

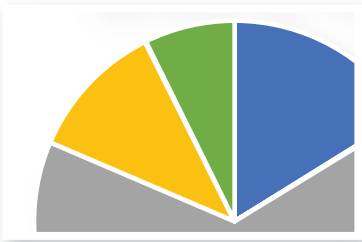
# HI-LINES

A NEWSLETTER FOR JO-CARROLL ENERGY MEMBERS

**CONTENTS** | Elizabeth, Illinois | 800-858-5522 | www.jocarroll.com



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 2020 JCE Annual Meeting set for Aug. 22



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## Envisioning Tomorrow

Enhancing the value of services that we provide you, growing your cooperative and striving for operational excellence are our strategic objectives that provide us focus and our vision for the future. Our vetted initiatives, based on feedback from you, guide us to an end result that will benefit the overall membership. Our purpose is to accomplish what we have envisioned. You don't have to look far for our motivation, it's you, our families, friends, neighbors and the communities that we live.

We continuously strive to improve upon our business unit work plans and refine our financial forecasts. Maintaining sustainable and affordable rates while providing the reliability that you count on is our goal. By keeping our focus on our strategic objectives, our expectation is that rates will continue to stabilize over the long-term. For example, leveraging grant dollars to grow our broadband/fiber business unit will not only add value to you through faster internet speeds, but also it improves our other business units' (i.e., electric and natural gas) operational efficiencies. Utilizing fiber to collect more system data at faster speeds provides us more intelligence to make decisions that will help shorten response times, lengthen the life of existing assets, and enhance overall reliability. The added revenue from more fiber members and savings from operational efficiencies help stabilize rates across all business units. Stable rates and a reliable



**CEO'S REPORT**  
 by Mike Casper

infrastructure that includes high speed broadband/fiber, will attract additional businesses to our area. Growth translates to more members to spread our fixed costs, helping stabilize the fixed charges on your bills.

We are not alone. Although Jo-Carroll Energy is a relatively small, not for profit service cooperative whose territory makes up a sliver of the U.S., we are part of a much larger family. We are active members of the National Rural Electric Cooperative Association, the American Public Gas Association, the Association of Illinois Electric Cooperatives, as well as two member controlled Generation and Transmission wholesale power providers. These memberships provide us access to guidance, research, and governance from more than 1,000 cooperatives and municipalities across the nation that are dedicated to serving their member-consumers with reliable, sustainable and affordable services. These resources, tools and intelligence introduce us to new trends that help us envision change that will better prepare us for the future.

I look forward to the questions that you submit online prior to the August 22 Annual Meeting. Please refer to additional details on page 20C.

## 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

7:30 a.m. to 4 p.m.

**Savanna**

103 Chicago Ave.

7:30 a.m. to 1 p.m.

1:30 to 4 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

## 2020: Envisioning Tomorrow

How many times have we praised the pioneers of the electrical cooperative movement, who struggled to bring power to every home? That's history. Today we face a new challenge brought on by a pandemic that has turned the world we knew upside down.

A challenge, yes, but not necessarily. Jo Carroll Energy has taken the approach that this is an opportunity to find ways to improve and enhance the services we provide our members. We are here to help separate the scams from the opportunities. The importance of communication during this time has directed a spotlight on the importance of high-speed internet for all, especially in rural areas. By leveraging grant dollars, we will be able to



### CHAIRMAN'S REPORT by David Senn

expand our broadband/fiber business. Faster internet speeds will not only improve our ability to respond more quickly to the needs of our natural gas and electric businesses, but it will also encourage new business to the area bringing with them, jobs and more members.

One hundred years ago, who could have envisioned sitting in your living room communicating with people from across the globe? Together we can navigate the roadblocks and envision tomorrow.

## Your Board of Directors

**David Senn,  
Chairman**

Board member since 2007

President since 2013

District 7 Representative

**Marcia Stanger,  
Secretary**

Board member since 2005

District 3 Representative

**Russell Holesinger,  
Vice Chairman**

Board member since 2009

District 8 Representative

**Robert Kuhns,  
Treasurer**

Board member since 2014

District 10 Representative

### Board Members

**Joe Mattingley**

Board member since 2006

District 2 Representative

**Tom Lundy**

Board member since 1990

District 6 Representative

**Dan Tindell**

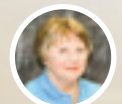
Board member since 2017

District 4 Representative

**Larry Carroll**

Board member since 2011

District 9 Representative

**Pat Smith**

Board member since 2006

District 5 Representative

**Martin Werner**

Board member since 2007

District 1 Representative

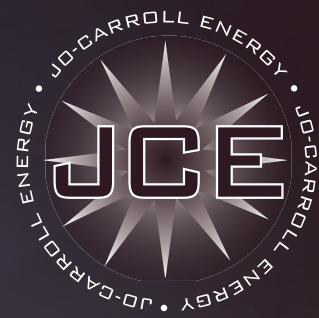
# NOTICE OF JO-CARROLL ENERGY 2020 ANNUAL MEETING PROGRAM

# Envisioning TOMORROW

Saturday, August 22, 2020

Village Municipal Gym | 310 North West Street | Elizabeth, Illinois

To register online, submit a question or to livestream the annual meeting, go to [jocarroll.com/annual-meeting](http://jocarroll.com/annual-meeting).



Your Touchstone Energy® Cooperative 

10 a.m. Member Registration (Pre-registration required; in-person attendance limited to 50)

11 a.m. Business Session

Welcome

Call to Order ..... David Senn, Board Chairman

Approval of Annual Meeting Agenda ..... David Senn, Board Chairman

Invocation

Pledge of Allegiance

Welcome to Elizabeth

Introduction of Jo-Carroll Energy Directors and Recognition of former directors. .... David Senn, Board Chairman

Introduction of Special Guests and Employees ..... Mike Casper, President & CEO

Approval of Minutes of 2019 Annual Meeting ..... David Senn, Board Chairman

Report of Director Elections ..... Chris Allendorf, VP of External Relations  
& General Counsel

Election of Directors by Acclamation ..... Chris Allendorf, VP of External Relations  
& General Counsel

Consideration of Bylaw Amendments ..... Chris Allendorf, VP of External Relations  
& General Counsel

Chairman Presentation ..... David Senn, Board Chairman

President & CEO Presentation ..... Mike Casper, President & CEO

Acceptance of President & CEO Reports and Financial Statements ..... David Senn, Board Chairman

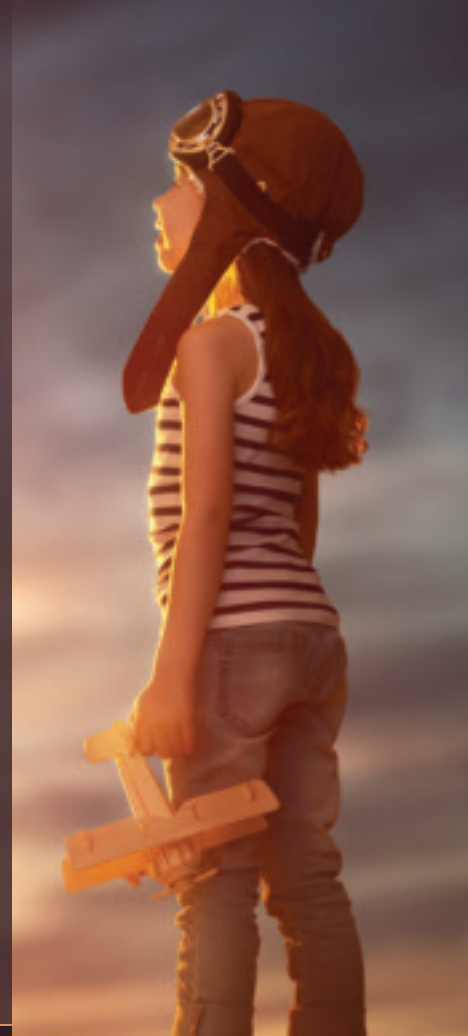
Questions & Answers ..... Mike Casper, President & CEO

Unfinished Business ..... David Senn, Board Chairman

New Business ..... David Senn, Board Chairman

Adjourn ..... David Senn, Board Chairman

Door Prizes





# MINUTES OF THE 2019 ANNUAL MEETING OF THE MEMBERS OF JO-CARROLL ENERGY, INC.

The Annual Meeting of the Members of Jo-Carroll Energy was held at West Carroll Middle School, Mt. Carroll, IL at 6 p.m. on Wednesday, June 12, 2019 pursuant to notice, duly given.

Mt. Carroll Police Chief Fred Cass welcomed the members present and thanked them for their attendance.

Chairman of the Board, David Senn, gave a welcome to the 2019 Jo-Carroll Energy Annual Meeting attendees on behalf of the Board of Directors and the entire Jo-Carroll Energy staff. Chairman Senn stated that there would be a question and answer session at the end of the meeting.

Chairman Senn acknowledged that this was the 80th Annual Meeting of Jo-Carroll Energy Members. Chairman Senn established that a quorum was present and called the meeting to order at 6 p.m.

The Chairman then called for approval of the Annual Meeting Agenda. A motion was made, seconded, and carried by a voice vote of the members present to approve the Annual Meeting Agenda, as printed.

Parson Bob Stark of the First Evangelical Lutheran Church, gave the invocation.

The Chairman led the Pledge of Allegiance.

The Chairman introduced the Board of Directors, noting the district each Director represented and identified the officers of the Cooperative. He then acknowledged the former directors from Jo-Carroll Energy who were present at the meeting.

The Chairman also introduced Mike Casper, President & CEO,

Chris Allendorf, Vice President of External Relations and General Counsel, and the employees present from the Association of Illinois Electric Cooperatives, Prairie Power, Inc., and Dairyland Power Cooperative.

Cooperative President and CEO, Mike Casper, introduced Jo-Carroll Energy employees and welcomed other special guests in attendance.

The Chairman stated that the minutes of the 2018 annual meeting were included with the official meeting notice, and asked for a motion to approve them.

A motion was made, seconded, and carried by a voice vote of members present to approve the minutes as they were printed in the annual meeting booklet.

Vice President of External Relations and General Counsel, Chris Allendorf then explained that in accordance with the bylaws, and in light of the fact that there was only one candidate for director districts 1, 2, & 4, no ballots were mailed for those districts. Allendorf asked for a motion to elect Directors Marty Werner of East Dubuque, incumbent director for District 1, Joe Mattingley of Scales Mound, incumbent director for District 2, Dan Tindell of Galena, incumbent director for District 4, for three-year terms, by acclamation. A motion to elect Werner, Mattingley, and Tindell by acclamation for three-year terms was made, seconded, and approved by a voice vote of the members present. The Chairman declared the 3 candidates to be duly elected for three-year terms.

Chairman Senn addressed the members with his report. He also thanked the members present for

their attendance and taking time away from their busy schedules.

In his Annual Report, Mike Casper, President & CEO, provided a safety moment, and noted that it was great to be back in the area he calls "home." Casper thanked the Jo-Carroll Energy and Sand Prairie teams for focusing on continually striving to meet Member needs. Casper discussed projects that we are currently in the process of building or completing; such as providing fiber and the addition of a new solar array to be staged in Thomson.

The Chairman noted that a revised Balance Sheet was provided when members registered. The Chairman asked for a motion to accept the officers' written and oral reports as well as the financial statements. A motion was made, seconded, and carried by voice vote of the members present to accept these reports as written and conveyed.

The President and CEO then answered questions from the members alternating between questions from the floor and the written questions submitted by members prior to the start of the meeting.

The Chairman reported that there was no unfinished business.

The Chairman then asked if there was any new business. There was none.

The Chairman asked if there was any other business, and hearing none, adjourned the meeting at 6:57 p.m. with the awarding of attendance prizes to follow.

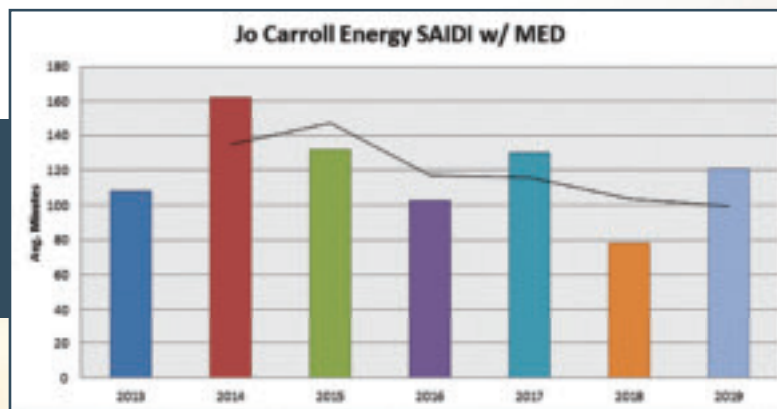
Dated: June 12, 2019  
Respectfully submitted,  
Marcia Stanger, Secretary

# Statement of Revenue and Patronage Capital

Year Ended December 31, 2018 and 2019

	2018	2019
Operating Revenues	\$60,122,311	\$60,509,937
Cost of Power	\$34,900,662	\$36,029,818
Operating Expenses:		
Distribution Expense - Operations	3,693,114	4,007,403
Distribution Expense - Maintenance	3,910,571	3,663,477
Customer Accounts Expense	1,518,820	1,545,619
Customer Service Expense	852,325	887,504
Sales Expense	186,026	184,235
Administrative and General Expense	4,101,614	4,370,380
Depreciation Expense	4,814,190	4,773,983
Taxes	146,514	142,654
Interest - Long Term	4,162,081	4,102,452
Interest - Short Term	48,026	-
Other Deductions	7,271	26,281
<b>Total Operating Expense</b>	<b>58,341,214</b>	<b>59,733,806</b>
<b>Net Operating Margins</b>	<b>1,781,097</b>	<b>776,131</b>
<b>Non-operating Margins:</b>		
Interest Income	31,495	217,708
Gain on Disposal of Equipment	9,649	24,094
Other Non-Operating Margin	8,454	4,873
Patronage Capital from:		
Generation & Transmission	456,888	1,070,555
Other Cooperatives	397,247	386,842
Extraordinary Items	-	-
<b>Net Margins for Period</b>	<b>\$2,684,830</b>	<b>\$2,480,202</b>

## Reliability Report



# Balance Sheet

Year Ended December 31, 2018 and 2019

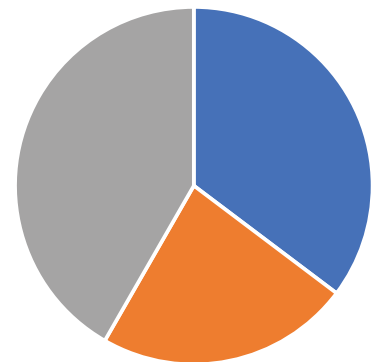
<b>Assets</b>	2018	2019
<b>Utility Plant:</b>		
Utility Plant In Service (cost)	\$159,756,420	\$156,492,667
Construction In Progress	2,674,455	5,363,636
Subtotal	162,430,875	161,856,303
Less: Accumulated Depreciation	52,858,614	56,149,844
Net Utility Plant	109,572,261	105,706,459
<b>Investments:</b>		
Non-Utility Plant (net)	86,302	122,689
Investments	12,519,750	13,506,522
Total Investments	12,606,052	13,629,211
<b>Current Assets:</b>		
Cash and Cash Equivalents	4,942,538	7,577,132
Temporary investments	-	-
Notes Receivable	121,715	121,715
Accounts Receivable	4,362,240	3,564,802
Materials Inventory	2,599,814	2,702,013
Prepayment	485,010	439,808
Other Current Assets	3,221,985	2,146,930
Total Current Assets	15,733,302	16,552,400
Deferred Debits	16,995,617	15,751,142
Total Assets	<u>\$154,907,232</u>	<u>\$151,639,212</u>
<b>Equities &amp; Liabilities</b>		
<b>Equities &amp; Margins:</b>		
Memberships	\$5,875	\$5,530
Patronage Capital	\$25,689,079	\$26,969,753
Other Margins & Equities	9,385,485	9,911,250
Total Equities and Margins	35,080,439	36,886,533
<b>Long-Term Debt:</b>		
CFC Mortgage Notes	85,701,789	86,821,610
USDA Economic Dev Loan	798,078	667,362
Other Non Current Liability	15,222,109	8,595,572
Postretirement Benefits:	1,573,203	1,447,163
<b>Current Liabilities:</b>		
Notes Payable	-	-
Accounts Payable	4,551,168	4,517,499
Current Maturities of Long Term Debt	4,683,310	4,786,576
Postretirement Benefits	105,350	102,698
Customer Deposits	375,856	370,871
Other Current Liabilities	1,307,955	1,344,940
Total Current Liabilities	11,023,639	11,122,584
Deferred Credits	5,507,975	6,098,388
Total Equities & Liabilities	<u>\$154,907,232</u>	<u>\$151,639,212</u>

Percentage of 2019 Gas Members by Class



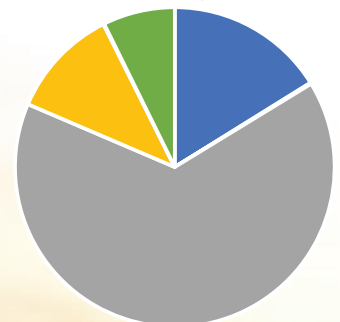
■ Residential ■ Commercial

Percentage of 2019 KWh Usage by Class



■ Residential ■ Commercial  
■ Large Commercial

Percentage of 2019 Services by Class



■ Gas Residential ■ Electric Residential  
■ Electric Commercial ■ Broad Band

# Candidate Profiles

## District 3

### Incumbent:

## Marcia "Marcy" Stanger



### 13A17 Rawhide Ct., Apple River, IL

Marcia (Marcy) Stanger and her husband, Bob, have been Jo-Carroll Energy members since 1992 when they moved from Fox River Grove, IL to Apple Canyon Lake. The Stangers have always been interested in community endeavors and want to "give back" to the community for all the friendship that has been shown them.

At the same time, they believe in "paying forward" with whatever time and talents they have. In the past, Marcy has served on PTAs, Jaycees and Lioness groups. She was an elected official for 6 years each to the Fox River Grove Village and Apple Canyon Property Owners Assoc. Boards of Directors. She continues to be active in the Association events serving on two commissions. Also, she appreciates being asked to help out in local community projects and will do her best to add to an event. Marcy and Bob are active members of Holy Cross Parish in Stockton.

Marcy has been a Jo Carroll

Director since 2005. She is board secretary and serves on the executive committee. To keep abreast of current energy issues, she regularly attends regional and national conferences. She has earned her Credentialed Cooperative Director and Board Leadership certifications from NRECA. (National Rural Electric Cooperative Assoc.) Marcy believes it is very important to keep informed on the ever-changing energy issues as they affect the members.

Stanger believes in Board openness and transparency. Members' needs and concerns are most important as you are the "cooperative." The Jo-Carroll Mission statement sums it all up:

"Jo-Carroll exists to enhance the quality of life for our members."

She supports the lowest possible rates for services keeping in mind the necessity for fiscal responsibility, service reliability and strongly supports safety practices. It is vitally important to keep the Jo Carroll staff safe, healthy and well trained.

They are our direct link to you, the members, to provide the necessary services you expect.

Marcy is proud of the expanded services now offered to the members, i.e. fiber, broadband, solar panels, energy efficiency programs, expanded communication opportunities, etc. It surely enhances "quality of life."

Having lived all of her life in small rural communities, she and Bob appreciate the openness and friendliness of their neighbors and friends. They have lived in District 3 for 20 years and can now boast of the family of 4 children, 12 grandchildren and 4 great-grandchildren.

If re-elected, Marcy, as representative for District 3, will continue to be an active advocate for all of the Jo Carroll members. She states, "As the world is so dramatically changing, the challenges - and opportunities - are many, I will work hard to give the members the best Jo-Carroll Energy can offer."



## Candidate profiles (continued)

### District 6

#### Incumbent:

#### Tom Lundy

**17861 Airhart Road, Savanna, IL**

Tom Lundy has served on the Jo-Carroll Energy board since he was elected March 10, 1990. He resides in rural Savanna and is a family man and a farmer.

Tom graduated from Savanna High School in 1955. After high school, he attended Cornell College located in

Mount Vernon, Iowa, where he received a degree in chemistry. Following college graduation, Tom served in the Marine Corps and was stationed just 36 miles from Washington, D.C., at Quantico Marine Corps Base in Virginia.

Tom and his wife, Priscilla, operate a grain and beef cattle farm in rural Savanna. They are



the parents of four grown children and enjoys spending time with his grandchildren.

Tom enjoys fishing and has a small pond on the farm. But his real passion is the farm which keeps both he and Priscilla busy and active.

### District 9

#### Incumbent:

#### Larry Carroll

**1104 Locust St., Thomson, IL**

Larry Carroll is seeking re-election on the Jo-Carroll Energy board as the representative from District 9. He has been a member of Jo-Carroll Energy since 2007. A graduate of Thomson High School and Morrison School of Drafting and Design. Carroll has completed numerous law enforcement courses and training and Illinois Certification for Fire Protection District Trustee.

Carroll served six years on the board of directors of the American Public Gas Association

from Washington D.C. At the present time he serves on the APGA's Operations and Safety Committee and the Natural Gas Regulations Committee. The APGA represents the interests of municipals, cooperatives and investor-owned natural gas utilities at the federal level by developing legislative and regulatory policies that further the goals of gas system members.

Now retired, he worked for Interstate Power/Alliant Energy for 36 years as well as the Thomson Police Department, serving 26 years as Chief of Police. While with Interstate



Power, he was a member of the Work Safety Council. He also served on the Alliant Energy foreman selection committee. He is currently a Trustee for the Thomson Fire Protection District and Secretary.

Carroll and his wife, Carolyn, are the parents of sons Brennan, Bradlee, Rush, Jamie, and Wesley.

He enjoys detailing vehicles, fishing, yard work and spending time with family and friends.