

JO-CARROLL

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



CEO'S REPORT

by Mike Casper

Our annual meeting theme “We are co-op” has resonated more than ever for me this summer. I am constantly amazed at the challenges that “WE” face and overcome every day.

A series of summer storms in late July kept our line crews and employees busy. After they had just finished up a very long night of restoring scattered outages mid-week, our crews faced a new round of outages and challenges from the storms on July 21-22 with heavy rains, wind and lightning strikes.

In the event of a power outage, you can trust that Jo-Carroll Energy is ready to respond. We want to restore power to every member as fast and safely as possible, but conditions can sometimes slow us down.

In July, flash flooding forced area rivers and streams to rise quickly out of their banks. It wasn't long before it became apparent we needed to pull crews from some areas for their safety.

Nearly 9 inches of rain fell in portions of our service territory. Road closures added to the difficulty in reaching some areas. In their wake, the storms left washed out or mud-covered roads and other hazards.

JCE line crews and operations personnel worked throughout the weekend, and had power restored to all members within about 36 hours.

I want to thank all of those who provided their assistance and hard work during the restoration efforts following the storms and flooding. And, to our members, a special thank you for your patience throughout the restoration process.

As the rains moved out and flood waters started to recede, the focus for our members and communities shifted to damage assessment and repairs.

Dozens of area roads in Jo Daviess and

Carroll County had been closed and were left washed out or damaged. Farm fields were flooded, washed out or covered in mud. Area businesses and homes suffered water damage.

As a result of the severe storms and flooding, all four of the counties we serve are a part of the eight-county disaster declaration made by Illinois Gov. Bruce Rauner following the July storms.

In the days and weeks following the storms, we've seen our communities working together to clean-up and make repairs. That kind of cooperation is something we value.

I'll close by emphasizing the importance of “WE” and “US.” Not just here at the co-op's offices but also our directors and you, our members. Each and every one of us contributes to our success. We are in this together. We are co-op.

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.

Stay connected

At Jo-Carroll Energy, we do our best to avoid power outages, but sometimes Mother Nature has other plans. We have several ways you can stay connected to your co-op during storms.

- If the power goes out at your home or business, and you don't find a problem with your breakers or fuses, report your outage by calling us at 800-858-5522. Remember, you should also report any downed power lines.
- Check the outage map in the Storm Center of our website at jocarroll.com to see where there are outages.
- Follow us on Facebook (www.facebook.com/jocarrollenergy) where we'll post information about major outages and restoration updates.

Resume of Minutes

June 28, 2017

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

Dan Tindell
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 June 28, 2017, at the Jo-Carroll Energy Headquarters. The following is a summary of the meeting activities. The Agenda, as amended, and the Consent Agenda were approved.

Chairman's Report – Chairman Senn offered his congratulations to newly appointed Director Dan Tindell for his successful completion of the Directors Summer School program he recently attended. Senn discussed rural broadband deployment and the importance of having high speed internet in rural areas. Senn encouraged the Directors to continue speaking with members about the need for and access to broadband/fiber.

Dairyland Report – Director Mattingley discussed the Dairyland Annual Meeting. Going forward, only Class A Dairyland members will have director positions. Mattingley was selected to serve on the Governance Committee. Mattingley also discussed the May financials, projections, and margins. President and CEO Mike Casper communicated about the importance of accurate forecasting and the positive impact it creates when budgeting

AIEC Report – Chairman Senn reported on the Association of Illinois Electric Cooperatives (AIEC) board meeting he recently attended and discussed resolutions regarding support for reform of Section 5 of the Natural Gas Act, as well as support for rural broadband deployment by cooperatives.

APGA Report – Director Carroll provided an update on regulatory matters being followed by the American Public Gas Association (APGA) as well as the Government Relations Conference he recently attended in Washington D.C. During his visit to the capital, Carroll had a chance to meet with legislators on topics that impact APGA members.

PPI Report – Director Hallendorff reported on Prairie Power Inc. (PPI's) most recent generation figures and provided operational highlights from Prairie State Units 1 and 2. Hallendorff noted that the Alsey generation site # 6 is PPI's newest

electric generating unit and operates very efficiently.

Monthly Committee Review

a. Policy 108.3- By General Consent, Policy 108.3 will be reviewed by the Policy Committee.

CEO's Report - President and CEO Mike Casper announced that Jo-Carroll Energy has reached our 25% equity goal. We will be revisiting the budget and rate structure in the coming months. In addition to his written report, Casper informed the board of a new mapping application that can provide technicians with real-time data.

a. Financial Operating Report – Casper reported that the Cooperative's operating margins for the year to date were approximately \$1,455,000, compared to a budgeted amount of approximately \$1,530,000. The current equity of the cooperative is approximately 25.05%, compared to 23.65% at the end of 2016. By general consent, the board moved to file the financial operating report with the auditor.

b. Tech Update - Casper provided information on energy storage cost trends for battery storage technologies.

c. Senior Vice President and Assistant General Manager Report – CEO Casper reported that staff would have a fiber rate proposal for the board's consideration at the July meeting.

d. External Relations Update – Chris Allendorf, Vice President of External Relations and General Counsel, provided the board with a review of his trip to Washington, D.C. to testify before a U.S. House subcommittee regarding rural broadband deployment. In addition to his testimony, Allendorf was able to meet with staff from four Illinois representatives' offices to discuss Jo-Carroll Energy's successes and difficulties with rural broadband. Allendorf also updated the board on Illinois' fiscal situation and federal regulatory matters.

Continued on 18c ►

Pole, underground inspections to be done this fall

Jo-Carroll Energy has contracted with Osmose, Inc. to conduct utility pole inspections for 2017.

Inspection of the cooperative's electrical poles is expected to begin in late September or early October.

Approximately 5,000 poles will be inspected. Areas included are on the cooperative's Chadwick, York and Savanna (transmission) substations.

Utility pole inspections are a part of the cooperative's routine maintenance, according to Robert Pelelo, director of operations. Inspectors will travel from pole to pole, digging around each pole to inspect for rot below the ground surface.

The process checks the strength of the poles and identifies those that should be replaced.

Poles will be treated with a preservation to extend the life of the pole or tagged for replacement.

Typically, less than 5 percent of inspected poles are rejected and need to be replaced, Pelelo noted. Inspectors look for rotten poles damaged by insects, woodpeckers, vehicle contacts or even lightning.

Pole maintenance can save the cooperative money by reducing unplanned replacement costs and providing additional years of durable service life to poles.

Pelelo said that the cooperative

is also working with Karcz Utility Service for the 2017 underground residential distribution (URD) devices. Like the overhead system, the cooperative inspects a portion of URD each year, looking for corrosion, mechanical damage and insect infestations.

In addition, the URD contractor paints cabinets and replaces warning stickers and ID tags.

Contractors' vehicles will be identified with their company name and will display "Jo-Carroll Energy Contractor" vehicle magnets while they work in the cooperative's territory.

Minutes continued from 18b

Board Issues

a. Discounted Estate Capital

Credit Retirements-

Discounted Estate Retirements

Approval- A motion was made, seconded, and carried unanimously to approve the discounted estate retirements, as presented.

b. Voting Delegate/Alternate Delegate for NRECA Director Election

- The voting delegate and alternate voting delegate

were selected for the NRECA Director Election.

c. Approval of Auditing Firm

- A motion was made by the Audit Committee to remain with our current auditing firm, BKD Accounting, to complete the 2017 Audit, which was seconded and carried unanimously.

Consideration of Matters discussed in Executive Session

- None.

Reports-

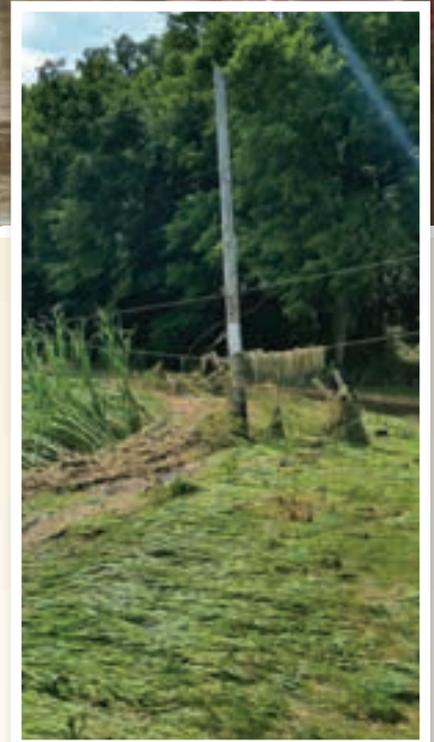
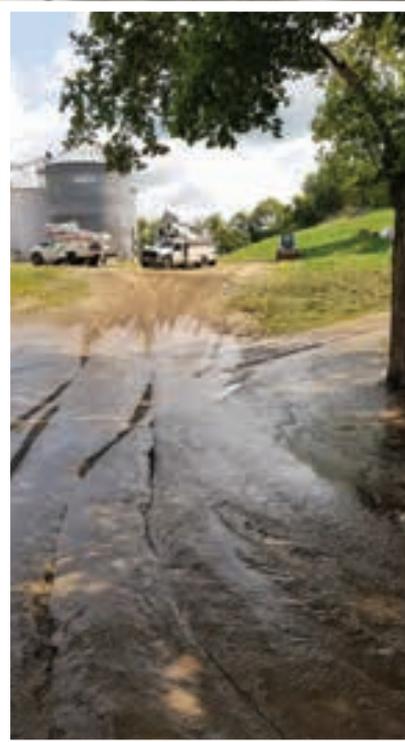
Reports were heard on: The PPI Annual Meeting, Dairyland Annual Meeting, CFC Forum and the Dairyland Managers Meeting.

Other Business- None.

Adjournment

Chairman Senn adjourned the meeting at 11:56 a.m.





July floods cause outages, hamper restoration

Flash flooding in parts of Jo-Carroll Energy's service area hampered outage restoration efforts following severe storms in late July.

Approximately 900 members were without power from the storm late Friday, July 21 and into Saturday morning. As crews were working along the Apple River to restore outages caused by the severe thunderstorm, flood waters started

rising quickly, forcing the linemen from the area.

Of the 900 outages, approximately 560 were in the Thomson area. The rest were scattered across the cooperative's service area, including several small outages along the Apple River. Ten to 12 poles were washed out or broken by the flood water.

By Saturday, crews had restored

power to the majority of members affected. They continued working as areas could be safely reached. Within 36 hours, all outages were restored.

Floodwaters also impacted areas of Jo-Carroll's natural gas service territory. Members were reminded that appliances might have received water damage and of the dangers involved.



Co-op celebrates Member Appreciation Days

Thank you to all our members who turned out for our annual Member Appreciation Days! Hot temperatures in Elizabeth and Geneseo and rainy skies in Savanna didn't keep approximately 800 members from visiting the events. Appreciation lunches were held at each of our offices where board members and employees served pork chop sandwiches, hot dogs, chips and more.

Members were able to try their hand at games for the opportunity to win bill credits and other prizes.



Being prepared for disasters includes safety planning

Each September, the Federal Emergency Management Agency (FEMA) shares information on how to stay safe during National Preparedness Month. The first step in safety preparation is creating communication plans. Communication is vital to staying safe. Rather than prepare for every possible event, you can strengthen your communications so that you best react in a variety of emergencies.

This September, take the time to focus on how to stay safe during potential disasters. Brush up on the safety practices in your area and recognize the danger of electricity, including electrical hazards left in the wake of a disaster, such as potential downed power lines and natural gas leaks.

Considering the risks that disasters present, Safe Electricity shares tips to develop plans to keep you and loved ones out of harm's way.

- Take all weather warnings seriously and develop a plan of action with your family.
- Develop and practice action plans for different emergencies that could happen in your area. Acknowledge what to do if separated. Consider the needs of your family, including medical precautions.
- Identify someone who lives out of town whom you and your family can check in with during an emergency if communication in your area is compromised.
- To ease the strain in an emergency, collect important documents and keep them in a safe and accessible place.
- In order to communicate safely, make sure that you are familiar with how those in your area are notified during an emergency.
- Follow relevant social media channels, such as local news

centers or utilities. These pages often provide updates on weather conditions or power outages.

- To prepare for the inevitable, assemble an emergency kit. This should include non-perishable food, water, a flashlight with fresh batteries, a first aid kit, and essential medications. Always follow all recommended evacuation routes and make sure that you lock and secure all windows before leaving the home.

Remember that when you prepare, you will be able to act with greater know-how and confidence. The communications that you develop during National Preparedness month will help keep you safe all year long.

For more information on disasters and electrical safety, please visit SafeElectricity.org.

When it comes to severe weather... hope for the best, **but prepare for the worst.**



You can begin your preparation by assembling an emergency preparedness kit, which includes items to help keep your family safe and comfortable during a power outage. Your kit should include items such as water, non-perishable food, flashlight, batteries, blankets, and a first aid kit.

- ___ Drinking water & food
- ___ Blankets, pillows, & clothing
- ___ Basic first-aid supplies
- ___ Medications
- ___ Basic toiletries
- ___ Flashlights
- ___ Battery-operated radio
- ___ Extra supply of batteries
- ___ Cell phone with chargers
- ___ Cash and credit cards
- ___ Basic tools (duct tape, wrench, etc.)
- ___ Important documents & numbers
- ___ Toys, books, & games
- ___ Baby supplies
- ___ Pet supplies

Learn more at:



Sand Prairie's fiber initiative enters next phase

New 'home' package, increased speeds available

Sand Prairie and Jo-Carroll Energy are excited to announce that the cooperative's fiber-to-the-premise project is entering the next phase.

With construction of the pilot project in Galena completed, the cooperative is inviting all members to show their interest in fiber internet service.

Because Sand Prairie is building the fiber network from the ground up, this is a long-term project. By indicating your interest in fiber internet, you're helping us to bring the service to your neighborhood or community. The interest we see on connectSP.com will help us determine the construction plan.

To show your interest and support of Sand Prairie fiber, visit connectSP.com and click on the purple "Want Fiber in Your Neighborhood" banner. This takes you to a form where you can enter your name, address and interest in fiber service.

If you are in the Galena pilot phase, you will receive additional information to sign up for service.

A new feature coming soon to the connectSP.com website will allow members to view interest, and eventually sign-up goals, progress in their areas.

New packages, speeds

A new package specifically designed for residential use has been added to our line-up of fiber offerings. The Fiber-Link Home package is just \$52.99 per month and features speeds of 25 Mbps x 5Mbps. Our managed router service is required with this package.

Fiber-Link (formerly Fiber-Link Lite) subscribers will now enjoy faster speeds with a 100 Mbps x 10 Mbps service. The new Giga-Link Lite package offers 250 Mbps x 25 Mbps.



Fiber service allows you to take advantage of the latest streaming applications and devices such as ROKU, Amazon, Hulu and more.

Remember, we are currently installing service only within the Galena pilot area but you can visit connectSP.com and fill out the interest form to tell us you want fiber in your neighborhood.

Help spread the word

Help us spread the word by telling your friends and neighbors about Sand Prairie and the interest form on connectSP.com.

Sand Prairie fiber, powered by Jo-Carroll Energy, delivers fast speeds on a reliable fiber network, bringing new opportunities to our members and communities. Fiber service allows you to take advantage of the latest streaming applications and devices such as ROKU, Amazon, Hulu and more.

*Fiber-Link Home package is for residential use only and requires managed router service.