

HI-LINES

A NEWSLETTER FOR JO-CARROLL ENERGY MEMBERS

CONTENTS



Elizabeth, Illinois



800-858-5522



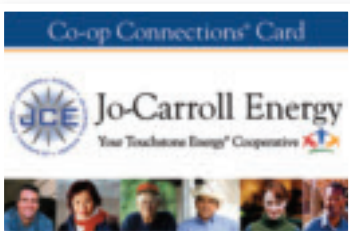
www.jocarroll.com



20D

Light Up the Holidays Food Drive

Annual food drive benefits local pantries.



20F

The value of Co-op Connections®

Save at the pharmacy, local businesses and more.



20G

Election for board of directors

Nomination petitions for the 2019 board of directors are available.

Jo-Carroll Energy 2019 budget approved with rate change

Jo-Carroll Energy's 2019 budget was approved at the December board meeting and includes a rate increase. We understand that rate changes are never welcome news. We do all we can to keep costs in check. We will continue to seek ways to increase our efficiency and contain costs while continuing to provide safe, reliable service.

The new rates will be reflected on the bill you receive in April 2019.

As a not-for-profit cooperative, Jo-Carroll must recover the costs of doing business, as well as maintain sufficient margins to reinvest in the distribution system. Today, just as you and most of the businesses we serve, we are paying more for materials, products and services – from the purchase of wholesale energy to everyday operating costs.

While we have managed your cooperative expenses for the last four years without a rate increase, the fixed costs for providing your energy service have increased while the energy sales for Jo-Carroll have been in a gradual decline.

At the December meeting, the board approved the findings from a cost of service study (COSS) that identified changes necessary to recover increased costs, maintain adequate financial ratios, and promote equitable rates between the various service types at Jo-Carroll.



CEO'S REPORT
by Mike Casper

The objective is for each service type to pay for the costs incurred by the cooperative to serve them while contributing a small margin to reinvest in upgrading and maintaining the system.

In 2018, we commenced a detailed review of all operating expenses and the reduction in revenues from declining energy sales.

We also hired a consulting firm to conduct an independent COSS. The COSS identified the contribution by the respective service types to margins and reviewed each rate design in an effort to recover an equitable rate of return from each service type.

A portion of the new revenue will be recovered from the changes in the monthly facility and member service charges for all service types. By increasing our facility charge, we can recover our fixed costs in a more stable method and from each member more fairly.

The facility charge ensures that your expectations for reliable, continuous energy and responsive member service are met. It gives each member a fair and equal share of the cooperative's monthly

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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
District 1

Joseph Mattingley
District 2

Dan Tindell
District 4

Patricia Smith
District 5

Thomas Lundy
District 6

Larry Carroll
District 9

Robert Kuhns
Treasurer
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

Resume of Minutes

October 24, 2018 - Open Meeting

The regular board meeting of Jo-Carroll Energy, Inc. (NFP) was held at the cooperative's headquarters in Elizabeth, Ill. on Wednesday, Oct. 24, 2018 at 9 a.m.

Presentations

a. A presentation was given by Director of Safety and Loss Control Jeff Harrelson. Harrelson provided results from Rural Electric Safety Achievement Program (RESAP). This onsite observation includes areas of opportunity in which to improve such as increasing storage and maintenance space as well as highlighting areas in which we excelled, such as our fleet maintenance, communications, AED availability and our general safety culture.

b. A presentation was provided by Manager of Broadband Services Todd Tunks. Tunks discussed Jo-Carroll Energy's completed broadband and fiber projects, scenarios for the future development of fiber and how members can submit forms indicating their interest in receiving fiber.

c. A presentation was also given by Director of Utility Operations Bob Pelelo. Pelelo discussed Jo-Carroll Energy's electric and natural gas operations and provided status updates on current and future projects. He highlighted the work of four Jo-Carroll linemen who went to aid in restoration of power for those affected by both Hurricane Florence in North Carolina and Hurricane Michael in Florida.

APGA Report – Director Carroll provided an update on regulatory matters being followed by the American Public Gas Association (APGA).

Dairyland Power Cooperative (DPC) Report – Director Mattingley reviewed highlights from the DPC Board Meeting.

Prairie Power Inc. (PPI) Report – Director Kuhns provided an electric generation summary from the September PPI board meeting. Kuhns noted that District 10 receives most of its power from PPI. Kuhns discussed the opportunity to visit one of PPI's electric generation facilities and explained highlights from the visit. Kuhns noted that the plant is one of the cleanest operating coal generation facilities in the United States. President and CEO Casper also commented that Jo-Carroll Energy, is a member of both Dairyland Power and Prairie Power.

Board Policy 124 – A motion was made, seconded and carried unanimously to approve Policy 124 as is with no changes.

CEO's Report –

President and CEO Casper reported that the cooperative's operating margins for September YTD were \$1,197,000, vs. the budgeted amount of \$1,346,000. The current equity of the cooperative is 22.96 percent.

Operations & Regulatory/Legislative Update

Kyle Buros, Senior VP & Assistant General Manager, noted that after years of effort, the Federal Energy Regulatory Commission (FERC) has approved deregistering Jo-Carroll Energy with the North American Electric Reliability Corporation (NERC), which means the cooperative will no longer be subject to NERC audits, which will save time and money.

Chris Allendorf, Vice President of External Relations & General Counsel, discussed the Northwest Illinois Economic Development's (NWIL) Manufacturing Day Tour that was recently held for students in the area. This tour is designed to broaden a student's knowledge of what jobs are available locally. The CTE academy had workshops on how to create a resume and Jo-Carroll Energy linemen spoke to the students about careers at Jo-Carroll Energy. Allendorf also discussed the Federal Communications Commission's (FCC's) recent "Connect America Fund" Phase II auction for rural broadband grants, noting that small entities like Jo-Carroll are at a disadvantage under current rules.

Board Issues

Discounted estate retirements were approved as presented.

A motion was made, seconded and carried unanimously to approve Rate Policy 804.

A motion was made, seconded and carried unanimously to approve a hybrid balloting contract for Director Elections. Members eligible to vote in a contested director election will have the option of voting online or returning a paper ballot.

A motion was made, seconded and carried unanimously to move the Nov. 28 Board/Budget Meeting to Dec. 6.

Attendees for the NRECA Course 919.1 were selected.

The floor was open for comments from the Members.

Action items as a result of Executive Session –

A motion was made seconded and carried unanimously to approve the employment contract with Michael Casper as President and CEO.

Chairman Senn adjourned the meeting at 12:11 p.m.

Rate change

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operation and maintenance expenses no matter how much energy is sold. It provides the necessary funds that must be invested to build and maintain power and pipelines, substations and other infrastructure, right-of-way maintenance, as well as overall operating expenses. It also provides the quality, reliability and integrity of service that our members have traditionally counted on and come to expect.

To meet your energy needs each month, we purchase electricity or natural gas. Your use is reflected on your monthly bill and is measured in kilowatt hours or therms. The revised electric rates include increases in the energy and generation charges, and a decrease in the transmission charge. As a result of the COSS, recent PCA (power cost adjustment) increases are included in the new rates.

Thomas Winter

The generation charge is the base cost to produce your energy and the costs of the physical infrastructure needed to produce the energy. The transmission charge covers the cost to transmit energy from the generation supplier to Jo-Carroll.

The PCA is a monthly adjustment that we can use to recover changes when these costs fluctuate from the base cost. As the cost goes up or down, the PCA allows the co-op to flow through any increases or decreases as soon as practical.

The first chart provides the changes for the single phase electric rate, which includes most residential members, and the second provides changes for the farm and residential natural gas rate. For other rate classes, please visit jocarroll.com.

Green = Distribution Orange = Power Supply

Single Phase Electric Rate			
Rate	Current	Revised	Change
Facility Charge	\$28.50 per month	\$30.00 per month	Increase \$ 1.50 per month
Member Service Charge	\$4.50 per month	\$5.00 per month	Increase \$0.50 per month
Delivery Charge	\$0.02750 per kWh	\$0.02750 per kWh	No change
Energy Charge	\$0.02829 per kWh	\$0.03500 per kWh	Increase \$0.00671 per kWh
Generation Charge ≤ 1500 kWh	\$0.04250 per kWh	\$0.04500 per kWh	Increase \$0.0025 per kWh
Generation Charge > 1500 kWh	\$0.01500 per kWh	\$0.01800 per kWh	Increase \$0.00300 per kWh
Transmission Charge	\$0.02019 per kWh	\$0.01750 per kWh	Decrease \$0.00269 per kWh
Power Cost Adjustment	\$0.00375 per kWh	\$0.0001 per kWh	(can fluctuate up or down)

Green = Distribution Orange = Purchased Energy

Natural Gas Rate 42			
Rate	Current	Revised	Change
Facility Charge	\$13.50 per month	\$17.00 per month	Increase \$3.50 per month
Member Service Charge	\$4.50 per month	\$5.00 per month	Increase \$0.50 per month
Delivery Charge	\$0.31 per therm	\$0.36 per therm	\$0.05 per therm
Energy Charge	Varies Monthly	Varies Monthly	

Annual food drive benefits local pantries

Thanks to the generosity of Jo-Carroll Energy members and employees, the cooperative donated about 800 pounds of nonperishable groceries to local food pantries.

The proceeds from the co-op's annual Light Up the Holidays Food Drive were divided between the 10 pantries in Jo-Carroll's service territory.

The Jo-Carroll Energy board of directors also approved cash donations of \$500 to each of the 10 pantries that include:

In Jo Daviess County

- East Dubuque Food Pantry
- Elizabeth Food Basket
- Hanover Food Bank
- United Churches of Galena Food Pantry

In Carroll County

- Helping Hands Food Pantry (Chadwick and Milledgeville)
- Savanna/Mt. Carroll Food Pantry
- Thomson/Fulton Food Panty

In Whiteside County

- Albany Food Pantry
- Erie Food Pantry
- Thomson/Fulton Food Pantry

In Henry County

- Geneseo Food Pantry



Jo-Carroll Energy presents the United Churches of Galena Food Pantry with bags of non-perishable food and a donation of \$500. Pictured from left are: Steve Ludwig and Jeremy Whitmer of Jo-Carroll Energy; Johnny O'Shea, food pantry treasurer; Chris Allendorf, Jo-Carroll; Celeste Mancini, food pantry volunteer coordinator; Tom Van Gelder, food pantry administrative director; Carmen Ferguson, food pantry purchaser; Jim Webster, food pantry public relations; and Cindy Maeder and Jake Salzman of Jo-Carroll Energy.



Andrea Young and Norma Schwirtz of the Elizabeth Food Basket accept a \$500 donation and non-perishable food items from Bob Pelelo of Jo-Carroll Energy.



Ben Andersen, treasurer of the East Dubuque Food Pantry, accepts a donation and non-perishable food items from Jo-Carroll Energy's Cindy Maeder.



Carolyn Crawford, food pantry secretary; Pastor Jeanne Ohms, food pantry board president; Marilee Hejna, food pantry director of operations; and Lorraine Speer, food pantry board member, accept a donation of \$500 and non-perishable food items for Hanover Food Bank from Helen Kilgore of Jo-Carroll Energy.



Jo-Carroll Energy employees Elliott Mills and Brandon Beyer present a \$500 donation and non-perishable food items to Liz Clouse, treasurer of the food pantry.



Jo-Carroll Energy presented the Thomson/Fulton Food Pantry a \$500 donation along with several bags of groceries. Pictured from left are Jamie Kluzek of Jo-Carroll Energy, food pantry volunteers Katie Groh, Lee Groh, Jan Vanzuideen, Ron Pessman, Holly Wambergue, Bob Wiebenga and Harlan "H" Wiebenga.



Pat Anderson of Jo-Carroll Energy presents a \$500 donation along with several grocery bags of non-perishable groceries to Lyle Gregory, director of the Helping Hands Food Pantry serving Chadwick and Milledgeville residents.



Volunteers with the Albany Food Pantry accept a donation of \$500 and several sacks of groceries from Jo-Carroll Energy employees. Pictured from left are Jamie Kluzek, JoCarroll; Caroline Stevens, pantry volunteer; Pat Canglese, pantry volunteer; Pat Anderson, Jo-Carroll; and Harlan Foster, pantry volunteer.



Jolynn Kitterman, director of the Geneseo Food Pantry, accepts a \$500 donation and several bags of non-perishable food from Jo-Carroll Energy's Tim Grau. Food donations were collected from cooperative employees and members in November and December.



Erie Food Pantry volunteers accept a \$500 donation and several bags of non-perishable food from Jo-Carroll Energy. Pictured from left to right are Louise Wildt, Jean Spaid and Jo-Carroll Energy's Pat Anderson.

The value of Co-op Connections®



The graphic features a white background with a blue border. At the top, a yellow horizontal band contains a blue circular icon of a prescription slip with 'Rx' written on it. Below this, the text 'CO-OP CONNECTIONS CARD' is written in yellow, followed by 'MEMBERS' PRESCRIPTION SAVINGS AS OF NOVEMBER 2018' in blue. A horizontal line separates this from the large yellow number '\$430,500'. At the bottom, a dark blue band contains the text 'VISIT WWW.CONNECTIONS.COOP' in white.

You could buy a house (or possibly two) with the money members have saved on prescriptions with their Co-op Connections® Card. As of Dec. 1, 2018, members totaled savings over \$430,500! Want another bold statistic? Less than 1 percent of Jo-Carroll Energy members are using their Co-op Connections® Card at the pharmacy, and yet significant savings are adding up. Imagine what savings we would see if every member showed their card to their pharmacist this month.

Thankfully, not every member may need prescription savings through Co-op Connections®. However, those members without prescription insurance may receive up to 80 percent off certain medications.

Each pharmacy contracts their discounts differently. For specific discounts on your medication, contact your pharmacist and mention the Bin, PCN, Group and Member numbers on the back of your Co-op Connections® Card.

Don't have a Co-op Connections® Card? Call 800-858-5522 ext. 1208 to request yours by mail or pick one up at any of our three office

locations in Elizabeth, Savanna or Geneseo.

For more information on Co-op Connections® savings at the pharmacy, local businesses or dental, vision and chiropractic providers, visit www.connections.coop.

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 no later than the 10th of the month following publication.

Petitions available for 2019 director nominations

Nomination petitions for the 2019 Jo-Carroll Energy Board of Directors are now available.

Your cooperative's directors are members and consumers just like you who live in and are a part of the communities we serve. Running for the board of directors and voting in elections are benefits of being a co-op member.

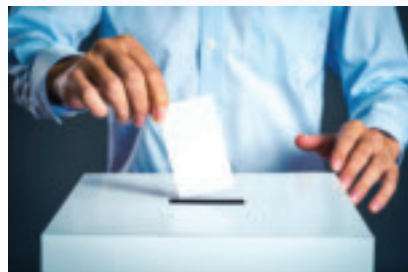
Three director posts are up for election in 2019. They include representatives for Districts 1, 2 and 4. Any Jo-Carroll Energy member residing in a district that is up for election – including the incumbent – may petition for nomination in that district.

Members interested in seeking election to the board may download a petition from the cooperative's website at jocarroll.com or pick up a form at any of Jo-Carroll's offices.

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 the cooperative's Elizabeth headquarters no later than Friday, April 12.

In order to qualify to have their name 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 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 at jocarroll.com. Anyone without internet access may request a copy by calling 800-858-5522.



EMPLOYEE DONATION



Nineteen employees donated their years of service awards to charity this year. Congratulations to the employees who were recognized. Pictured from left and their years of service are: Wendy Meyer, 10; Bob Pelelo, 15; Helen Kilgore, 35; Kevin Reusch, 10; Bob Houzenga, 10; Holly Haring, 10; Cindy Maeder, 10; Jake Salzmann, 5; Kyle Buros, 15; Beth Heim, 10; Chris Allendorf, 5; Pat Keleher, 15. Not pictured: Nancy Nigh, 10; Jim Wayne, 35; Tony Schefsky, 20; Brandon Cummings, 5; Robyn Jackson, 10; Jake Weede, 5; Peggy Francomb, 10.

The Electric Co-op Youth Tour

Washington



Students will have the opportunity to....

MEET WITH THEIR U.S. REPRESENTATIVES AND SENATORS

VISIT HISTORIC MONUMENTS AND MUSEUMS

MEET AND FORM CONNECTIONS WITH STUDENTS FROM OTHER STATES

APPLICATIONS AVAILABLE AT JOCARROLL.COM.
APPLY BY FEB. 22, 2019!

SCHOLARSHIPS 2019

06

Jo-Carroll Energy Scholarships
\$1,000 each



10

Director's Scholarships
\$500 each



04

2 Year/Technical School Scholarships
\$1,000 each



02

Lineworker Scholarships
\$2,000 each



04

Adult Student Scholarships
\$1,500 each



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

APPLICATIONS AVAILABLE AT JOCARROLL.COM.
MOST DEADLINES ARE MARCH 1!