: President and CEO, Michael Hastings made an announcement to the Board of Directors, that he is taking on a new position. The position is with the Shenandoah Valley Electric Cooperative, located in Mt. Crawford Virginia. Hastings stated that “Shenandoah Valley Electric Co-op is an “electric only” co-op with 97,000 members”. Hastings also thanked those in attendance for their dedication and support to him as their President and CEO.

a. Financial Operating Report – Hastings reported that the Cooperative had an unaudited margin of approximately \$450,000 in March, compared to a budgeted amount of \$502,000. The Board accepted the March Financial Operating Report for filing by general consent.

b. Power Supply Report – CEO Hastings reported Dairyland has chosen not to pursue a 16 megawatt share of the Sutherland IV combined cycle plant on behalf of Jo-Carroll Energy.

CFO Report – CFO Heidenreich reported that the co-op has been working diligently on a retention schedule. Dittmer recycling was on-site, helping with the recycling efforts.

a. Sr. Vice President and Assistant General Manager Report – Sr. Vice President and Assistant General Manager Buros reported on the addition of the Jo-Carroll Energy building

and that some employees have already started moving into their new offices. Buros gave an update on the new elevator and noted that work will be commencing soon.

b. Culture of Excellence and Communications – Merri Sevey, Vice President of Human Resources touched base on the Bolivia project, reporting that staff members Ryan Stadel and Kurt Krohmer will be volunteering. The timeline has been set and the dates are August 7- August 27.

c. Member Services – Jennifer Skien, Vice-President of Member Services recommended that the Strategic Initiative tracking should be updated with 3 or 4 more milestones. It was also reported that the Natural Gas Projects in both Carroll Heights and Riverview are tabled as current projects.

d. External Affairs Update – John Cox, Attorney for the Board of Directors, reported that he recently met with Lisa McCarthy of TCEDA, (Tri-County Economic Development Alliance) to discuss upcoming projects. John also discussed the Leadership Forum, which recently took place in March at the Elizabeth, IL Community Building.

Board Issues

a. Discounted Estate Retirements Approval – CFO Heidenreich presented the current discounted estate capital credit retirements for the board's consideration. The discounted estate retirements were approved as presented.

b. NRECA International Foundation Donation – A donation to the NRECA International Foundation was approved.

c. Dress Code for the Dairyland Annual Meeting – The dress code for the Dairyland Annual Meeting was approved.

d. Attendees, Delegate and Alternate Delegate, Directors and Alternate Directors for PPI Annual Meeting – The Attendees, Delegates and Alternate Delegates were selected as well as the Directors and Alternate Directors were selected for the PPI Annual Meeting.

e. IRS Form 990 Questionnaire – Form 990 Questionnaire was completed by the Directors and turned in for filing.

f. Retention of Legal Counsel, Clark Hill, PLC – Retention of Clark Hill, PLC to represent Jo-Carroll Energy was approved.

Executive Session

Executive Session was held to discuss pending and possible litigation, other legal matters, and employment matters.

Consideration of Matters discussed in

Executive Session – None

Reports – Reports were heard on: The APGA Meetings and NRECA Directors Conference.

Upcoming Meetings – NRECA Legislative Conference, APGA Government Relations Conference, Ballot Counting and the Jo-Carroll Energy Annual Meeting.

Other Business – None

Adjournment – Chairman Senn adjourned the meeting at 1:50 PM.

Area business utilizes REDLG loan through Jo-Carroll Energy

Jo-Carroll Energy recently received approval by the U.S. Department of Agriculture for \$770,000 through the USDA's Rural Economic Development Loan program for a rural economic development project.

The loan is to construct a Fast Stop fueling station for Stephenson Service Company in Elizabeth. The facility will create two jobs.

The loan is part of the \$39.3 million in loans and grants for 68 projects that will help small, rural businesses and communities in 26 states announced by U.S. Agriculture Secretary Tom Vilsack during National Small Business week.

Jay Kempel, Stephenson Service Company general manager, said he was "thrilled that Jo-Carroll Energy is willing to act as the intermediary in the REDLG program that allowed FS to apply for the funds."

He also stated that this project came about because of concerns regarding fueling Farm Services' trucks and other large trucks in the Elizabeth area, including previous shortages of diesel fuel.

"This is a program we have access to as an electric cooperative," said Jo-Carroll Energy president and CEO Michael Hastings. "When any of our members come to us and asks us to help with a REDLG loan, we look into it and help if we can."

Hastings added Jo-Carroll Energy has a long history of working with Stephenson Service Company, which is also a cooperative.

Jo-Carroll Energy is eligible for REDLG as a rural utility cooperative to serve as the intermediary for applications and funding distribution/repayment, explained Chris Allendorf, the

cooperative's vice president of external relations and general counsel. "Our board of directors encourages businesses in Jo-Carroll Energy's service area to submit proposals for their consideration," he added.

The REDLG program provides zero interest loans and grants to rural, not-for-profit utilities, including cooperatives, who then loan the money to local businesses for projects that help retain and create jobs in rural areas.

This is the second project in which Jo-Carroll Energy has been successful in helping a local business obtain REDLG funds. In 2015, a \$447,155 REDLG loan was awarded to help fund construction of a potato handling facility and the purchase of equipment at Neumiller Farms in rural Savanna.

Energy Efficiency Tip of the Month



Source: energy.gov

Use small electric pans, toaster ovens or convection ovens for small meals rather than your stove or oven. A toaster or convection oven uses one-third to one-half as much energy as a full-sized oven.



Director elections, scholarship awards highlight co-op annual meeting

Results of director elections and scholarship awards were announced during Jo-Carroll Energy's annual meeting held in East Dubuque on Wednesday, May 25.

Attended by 270 members, directors and employees, the event was the cooperative's annual business meeting of the membership and appreciation dinner.

Results of director elections in District 4 were announced at the meeting. Bret Jones of Hanover was



Bret Jones

elected to the Jo-Carroll Energy board of directors for a three-year term. Jones was running against Chris Stadel of Hanover who had served on the board of directors since 2004.

Two other incumbent Jo-Carroll Energy directors were re-elected by a vote of acclamation during the meeting. They were Marty Werner of East Dubuque, District 1, and Joe Mattingley of Scales Mound, District 2. Both were unopposed in the election.

The first of Jo-Carroll Energy Director's Scholarships, newly created this year as part of Jo-Carroll Energy's expanded scholarship programs, were awarded to students who are graduating high school seniors. Board chairman David Senn conducted the drawings for the scholarships by director district. Students were required to be present with one of their parents at the annual meeting in order to receive a scholarship.

Scholarships were awarded in four



LED Lucy and Kyle Buross, senior vice president and assistant general manager, greet members to the co-op's annual meeting.



Michael Hastings (center), Jo-Carroll Energy president and CEO, talks with Brian Rude (left), Dairyland Power Cooperative vice president of external and member relations, and Duane Noland (right), Association of Illinois Electric Cooperatives president/CEO, during Jo-Carroll Energy's annual meeting.

director districts: District 3, Jordan McLane of River Ridge High School; District 4, Cassidy Potter of River Ridge High School; District 5, Jake Dregne of Galena High School; and District 9, Carly Bergerhouse of Fulton High school.

"We are pleased to be able to support our youth, members and communities through the program," Senn said.

The annual meeting was the last for the cooperative's president and CEO Michael Hastings, who will be leaving Jo-Carroll Energy this summer for the CEO post at Shenandoah Valley Electric Cooperative in Virginia.

"I want to thank all of you for your support of the co-op as well as for me and my family," Hastings told the membership. "It's hard to believe that over 11 years have passed since I arrived at Jo-Carroll

Energy. I want to thank all of you, the board of directors and employees for your many courtesies over these past years.”

In his remarks, Hastings stressed the importance of co-op membership. “At Jo-Carroll Energy, we firmly believe our members need to be at the heart of everything we do. Serving you and your neighbors is our number one priority.”

“As a cooperative, we’re more than just a utility provider that you pay each month. We’re here to provide you not only with energy, but information that makes your lives better,” he said. “Over the years, we have worked to bring innovative technologies, new benefits and services to members because it is imperative that our communities thrive and prosper.”

Jo-Carroll Energy’s South View Solar Farm, the only community solar project in northwest Illinois, is an example of the projects the cooperative has undertaken. The solar farm allows members an affordable way to invest in solar energy and meets an increasing demand for renewable energy sources, he said.

Just getting underway is the cooperative’s pilot project for fiber-



Lineworkers Jake Weede and Keith Hayes demonstrate safety measures with a tabletop display.

to-the-premise internet service. This project will bring the fiber technology to portions of two communities, Galena and Savanna, and supports the cooperative’s own advanced metering infrastructure.

“As a cooperative, we strive to bring value-added services to our rural area,” Hastings said. Although high-speed internet options have become increasingly available across the nation and world, much of rural America has remained unserved or underserved. Sand Prairie, our broadband division, is working to bring these solutions to our members.”

“We’ve come a long way from turning on the lights for our rural members,” he added. “Whether it is electricity, natural gas or internet, we are dedicated to being your reliable source for power and information - your trusted community partner.”

Jo-Carroll Energy is a not-for-profit distribution cooperative owned and controlled by the members it has reliably served since 1939. Headquartered in Elizabeth, the cooperative currently serves more than 26,800 electric, natural gas and/or broadband internet accounts in Jo Daviess, Carroll, Whiteside and Henry counties.



Kathy Josephson, Dairyland Power, visits with members about Dairyland's 75 years of service.



The Energy Wall was a popular display with members.

Jo-Carroll Energy awards scholarships

Three students received scholarships from Jo-Carroll Energy during awards night at the West Carroll High School. From left are: Haley Ehlers and Brianna Kampmeier, winners of \$1,000 Jo-Carroll Energy Scholarships; Amy Johnston, Jo-Carroll Energy executive assistant who presented the awards; and Kali Hunter, winner of a \$1,000 two-year/technical school scholarship from the cooperative.



Three River Ridge students were presented with scholarships by Merri Sevey, vice president of human resources, during the school's awards assembly. Pictured from left are: Lucas Albrecht, winner of a \$1,000 Jo-Carroll Energy Scholarship; Kyle Ludwig, winner of a \$1,000 two-year/technical school scholarship; Sevey; and Kayshe Miles, winner of a \$1,000 Jo-Carroll Energy Scholarship. Photos of additional scholarship winners will appear in the August Hi-Lines.

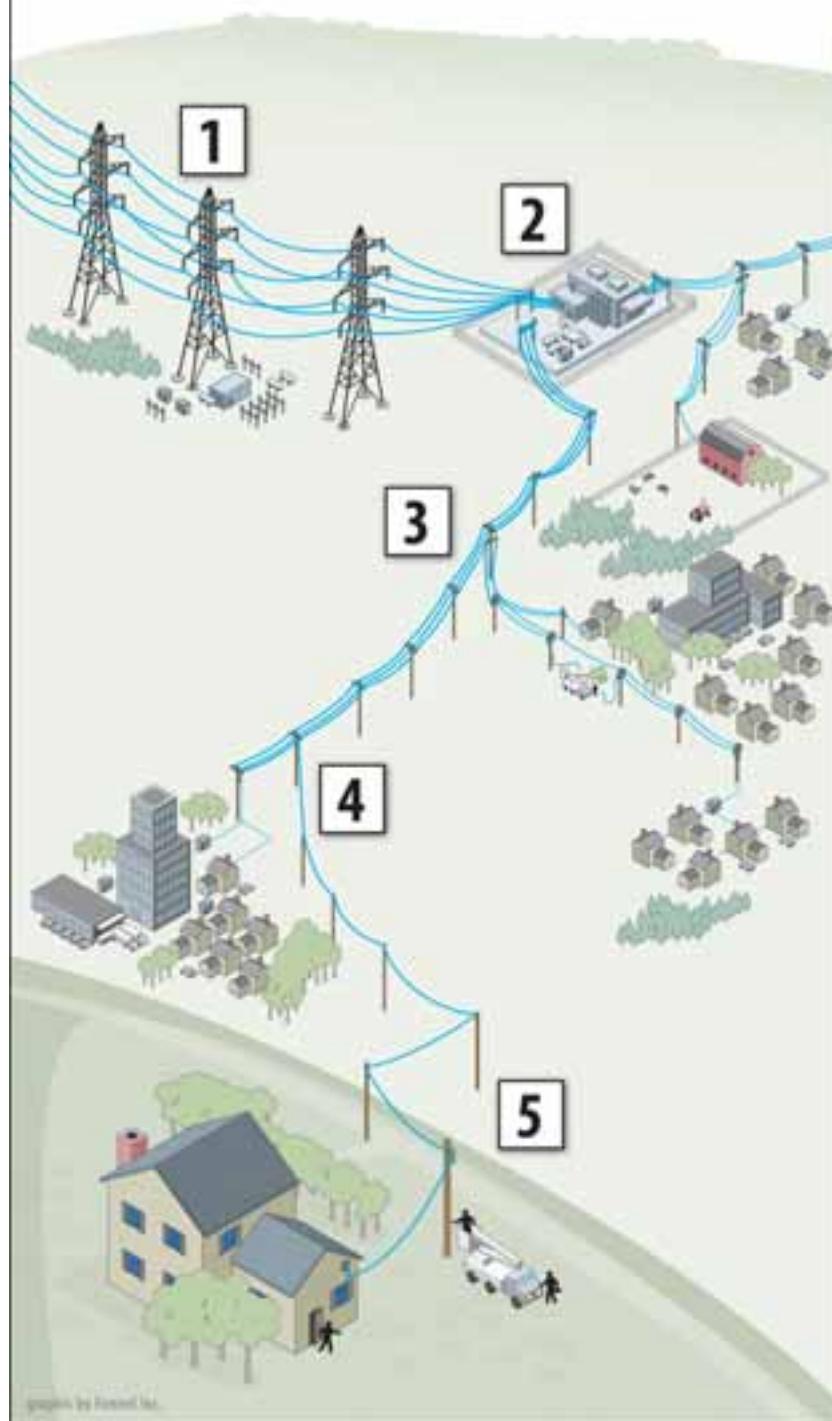


Four members of the Jo-Carroll Energy board of directors presented \$500 scholarships to students from their districts who attended the cooperative's 77th Annual Meeting of Members. Students submitted applications and were required to attend the meeting with one of their parents. Drawings, by director district, were conducted to determine the winners. Applications were received in seven districts, however students from only four districts were present at the meeting. Pictured are, above left: Jordan McLane, River Ridge High School, with District 3 director Marcy Stanger; above middle: Cassidy Potter, River Ridge High School, with District 4 director Chris Stadel; above right: Carly Bergerhouse, Fulton High School, with District 9 director Larry Carroll. Not pictured is Jake Dregne, Galena High School, and District 5 director Pat Smith.

Powering UP

When electricity goes out, most of us expect power will be restored within a few hours. But when a major storm causes widespread damage, longer outages may result. Co-op line crews work long, hard hours to restore service safely to the greatest number of consumers in the shortest time possible.

Here's what's going on if you find yourself in the dark.



1 High-Voltage Transmission Lines

Transmission towers and cables that supply power to transmission substations (and thousands of members) rarely fail. But when damaged, these facilities must be repaired before other parts of the system can operate.

2 Distribution Substation

Each substation serves hundreds or thousands of consumers. When a major outage occurs, line crews inspect substations to determine if problems stem from transmission lines feeding into the substation, the substation itself, or if problems exist down the line.

3 Main Distribution Lines

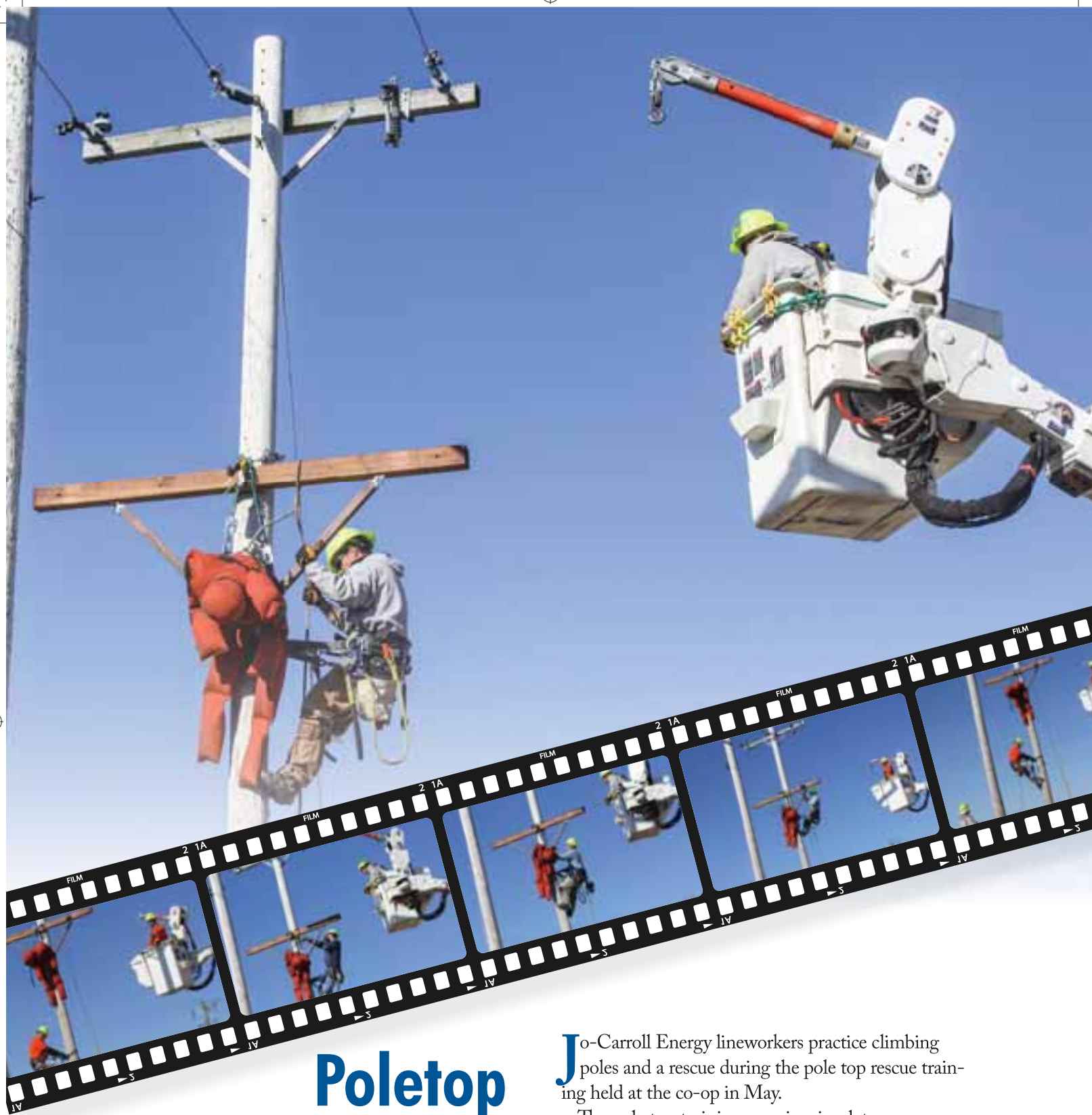
If the problem cannot be isolated at a distribution substation, distribution lines are checked. These lines carry power to large groups of consumers in communities or housing developments.

4 Tap Lines

If local outages persist, supply lines, called tap lines, are inspected. These lines deliver power to transformers, either mounted on poles or placed on pads for underground service, outside businesses, schools, and homes.

5 Individual Homes

If your home remains without power, the service line between a transformer and your residence may need to be repaired. Always call to report an outage to help line crews isolate local issues.



Poletop practice rescue

Jo-Carroll Energy lineworkers practice climbing poles and a rescue during the pole top rescue training held at the co-op in May.

The pole top training exercise simulates an emergency rescue of an unconscious co-worker. During the training, the lineman must call in the emergency on the radio, put on climbing gear and climb a pole to safely lower a 150-pound mannequin to the ground with a rope lifeline.