

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

**R**ising power costs continue to grab headlines across the country. It's not news anyone wants to hear, but, it's a topic we need to continue to focus on as we plan for the future. At Jo-Carroll Energy, we're committed to putting our members first, and that includes keeping you informed so we can work together to keep the power flowing.

Growing renewable energy standards, tougher environmental regulations and potential new carbon legislation are all putting pressure on power costs. At the same time, whether due to the economy or increased efficiency measures by our members, Jo-Carroll Energy has experienced decreasing sales — a 16.3 percent revenue reduction through May 2010.

Some costs are always incurred whether our members use one kilowatt hour or a thousand. The facility charge covers a variety of expenses and costs associated with getting power to you. The facility charge for residential service in the acquired territory is increasing from \$9 to \$12, as I announced at the annual meeting. Members in the acquired territory will begin to see that increase in September. The facility charge for legacy members remains at \$18.

As a distribution cooperative, Jo-Carroll Energy purchases power each month from power suppliers to meet the energy needs of our electric members. This cost accounts for 63 percent of your total bill. Unfortunately, we're also seeing an increase in the power cost adjustment, or PCA, an adjustment made on your electric bill that goes up or down depending on the cost of power each month.

Power costs fluctuate for a number of reasons. Our power suppliers have identified the addition of renewable energy resources, environmental controls

and declines in the system load due to the economy among the reasons for increasing power costs.

Construction costs for electricity generation are going up across the board, including those for renewable sources. Renewable energy is generally more expensive than energy from coal and natural gas resources. Demand for renewable power will continue to increase as states pass laws creating renewable portfolio standards requiring electric utilities and suppliers to add a specific percentage of renewable energy to their power supply mix.

Other factors may add to the cost when it comes to "green power." Those resources don't exist everywhere or in sufficient quantities to keep the lights on all the time. That means more transmission lines to move renewable power, such as wind, from where it is generated to where it will be used, as well as new technology to store electricity from renewable sources.

Another major concern for electric co-ops — energy and climate change policy — has returned to the front burner. Legislation on this subject was introduced in the U.S. Senate in the spring, and co-ops across the country are studying it to see what it might mean for your electric bill.

The U.S. Environmental Protection Agency (EPA) is moving ahead with efforts to regulate emissions of carbon dioxide and other greenhouse gases from power plants using the federal Clean Air Act. The cost of complying with new regulations will impact the cost of electricity for everyone.

We will continue to closely watch power costs, and we're studying options to help stabilize your monthly power bills. As a member-owned not-for-profit cooperative we're always looking for the best solutions to ensure a solid future so we can continue to provide the reliable service that our members expect and deserve.

## Reader Prize

**E**ach 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

**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

## Teens learn cooperative values

**J**illian Bajema of Fulton and Brandon Behlke of Galena represented Jo-Carroll Energy in Washington, D.C., during the annual youth tour June 11-18.

Bajema and Behlke were among 66 rural Illinois youth joining 1,496 young leaders from across the country. The tour familiarizes young people with our nation's Capital through first-hand looks at monuments, government buildings, and cooperative organizations. It also provides an opportunity for them to better understand the value of rural electrification. Illinois participants form a chip and pop cooperative to help the students understand the business principles of cooperatives.

"I learned that cooperatives are key in getting us the necessities we need at an affordable price. Without them we would all be broke or living somewhere else," Behlke said.

"Cooperatives operate to serve their members," Bajema added. "So many companies and operations in the world today are always trying to get something for themselves. They miss the fact that the customer or member always comes first. I think cooperatives set a great example in their work ethic and goals. Other companies, businesses, and operations should follow their lead."



## Youth to Washington

**T**wo area teens have a better understanding of their government, leadership and cooperatives thanks to the annual Youth to Washington Tour.

"The trip to D.C. taught me that a leader can be anyone," noted Jillian Bajema of Fulton. "Just have confidence in yourself and don't let anyone bring you down. To be a leader, you need to set an example. As a leader, I should always encourage, serve and listen to others. The little things that may sometimes go unnoticed really do make all the difference. I learned to be open to anything."

While in Washington the students learned firsthand about government and Illinois' congressional delegation through an opportunity to meet with Rep. Donald Manzullo.

"My favorite experience was the U.S. Capitol and meeting Rep. Manzullo and how he talked to us about our personal lives and didn't politicize it," said Brandon Behlke of Galena.

In addition to the Capitol, the students also visited Arlington National Cemetery, the Washington National Cathedral, several Smithsonian Museums, the U.S. Holocaust Memorial Museum, the World War II Memorial, the Royal Embassy of Saudi Arabia, the National Archives, the Newseum and a number of other historical sites.

Arlington National Cemetery and the changing of the guard at the Tomb of the Unknown Soldier made an impression on Bajema.

"This is always a very sobering place, but what struck me the most when we were there, was how much honor and respect the guards have," she said. "They guard the tomb 24/7 no matter what the weather conditions or distractions are. This made me think also of how many people sacrifice their lives daily in service to our country. Soldiers serve to protect our nation and its honor. They truly are our heroes."

"The most fascinating memorial was the Vietnam Memorial," Behlke said. "It is different than I expected; I thought there were a lot fewer names and the roses that were set near it was heart wrenching."

Behlke also found the American History Museum interesting with its "cool artifacts. . . . Who would've thought Archie Bunker's chair was considered historical?"

Bajema described Washington, D.C., as "a city full of opportunity and fun for anyone. It's packed with history, fashion, culture, and shopping. I would definitely go back."

"I would love to go back!" Behlke agreed "There are things we didn't have the time to see that I would like to see, and I would like to see all the places at a little slower pace, but we had to go quickly or

**Continued on 16c ►**

## Co-op Connections featured business

### The Answer in Savanna, Ill.

Life is busy, even in a small town. Taking time to invest in a family, work and church will often lead to the neglect of your own health. This is why Mark Klein of Savanna provides a fully equipped fitness center in downtown Savanna.

The Answer is one of only a few health and wellness centers in our tri-county area. Klein opened The Answer three years ago, fully equipped with both aerobic and strength training machines. Treadmills, recumbent bikes, and elliptical machines are available as well as a complete circuit workout system. These nine machines are designed for an overall body muscle tone.

For those looking for a more intense workout program the basement of The Answer is the place. Klein provides a complete free-weights gym with Hammer Strength machines, eight Olympic bars and over 4,000 pounds of plate weight. Hammer Strength machines are safe and comfortable to use even without a spotter. For one monthly fee you can have it all.

Every member of The Answer is a unique individual in both personality and physical fitness, according to Klein. Whether you want to lose weight, get in great shape or maintain quality of life he will design a workout and exercise program specifically for each per-



son. All ages are welcome, from kids to those in their 80s.

Along with individual wellness, The Answer offers classes in aerobics, yoga, and tae kwon do. Zumba, a Latin dance combined with aerobics, has recently been added to the schedule of fitness classes available to the public. Contact The Answer for times and availability in these classes or visit [www.fitness-tanning.com](http://www.fitness-tanning.com).

The Answer has more than 200 members and membership is steadily increasing each month. Klein's five tanning beds have helped in this success.

Klein wants to be as available to the public as possible. He trusts his

members enough to provide access to The Answer after hours. The keyless entry program allows members over the age of 21 and who pass a screening process to use the equipment from 4 a.m. to midnight seven days a week, 365 days a year.

As a member of the Savanna Chamber of Commerce, Klein supports the community. The Answer hosts an annual food drive for the local food pantry during the Christmas season and donates its equipment to the West Carroll seventh grade football and varsity wrestling teams on a regular basis. Klein and his wife, Deb, are investing in the future of a community where their five kids can grow up healthy.

*The Answer's regular business hours are Monday through Friday 6 a.m. – 6 .pm. 10% off all tanning and 10% off a new membership is granted to all Jo-Carroll Energy Members who present their Co-op Connections Card at purchase.*



#### ► Youth to Washington - Continued from 16b

else we wouldn't fit anything in. My word of advice is expect the unexpected, what you think is gonna happen is totally different than what will happen. The trip will be beyond your expectations."

"Never shy away from an opportunity," Bajema advised future YTW applicants.

A twilight cruise on the Potomac River was a highlight of the trip for Bajema. "It was fun meeting

people from other states and getting to know the people we had already met from Illinois even better," she said. "It was an opportunity and experience that I will truly never forget." **Andreas Simmons**

"The trip is full of unique experiences and opportunities that you will probably never have again," Bajema continued. "This trip reminded me that I can make a difference. I should always voice

my opinion. It doesn't matter what others might think of me. If I want something to change, I need to start making that change.

"It all starts with someone's idea. That idea could be mine, but only if I decide to say what's on my mind. Don't be afraid to step out of your comfort zone and do something out of the ordinary," the high school junior concluded.



# Powering Up:

Nobody likes it when the power goes out. But operations personnel work to pinpoint problems and

When the electricity goes out, most of us expect power will be restored within a few hours. But when a major storm causes widespread damage, restoring power takes more than just flipping a switch at a substation or pulling a fallen tree off a downed power line.

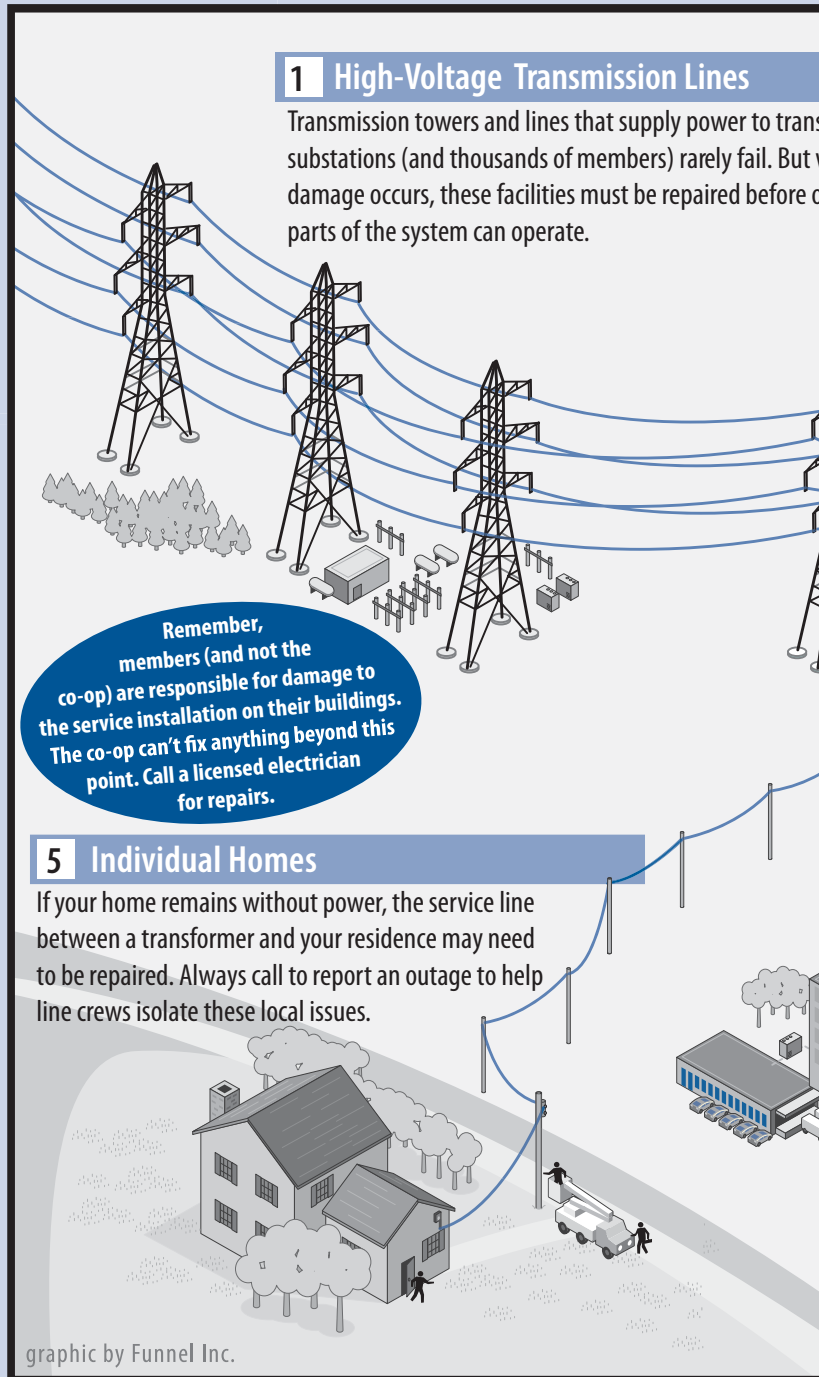
Highly trained co-op line crews and other personnel work long, hard hours to restore service safely to the greatest number of members in the shortest time possible.

One of the major causes of outages, like those we experienced earlier this summer, is fallen trees, often located off of our right-of-way areas. That's why Jo-Carroll Energy has an ongoing right-of-way maintenance program—to increase reliability and decrease outages.

Shown here are the steps co-ops follow to restore power. At each stage the primary goal is getting the largest number of members back on line in the shortest amount of time. Here's what's going on if you find yourself in the dark.

## 1 High-Voltage Transmission Lines

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



# But when an outage occurs, line crews and problems.

transmission  
But when  
fore other

## 2 Distribution Substation

A co-op may have several local substations. Each substation serves hundreds or thousands of members. 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. If the problem is solved at the substation level, power may be restored to a large number of members.

## 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 members in communities or housing developments. When power is restored at this stage, all members served by the line should see the lights come on if there are no problems down the line.

**DANGER!**  
Stay clear  
of downed  
power lines

## 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.

Make sure you report any outage to Jo-Carroll Energy, even if you think a neighbor already called. This helps line crews isolate and repair a problem as soon as possible. For outages and emergencies, call 800-927-5254.

# Resume of Minutes

## Regular Board Meeting • May 26, 2010

The Jo-Carroll Energy, Inc. Board of Directors met at the Cooperative headquarters in Elizabeth, Illinois on Wednesday, May 26, 2010. The following is a summary of the meeting activities:

### Operating Unit Report

Kyle Buros provided a report of the storm damage from several storms which passed through the area on May 24th. Buros then introduced Bryan McCaskey, Manager of Gas Operations, to speak to the board on the Jo-Carroll Energy Gas System.

### Chairman's Report

Chairman Mattingley began his comments by referencing the NRECA Legislative Conference and the role Jo-Carroll Energy played in the success of the meeting. He also referenced his desire that Jo-Carroll Energy continue to be actively involved in a leadership role both with the NRECA as well as the AIEC.

### Dairyland Report

Chris Stadel reported on activities of Dairyland Power Cooperative. He commented on the April meeting of the Dairyland Power Board of Directors. He also reviewed additional information regarding the upcoming Dairyland Power Annual Meeting. AIEC Report

Director Senn reported that there was no AIEC meeting during the month of April.

### Strategic Activity

Director Werner reported that Policy and Resolutions Committee met twice since the Annual Meeting. On Monday, May 17, 2010, the committee elected Director Werner Chairman. Werner presented the monthly policy for consideration, Policy 135 – Payment of Capital Credits to Estates. A motion was made seconded and carried unanimously to approve Policy 135 without amendment.

Werner then reported a proposed bylaw amendment that would allow members to vote for directors by electronic ballot when such opportunity was provided by the Cooperative. A motion was made, seconded and ap-

proved unanimously to recommend a bylaw amendment to the members to allow for voting by electronic ballot. Werner then reported various recommendations to amend the 2009 AIEC Resolutions as follows (using the AIEC numbering system):

- AIEC Resolution # 1 – Rural Utilities Service Loan Funding.
- AIEC Resolution # 2 – Climate Change
- AIEC Resolution # 17 – Taxation
- AIEC Resolution # 25 – Support of Renewable Energy Resources

Each of these resolutions were passed unanimously by the directors. Chairman Werner then advised the board that the recommended resolution amendments would be forwarded to the AIEC as quickly as possible.

### CEO's Report

The CEO reported on the following:

- **Financial Operating Report** – The CEO reported that the Cooperative had an unaudited loss of (\$218,189) for the month of April 2010. This compares with a budgeted margin for the month of April 2010 of \$110,942. The board unanimously approved the monthly financial operating report.
- **Power Supply Report** – The CEO reported on issues involving the Cooperative's electric and natural gas suppliers. Buros reviewed the Midwest Independent Transmission System Operator (MISO) organization which Dairyland has recently joined. The CEO also commented on his recent meeting with Alliant Energy officials as well as the upcoming Dairyland Managers' meeting.
- **Biomass Plant Update** – The CEO reported to the board on the meeting with Senator Richard Durbin including Chairman Mattingley and board attorney Cox in Washington, D.C. during the legislative conference. He also commented on the recent ruling (the "Tailoring Rule") on Greenhouse Gas emissions where biomass is not exempted from the carbon standards set by the USEPA. The CEO advised the board that the staff is carefully reviewing the possibility of developing a 40

Megawatt plant versus the currently designed 80 Megawatt plant to try to deal with the ever-changing rules and regulations in this area, among other reasons. He further reviewed ongoing discussions with possible partners on the plant project.

- **County Property Update** – Hastings advised the board that they will tour the new facility next door recently purchased from Jo Daviess County. NRCO Board Meeting Report – Hastings reported on his recent attendance at the board meeting of the National Renewable Cooperative Organization. 2010 Annual Meeting Report-Heidi Weber – Heidi Weber, Member Relations and Marketing Manager, provided her report on the most successful 2010 Annual meeting held in Elizabeth on April 17, 2010.
- **Substation Infrastructure/Broadband Update** – Buros provided a report on progress with the substation infrastructure/broadband program. He advised the board that three substations are now completely online and collecting data on the SCADA system. Buros also reported that Automatic Metering Infrastructure (AMI) plan is being implemented. He further advised the board that the broadband system is progressing.
- **Water Update** – The CEO reported that EJ Water Cooperative from Effingham, Illinois came and met with Simpson and Buros to review several of the water systems in the area. EJ Water officials will be returning in the near future to assist in ongoing planning in this important area.
- Simpson then provided an update on Economic Development matters. He reported on TCEDA with other comments provided by the CEO on the status of the entity and progress on funding the enterprise. Simpson reported on a visit to the Campbell Center campus by the CEO, Simpson, Buros and Cox where strategies and possible partnerships were discussed with representatives of the center.
- **External Affairs Update** – Cox provided a report on the limited possibilities that pending climate change

legislation will pass the Congress this election year. With the EPA "Tailoring Rule" and the efforts proposed to stop the EPA from using the Clean Air Act to deal with carbon emission issues, there is much to stay on top of regarding the interest Jo-Carroll Energy has placed on the biomass power plant project. Cox expressed his appreciation that Senator Durbin was willing to meet with Jo-Carroll Energy representatives privately during the legislative conference. He commented that the meeting of the larger statewide delegation from Illinois went especially well shortly after the private meeting with the Senator.

#### Board Issues

- **Approval of Board Committees** – Chairman Mattingley presented a list of his committee appointments for the upcoming year. A motion was made, seconded and carried unanimously to approve those committee appointments.
- **NRECA Course 972.1** – All board members reported that they will be attending this course on Energy, Efficiency, Conservation and Demand Response in Today's Cooperative in Springfield on July 28th, immediately prior to the AIEC Annual Meeting. The board agreed that they will meet immediately after the course sessions to hold the July Board of Directors Meeting for Jo-Carroll Energy. A location will be arranged by staff.
- **AIEC Annual Meeting** – All directors, Hastings and Cox will be in attendance at the AIEC annual meeting to be held in Springfield on July 29 and 30.
- **Delegate/Alternate for AIEC Annual Meeting** – Director David Senn was elected to serve as the voting delegate to represent Jo-Carroll Energy at all meetings at the AIEC Annual Meeting, Director Marcy Stanger will serve as the alternate voting delegate.
- **Dairyland Power Director/Alternate** – Director Chris Stadel will serve as Director to attend all Dairyland Power Board of Director meetings. Marcy Stanger will serve as alternate Director.
- **Tour of new County Property** – The board toured the property adjoining the administrative building site recently purchased from Jo Daviess County.

- **Industrial Member Contract Negotiations Update** – The CEO reported on significant progress on contract negotiations with all large industrial members with signed contracts expected shortly.

#### Executive Session

A motion was made seconded and carried unanimously to go into executive session at 2:25 p.m. to discuss legal issues, property acquisition issues and labor/employment issues pending before the Cooperative.

A motion was made seconded and carried unanimously to come out of executive session at 2:50 p.m.

Upon exiting the Executive Session, a motion was made seconded and approved unanimously to approve a two-year contract with Michael Hastings to continue his service to the Cooperative as President and CEO.

#### Reports

- The board had an extended discussion of the 2010 NRECA Legislative

Conference including the successful private meeting with Senator Richard Durbin. Several board members commented on the extended meeting with Congressman Donald Manzullo.

- Director Jack Janssen commented on the success of the Employee Breakfast held at the cooperative on May 13, 2010.
- Director Pat Smith provided a report to the board regarding the 2010 Jo Daviess County Leadership Forum.

#### Other Business

A meeting of the Annual Meeting Planning Committee was set for June 24, 2010, at 5:00 p.m. at the Cooperative. There was a brief discussion of contacts with Farmer's Mutual regarding assistance from Jo-Carroll Energy on billing services as well as broadband services to its members.

#### Adjournment

A motion was made by Werner that was seconded by Stanger and carried unanimously to adjourn the board meeting at 3:27 p.m.

## Calendar photo contest

Show off your talent and help us celebrate the "International Year of Cooperatives" by entering Jo-Carroll Energy's Seasons of the Cooperative Photo Calendar Contest.

In celebration of the "International Year of Cooperatives" in 2012, (as proclaimed by the United Nations member states) we're planning a commemorative calendar that captures the spirit of our cooperative community.

We're creating a 2012 calendar that showcases the beauty and cooperative spirit of our communities by featuring member photography. We're looking for photos that capture the quiet scenes and breathtaking vistas that define your cooperative's landscape and evoke the heart of the cooperative spirit.

"Thousands of people travel to northwest Illinois from all across the country each year to enjoy our scenic byways and rural lifestyle," said Peggy Francomb, corporate communications manager. "The photo contest and calendar gives those of us who live here a way to highlight what makes it so extraordinary and special to us."

We're looking for the best photos taken within our service territory that reflect the seasons, the people and landscape of our area—moments that reveal the heart and soul of our cooperative lifestyle.

The contest runs through June 30, 2011, giving you plenty of time to capture all the seasons of the cooperative as seen by your eyes. Images will be judged on originality, composition, technique and overall impact. The contest is open to all Jo-Carroll Energy members. The photographers featured in the calendar are credited for their photos.

Watch next month's issue or visit our website for more information and details on how to submit your photos.





## Assessments & Audits

### Jo-Carroll Energy connects members to savings

Looking for ways to reduce your energy costs? Whether you're looking for ways to make your home more energy efficient or improve efficiency at your farm or small business, Jo-Carroll Energy can help.

Our energy advisor or certified energy manager can complete an assessment or audit that will recommend improvements to make a difference in your energy use.

"We try to offer energy advising programs to every facet of our service area: residential, small business, farm, non-profit and the list goes on," noted Heidi Weber, member relations and marketing manager. "We have something for everyone at a very reasonable cost, and that's really the key for us and other cooperatives... to keep energy affordable for our members."

### HomE Program

Jo-Carroll Energy offers the HomE energy assessment program to help members find ways to improve their home's energy efficiency. Through the HomE program, members who own their homes can apply for a residential energy assessment that makes them eligible for a series of rebates for efficiency upgrades made to their home. Our energy advisor will visit your home to complete a walk-through assessment, reviewing insulation and home sealing, the type of water heater, Heating, Ventilation and Air Conditioning (HVAC) as well as lighting, windows and appliances.

The energy assessment should take no more than one hour and costs \$25. A report of recommendations on how you might best improve your home's energy efficiency performance and comfort will be provided within a week of our visit.



The next step is up to you. Currently, through the Recovery and Reinvestment Act, co-op members are eligible for a series of rebates after having received this energy assessment. Based on the recommendations made, you could be eligible for a rebate of up to \$1,500 per residence for improvements you make.

"Don't forget that rebates through the HomE Program can be coupled with Jo-Carroll Energy's extensive rebate program to provide for additional savings," Weber noted. "Several qualifying units are also eligible for tax credits. We try to encourage members to take advantage of every opportunity available."

Visit our website for more information.

### Small Business & Agriculture Energy Audits

Jo-Carroll Energy's certified energy manager will come to your small business or agriculture facility and perform an energy audit. Audits cover a variety of facets or can be project specific depending on your type of business. The normal cost for this service is \$600. However Jo-Carroll Energy received a grant through the USDA

that allows us to offer this service at only 25 percent of the cost; making an energy audit available for \$125. Non-members are subject to additional mileage and hourly travel fees. Audits are offered to members and non-members within a 3 hour distance of the cooperative headquarters.

A report of recommendations will be provided discussing ways your business could be improved through energy efficiency upgrades. All energy audits are performed to USDA standards, and can be utilized in applying for additional USDA grants for energy efficiency upgrades. (Please contact your local USDA office for information on grants and eligibility.)

Jo-Carroll Energy also offers its energy auditing services to not-for-profit, institutional, governmental and civic businesses and organizations. These audits are offered at \$300 to members only.

"We're thrilled to offer our members help to reduce their energy bills," Weber said. "The HomE Program has been a great opportunity for Jo-Carroll Energy to begin offering the energy assessment service, and the rebates through the Recovery and Reinvestment Act are a great bonus!"

For more information on all of Jo-Carroll Energy's assessment and auditing services, please contact our office at 800-858-5522 or visit our website at [www.jocarroll.com](http://www.jocarroll.com).

Jo-Carroll Energy now has its own certified energy manager (C.E.M.). Energy services manager, Pat Keleher, received his official certification as a C.E.M. earlier this year. The C.E.M. credential is widely accepted as a measure of professional accomplishment in the energy management field. In March, Keleher received word he had passed the exam required for certification. In preparation for the exam, Keleher attended a comprehensive five-day training program presented by the Association of Energy Engineers. In addition to the exam score, candidates must meet additional criteria, including a specified number of years experience in energy engineering or energy management.

