

JO-CARROLL

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



CEO'S REPORT

by Mike Casper

The results are in! Our most recent survey shows an overall increase in member satisfaction.

Members responding to the survey rated Jo-Carroll Energy with an American Consumer Satisfaction score of 82, higher than last year and tying the co-op's highest score from 2015. That's also higher than the national co-op average of 78 and well above our investor owned utility counterparts.

Every year, Jo-Carroll Energy works with an independent survey company to see how we are performing. In the fall of 2017, randomly selected members were surveyed regarding the service they receive from Jo-Carroll Energy.

We perform surveys to help us determine if you are getting what you expect and to better understand how we can better serve you. While our core purpose is to provide safe, reliable and affordable energy to you, we are motivated by service rather than profits. It's what sets co-ops apart from other utility providers.

The annual survey measures our performance considering 12 cooperative qualities. You rank us very well as being your energy provider. In fact, you gave us the highest marks for knowledgeable employees, reliable service, prompt outage response and excellent member service, ranging from 90 to 94 percent satisfaction in each category.

These results demonstrate our employees' dedication to providing outstanding service to you daily.

Compared to last year, there were increases in satisfaction with 10 of the 12 cooperative service attributes measured, particularly for environmental concern,

helping members control utility bills and communicating effectively. Although you showed increased satisfaction with us regarding reasonable rates, going from 62 to 65 percent, the main decrease was in providing good value for the money.

Our surveys and feedback from you tells us that helping you save money is a growing area of importance. Our goal is to find ways to help you control energy costs.

We appreciate and value the investment that you make in the co-op each month, and we strive to use that investment for the benefit of all members of our community. We work closely with you to see that energy is used wisely.

Jo-Carroll offers many energy efficiency programs, ranging from efficiency audits and assessments to incentives or rebates and simple tips promoting energy conservation. You'll find information about our programs in the pages of this newsletter, on our website, in bill inserts or by calling us.

When you have questions about energy efficiency, electrical or natural gas service – or any of our products or services – please ask us. We're ready to listen. When we know what you want, we're in a better position to deliver successful results.

Our purpose is to provide you with reliable, quality service while helping you reduce the amount of energy that you use, which in turn is better for the environment and keeps energy as affordable as possible.

I'd like to thank our members for participating in our surveys. Without you, we would not have the information we need to provide you with the service you deserve.

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.

Resume of Minutes

October 25, 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, Oct. 25, 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.

Presentation – Bob Pelelo, Director of Operations, provided a presentation on Natural Gas operations. Pelelo reviewed the cooperative's safety and compliance efforts, highlighting member awareness, commenting on a notification that was sent to Members about installing EFVs (Excess Flow Valves), noting some installations have occurred at the request of Members, though many locations already had EFVs. Pelelo shared information on upcoming capital projects and long-term infrastructure maintenance projects.

Chairman's Report – Chairman Senn provided information on the NRECA CEO review that the board will be completing.

Dairyland Report – Director Mattingley discussed the Dairyland Report and their various generation sites, along with updates on their strategic and succession planning. Mattingley explained to our Members in attendance how Midcontinent Independent System Operator (MISO) functions. MISO is essential in establishing safe, cost-effective delivery of electric power across much of North America and Canada.

AIEC (Association of Illinois Electric Cooperatives) and NRECA Report – Chairman Senn discussed how ACRE (Action Committee for Rural Electrification) is committed to use donations to help promote cooperative principles.

APGA Report – Director Carroll provided an update on regulatory matters being followed by the American Public Gas Association (APGA). Their focus is on improving public awareness and safety. Carroll reported on an electric cooperative out of Minnesota (Lake Region Electric Cooperative) that is providing natural gas to their 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 also discussed PPI's Solar Farm performance levels.

Monthly Committee Review

Policy Committee Recommendations –

A motion was made, seconded and carried unanimously to approve the Policy Committee Recommendations for changes to Policies 105A, 108.3, 112, and 114. It was noted that Policy 102 will be reviewed further.

CEO's Report

President and CEO Mike Casper provided operational highlights and shared with the board the three main strategic goals of the cooperative, which include cooperative growth, operational excellence, and enhancing cooperative value. Cyber security is increasingly important for the organization and a presentation will be provided in November. Casper also provided an update on the CFO search.

a. Financial Operating Report – Casper reported that the Cooperative's operating margins for the year-to-date were approximately \$2 million. The revised budget anticipates approximately \$2.85 million in margins by year-end. The current equity of the cooperative is approximately 25.32%, compared to 24.56% this time last year.

Strategic Projects

a. Senior Vice President and Assistant General Manager Report – Kyle Buros, Senior Vice President and Assistant General Manager, discussed Jo-Carroll Energy's strategic goals and initiatives. A fiber plan overview was discussed for areas with concentrated Member interest. Buros updated the board on locations that are currently moving forward with Fiber installation and the areas of interest from other Members.

b. External Relations Update – Chris Allendorff, Vice President of External Relations & General Counsel, provided the board with an overview of matters concerning the State of Illinois and the federal government. Congresswoman Cheri Bustos visited Galena and Jo-Carroll Energy provided a tour of the downtown Galena fiber pilot project. Bustos also visited businesses in the downtown area that are connected to the cooperative's fiber network. Allendorff stated that the Congresswoman is committed to making sure rural areas have the tools and funding to expand

Continued on page 20C

broadband access. Allendorf updated the board on Tri-County Economic Development Alliance's (TCEDA's) recent activities, noting that TCEDA was invited to partake in the grand opening of TKI (Tessenderlo Kerley, Inc.), a new manufacturing facility located in East Dubuque, where TKI officials praised the assistance offered by TCEDA.

Board Issues

a. Discounted Estate Capital

Credit Retirements – A motion was made, seconded and carried unanimously to approve the discounted estate retirements presented.

b. 2017 Capital Credits General

Retirement – A motion was made, seconded and carried unanimously to approve the

2017 Capital Credits General Retirement.

c. Director Scholarship Options-

A motion was made, seconded and carried unanimously to approve the Director Scholarship option two as presented.

Comments by Members-

Comments were heard from the Members who attended the board meeting. Those in attendance appreciated the opportunity to see a board meeting in person and offer comments. One comment was in support of holding the annual meeting in the evening, which makes it more accessible for members.

Executive Session- A motion was made, seconded and carried unanimously to go into executive session at 11:12 a.m.

Out of Executive Session- A motion was made, seconded and

carried unanimously to come out of Executive Session at 11:36 a.m.

Consideration of Matters discussed in Executive Session –

A motion was made, seconded and carried 10-0 to approve a resolution authorizing the President & CEO and his designees to effectuate agreements that will terminate the power purchase agreement (PPA) with Morgan Stanley, an agreement with Dairyland Power related to that PPA, and enter into a new agreement with Dairyland Power for the Alliant Class A load beginning on April 1, 2018. Director Mattingley abstained from the vote.

Other Business- None.

Adjournment

Chairman Senn adjourned the meeting at 11:53 a.m.

Petitions available for 2018 director nominations

Nomination petitions for the 2018 Jo-Carroll Energy board of directors are now available. Running for the board of directors and voting in the elections is a benefit of being a co-op member. Directors are democratically elected by the membership.

Five director posts will be up for election in the 2018 elections. Districts up for election include: District 8, currently represented by Russell Holesinger of Fulton; District 7, now represented by David Senn of Mount Carroll; District 5, now represented by Pat Smith of Galena; District 10, now represented by Ronald Hallendorff and Robert Kuhns, both of Geneseo; and District 4, now represented by Dan Tindell of Galena.

With this election, the number of representatives from District 10 will be reduced to one. Following the merger with Farmers Mutual Electric Company, District 10 was initially represented by three

directors and reduced to two in 2015 following a transition and integration period. In District 4, the election will be to fill an unexpired term that ends in 2019. Tindell was appointed in May to fill the vacancy until the next election.

Any Jo-Carroll Energy member residing in a district that is up for election, including the incumbent director, may petition for nomination in that district. Members interested in seeking election to the board may pick up a nomination petition at one of Jo-Carroll Energy's offices or download a petition from the cooperative's website at www.jocarroll.com.

Petitions must be signed by at least 25 Jo-Carroll Energy members residing in the district for which the director is to be elected. Petitions must be filed at Jo-Carroll Energy's headquarters no earlier than Dec. 27, 2017 and no later than March 23, 2018.

In order to qualify to have their names placed on the ballot, all

nominees must participate in an orientation process provided by the attorney for the cooperative, assuring that all nominees fully understand the expectations and responsibilities of directors. These include but are not limited to: time demands, educational expectations and fiduciary duties.

All eligible candidates will be announced and listed on the cooperative's website and in Hi-Lines.

Complete details on director qualifications and the nomination procedure can be found in Jo-Carroll Energy's bylaws posted on the cooperative's website at www.jocarroll.com. Anyone without internet access may request a copy by calling 800-858-5522.

The 2018 Annual Meeting of Members is set for Wednesday, May 23 beginning at 6 p.m. at the Crossroads Community Church in Galena (the former Galena Convention Center).

Keep your heat off the street: Heating efficiency

The U.S. Department of Energy reports that heating a home typically accounts for 45 percent of energy bills. The Energy Education Council shares tips to help consumers be more efficient in their winter energy use to reduce energy waste and save money while staying warm.

Always be sure that your heating system is maintained regularly and serviced by a professional so that it is working at peak efficiency. Keep your furnace clean, and change the filter monthly. Also, regularly unblock and clean radiators, baseboards and vents so that they work at peak efficiency.

If you have a fireplace, be sure to keep the damper closed when it is not being used. You may need to add caulking around the hearth so that heat is not lost. If you do not use your fireplace, plug and seal the flume.

Your home does not need to be kept as warm if no one is there. By installing a programmable thermostat, you can automatically lower the temperature in your home while you are away at work or school or while you are sleeping. According to the Department of



Energy (DOE), lowering the temperature between 7 and 10 degrees for eight hours a day can reduce energy costs by up to 10 percent.

Windows and doors are common culprits for air leaks, accounting for around 10 to 25 percent of heating loss, according to the DOE. By adding weather stripping and caulking to windows and doors, you will be able to add an extra level of protection against heat loss. Also, make sure walls,

attics and flooring—especially above unheated spaces such as crawl spaces and garages—are properly insulated.

Employ the help of the sun to heat the home free of charge. Let sun shine in through open curtains during the day, but be sure to close all blinds and curtains after dusk to reduce heat loss.

Also, during cold winter months, make sure you are running your ceiling fans in a clockwise direction. Doing so will push down and redistribute hot air that naturally rises up close to the ceiling.

Turn down the temperature of the water heater to 120 degrees Fahrenheit. This saves money on heating costs and is still warm enough to fit your hot water needs.

EnergyStar recommends having your heating system evaluated if it is more than 10 years old or if it is not keeping your home comfortable. If your system needs to be replaced, talk to your installer about getting the most efficient unit you can afford. Doing so can help you save on your monthly heating bills.

For more information on energy efficiency, visit EnergyEdCouncil.org.

Ten scholarships available for 2018 building conference

Jo-Carroll Energy is offering 10 registration scholarships to the 2018 Better Building: Better Business Conference.

Powered by Seventh Wave and the Wisconsin Builders Association, the conference will be held in Wisconsin Dells, Wis., Feb. 14-16.

Builders, remodelers, architects, building performance consultants,

code officials, contractors, home inspectors and anyone involved in the residential building community are encouraged to attend the conference and apply for one of the registration scholarships.

Jo-Carroll Energy will cover the cost of registration of the core conference for the 10 recipients. Attendees are responsible for any pre-conference registration fees, transportation, meals and lodging.

Those awarded a scholarship must register themselves through an online link provided by the cooperative.

Scholarship applications are available at any Jo-Carroll Energy office, on the cooperative's website (jocarroll.com) or by contacting the cooperative's energy advisor John Scott at jscott@jocarroll.com or call 800-858-5522, ext. 1339.

Applications are due to any Jo-Carroll Energy office by Jan. 19, 2018.



Space Heater Safety Tips

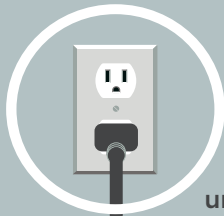
Space heaters are a great way to warm specific rooms in your home without having to crank up the thermostat, but using space heaters doesn't come without risk! Use the tips below to keep your home safe.

DO: Plug your space heater directly into the wall outlet.

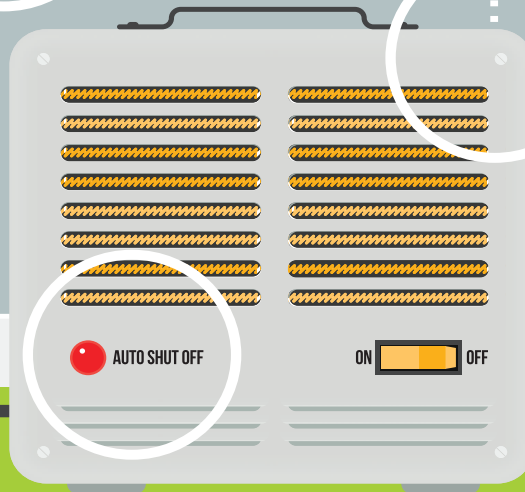


DO: Keep your space heater in low-moisture rooms.

DO: Keep your space heater at a safe distance (at least 3 feet) from kids, pets and flammable items.



DO: Buy a unit with an automatic shutoff in case the unit tips over, or you forget to shut it off.



DO: Always follow the directions and take a broken space heater to a qualified appliance service center.



DON'T: Leave your space heater unattended. Always unplug it before you leave the house or go to bed.



DON'T: Use an extension cord to plug in your space heater. It can cause the heater to over-heat, and can be a tripping hazard.

DON'T: Place your space heater near curtains, clothing, furniture or bedding.



DON'T: Try to repair a broken space heater yourself.



DON'T: Put your space heater in your bathroom. The moisture can damage the unit, which could cause it to malfunction.



The Answer in Savanna, IL

A new year means new goals and can be a great time to begin a healthier lifestyle with physical fitness. Often, we find joining a gym to be intimidating, or we may be uncertain on how to use specific equipment or which movements we should be performing. This is why Mark Klein of Savanna decided to open a fully equipped fitness center in downtown Savanna.

The Answer is one of only a few health and wellness centers in the tri-state area. After a building fire in January 2017 left the business closed for several months, Klein was able to refocus the space and improve upon the already existing gym. With the help and backing of a loyal community, friends and family, The Answer reopened its doors for its grand reopening on May 5, 2017.

The facility has been fully transformed starting with the look of the outside of the building. The main level received new paint, updated flooring, new furnishings and is fully equipped with all new aerobic and strength training machines, treadmills, elliptical machines and recumbent bikes which are available for a complete workout system. The workout space upstairs has been refinished with wood floors and offers a larger, more open area to perform the yoga, aerobics or Tai Kwon Do classes offered by the gym.

Whether looking for a more intense workout program, specific workout classes or personal training specifically tailored to meet your goals, The Answer can provide many different options for every individual's needs. Klein will design a workout and exercise program specifically for each member. He understands members lives are busy and wants to be available and open to the public as much as possible.

The Answer has a keyless entry program which allows members over the age of 18 to use the equipment anytime, seven days a week, 365 days a year. Members who are 18 years and younger can come in for a one-hour orientation to learn about the gym equipment in order to be granted with

the keyless entry which can be used from 4 a.m. to midnight seven days a week. For individuals with limited schedules who are unable to come in during normal business hours, Klein offers an appointment system for members. Simply call the gym and set up an appointment time that works for your

schedule, and Klein will help build your workout program.

The Answer's regular business hours are Monday through Friday 8 a.m. – 6 p.m. Ten percent off all tanning and 10 percent off a new membership is granted to all Jo-Carroll Energy members who present their Co-op Connections Card at purchase.



Youth to Washington Tour applications due February 23

Two high school students will travel to Washington, D.C. on an all-expense paid tour of the nation's capital with the annual Electric Cooperative Youth Tour in June, sponsored by Jo-Carroll Energy and the Association of Illinois Electric Cooperatives.

The 2018 Youth to Washington Tour is open to area high school sophomores or juniors in the current 2017-18 school year who are sons or daughters of a Jo-Carroll Energy member. Winners will be selected via an application and interview process.

Winners will travel by charter bus to Washington, D.C. June 8-15 with about 70 students from across the state of Illinois. Students travel on air-conditioned buses, leaving from Springfield on June 8 and returning June 15.

Youth to Washington is a once-in-a-lifetime chance to bond with fellow students, meet elected officials and experience the nation's capital.

While in Washington, D.C., students will visit attractions such as the Washington National Cathedral, Smithsonian Institution, Arlington National Cemetery, Lincoln Memorial and the U.S. Holocaust Memorial Museum among many other sites. Students also take a special twilight riverboat cruise on the Potomac River.

Applications are available on our website at www.jocarroll.com under the Community tab. Applications must be received at the cooperative's Elizabeth headquarters by Feb. 23. For further information, contact Peggy Francomb, marketing and communications manager at 800-858-5522 ext. 1218.



Want fiber in your neighborhood?

Help us decide where to build . . .

Visit connectSP.com to fill out our interest survey to tell us you want fiber internet in your neighborhood. Your interest helps us determine where to take fiber next.

Follow our progress on the "Fiber Communities" page at connectSP.com



Sand Prairie

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See your photos in print



The 2018 Photo Contest is now open. Jo-Carroll Energy is accepting entries for the 2018 contest; winners will be featured in the 2019 Jo-Carroll Energy Calendar.

We are looking for images that represent life in our service territory – whether they are action shots or scenic landscapes. All photos must be the original work of the entrant and be taken within the Jo-Carroll Energy service territory.

Entry deadline is June 30, 2018.

For complete rules and entry information, visit www.jocarroll.com or contact Peggy Francomb, manager of communications and marketing, at 800-858-5522 or pfrancomb@jocarroll.com.



SCHOLARSHIPS

6

Jo-Carroll Energy Scholarships

\$1,000 each

Awarded to high school seniors, whose parents/guardian are members. Two scholarships are awarded in both Carroll and Jo Daviess counties, and one scholarship is awarded in both Whiteside and Henry counties.

2

Lineworker Scholarships

\$2,000 each

Awarded to students who plan to attend a lineworker school. Applicants or their parent/legal guardian must be a cooperative member.

10

Director's Scholarships

\$500 each

Awarded at the cooperative's Annual Meeting of Members. The applicant and at least one parent/guardian must be in attendance at the annual meeting.

4

2 Year/Technical School Scholarships

\$1,000 each

Awarded to high school seniors who plan to attend a two-year college or technical program, whose parents/guardian are members. One scholarship is awarded in each of the counties the cooperative serves including Jo Daviess, Carroll, Whiteside and Henry.

4

Adult Student Scholarships

\$1,500 each

Applicants must be a current Jo-Carroll Energy member in good standing and must have his or her name on an active account. One scholarship is awarded in each of the counties the cooperative serves including Jo Daviess, Carroll, Whiteside and Henry.

HOW DO I APPLY?

Visit www.jocarroll.com to find full details, requirements, application forms and deadlines for 2018 scholarships.

Applicants must be the son, daughter or under guardianship of a Jo-Carroll Energy member.

QUESTIONS?

Please contact
Peggy Francomb
800-858-5522 ext 1218
pfrancomb@jocarroll.com



Jo-Carroll Energy

Your Touchstone Energy® Cooperative 