

JO-CARROLL

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



PRESIDENT'S REPORT

by Michael Hastings

Capital Credits

One of the many benefits of being a co-op member

Natural gas workers, linemen appreciation days

Jo-Carroll Energy will celebrate Natural Gas Worker Day on March 18 and Lineman Appreciation Day on April 11 to honor the hardworking co-op employees who keep the lights on and gas flowing 365 days a year.

We invite members to show their appreciation by sending messages with positive comments and thanks. Messages can be mailed to Jo-Carroll Energy, ATTN: Communications, PO Box 390, Elizabeth, IL 61028 or emailed to communications@jocarroll.com.

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.

Two names are included this month issue because a name was inadvertently omitted in the February issue.

There are so many benefits that come with co-op membership, but perhaps one of the best benefits is capital credits.

What are capital credits? At the end of each year, Jo-Carroll Energy calculates its margin, which is the amount by which its income exceeded its expenses during the year. Then, we allocate capital credits based on the amount of electricity, natural gas or broadband each member purchased during the year in proportion to the margins of each business unit.

Allocation of capital credits was on the board of director's agenda in February. The amount of your allocation will appear as a notation on your bill in March. Keep in mind that this is not a credit on your bill.

Allocated capital credits become an entry on the permanent financial records of the cooperative and reflect your equity or ownership in the cooperative.

We retire the capital credits when our board of directors determines it is financially feasible and prudent.

In the interim, the cooperative uses the allocated capital credits to cover emergencies, maintain and improve our systems, and meet our other capital needs. This reduces our need to borrow money and helps us provide reliable service.

You might wonder why we do this. As a

cooperative, we are here to provide affordable, reliable service. We aren't here to make a profit, and we don't have shareholders. As a member of a cooperative, you invest in the efficient operation of your co-op.

Every year, your board of directors evaluates the cooperative's financial position and capital needs, and determines whether the co-op will retire capital credits.

When capital credits are retired you will either receive a credit on your bill or a check. Active members with retirements up to \$599.99 receive a bill credit. Active members with retirements more than \$600 and inactive members receive a check. Jo-Carroll Energy retires capital credits in a hybrid method with a 25-year rotation plus 5 percent of all remaining margins at a discounted rate.

We announce capital credit retirements in Hi-Lines and draw your attention to the credit or check with a special bill insert.

To help ensure you receive your retirement if you leave the cooperative, please provide us your current address after you leave.

Returning capital credits to members is a practice unique to the cooperative business and represents one of the cooperative principles – members' economic participation. The bottom line, capital credits are just one of the many benefits of being a member of Jo-Carroll Energy.

For your information

Your Board of Directors:

David Senn
Chairman
District 7

Chris Stadel
Vice Chairman
District 4

Marcia Stanger
Secretary
District 3

Martin Werner
Treasurer
District 1

Joseph Mattingley
District 2

Patricia Smith
District 5

Thomas Lundy
District 6

Russell Holesinger
District 8

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 - 4 p.m.

**Services and
Billing Questions:**

(800) 858-5522
www.jocarroll.com

**For emergencies
and outages call:**
(800) 858-5522

Resume of Minutes

December 3, 2015

The board met on Wednesday, December 3, 2015, at the Jo-Carroll Energy Headquarters. The following is a summary of the meeting activities. The Agenda and the Consent Agenda were approved.

Presentation – Bert Kalisch, President and CEO of APGA gave a presentation on the state of affairs of the natural gas industry, including impact of government regulations and the advocacy the APGA provides for its members.

Chairman's Report – Chairman Senn reiterated numerous challenges facing rural America and how rural utility cooperatives like Jo-Carroll Energy must be effective advocates for Members on these issues.

Dairyland Report – Director Stadel reported that the decommissioning of Alma Units 4 & 5 will cost approximately \$17 million. Stadel also reported that Dairyland is in the process of refurbishing the G3 Unit's turbine and generator at a cost of approximately \$7 million.

AIEC Report – Chairman Senn reported that the new CEO of Coles-Moultrie cooperative spoke to the board about the differences between his career at an investor-owned utility and a cooperative utility. Senn also reported that the AIEC will have the ability to video-conference in 2016.

PPI Report – President and CEO Hastings reported that PPI has hired Evervision to consult on possible business opportunities for PPI.

Monthly Committee Review

Director Smith reported on Board Policy 146 – Enterprise Risk Management, which was approved without changes.

Board Self Evaluation Committee Meeting Report – Director Stanger provided the board with the committee's suggestions regarding an updated board self-evaluation process.

CEO's Report – The CEO reported on the following in addition to his written report:

- a. **Financial Operating Report** – Hastings reported that the Cooperative had an unaudited margin of approximately \$395,000 in October, compared to a budgeted margin of approximately \$250,000. The Cooperative has margins of approximately \$3.8 million, year-to-date, compared to a budgeted amount of \$2.7 million. The Board accepted the October Financial Operating Report for filing by general consent.
- b. **Power Supply Report** – CEO Hastings had nothing further to report.
- c. **CFO Report** – Vice President and Chief Financial Officer Heidenreich reported that approximately \$1.32 million in capital credits was retired to approximately 21,300 Members.
- d. **Sr. Vice President and Assistant General Manager Report** – Sr. Vice President and Assistant General Manager Buross reported that the Cooperative's gas system suffered its first major outage, with approximately 100 Members in the Savanna area having been affected.
- e. **Culture of Excellence and Communications** – Merri Sevey, Vice President of Human Resources updated the board on the status of recent open positions with the Cooperative.

- f. **Member Services** – Jennifer Skien, Vice-President of Member Services, provided the board with an update on credit and debit card security measures taken by the Cooperative.
- g. **External Affairs Update** – Chris Allendorf, Vice President of External Relations and General Counsel, provided a state and federal legislative update, including a partial release by the state of LIHEAP funds and the state's inability to pay utility bills in other areas of the state.

Board Issues

- a. **Discounted Estate Retirement Approval** – CFO Heidenreich presented the board with discounted estate retirements, pursuant to a request from the auditor for specific approval of such.
- b. **Broadband Fiber to the Home** – Jesse Shekleton, Director of Engineering, presented the board with two broadband fiber pilot projects, 1 each in Galena and Savanna.
- c. **Broadband Rates** – the board approved modifying broadband rates to apply to the previously approved fiber pilot projects.
- d. **Future Open Board Meetings** – the board approved holding open board meetings in February and October of 2016.
- e. **Approve 2016 January Board Meeting date** – the board approved changing the January 2016 board meeting date to February 3.
- f. **Member Survey Results** – Vice President Sevey reviewed the results of the most recent member survey, noting that the Cooperative's ACSI score has improved to 82.
- g. **Accounting for Reserves** – the board approved modification to the allocation of reserve margins, as presented by the CFO, based on recommendations from the auditors and CFC.
- h. **NRECA International Program Request** – the Board approved a donation to a NRECA International Program in Bolivia to be undertaken solely by Illinois electric cooperatives.
- i. **Oakton Substation Property** – General Counsel Allendorf reviewed the proposal regarding the Cooperative's property in Savanna known as the "Oakton Substation". The board approved a resolution waiving the requirements of board Policy 127.1 and authorizing the President and CEO to sell the Cooperative's property in Savanna.
- j. **Ratify Outside Union Contract** – General Counsel Allendorf reviewed the negotiation process and the terms of a collective bargaining agreement between the outside bargaining unit and the Cooperative. The Board ratified the collective bargaining agreement.
- k. **NRECA 2016 Voting Delegate/Alternate** – NRECA 2016 Voting Delegates/Alternates were chosen.
- l. **NRTC 2016 Voting Delegate/Alternate** – NRTC 2016 Voting Delegate/Alternates were chosen.
- m. **CFC 2016 Voting Delegate/Alternate** – CFC 2016 Voting Delegate/Alternates were chosen.
- n. **Prairie Power 2016 Director(s)/Alternate Director** – Prairie Power 2016 Director(s)/Alternate Director were chosen.

Jo-Carroll Energy accepting director nominations

Eligible Jo-Carroll Energy members in Districts 1, 2 and 4 interested in running for a position on the cooperative's board of directors may obtain and file the petition forms needed for nomination.

Petition forms along with the cooperative's bylaws that include information about director qualifications and the nomination process are posted on Jo-Carroll Energy's website at jocarroll.com/board-directors. Anyone without internet access may request a copy by calling 800-858-5522. Petitions also can be obtained at one of the cooperative'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 Jo-Carroll Energy's headquarters no later than March 24.

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,

education expectations and fiduciary duties.

All eligible candidates will be announced in the 2016 Annual Meeting Book, on the cooperative's website and in Hi-Lines.

Board directors whose terms are up for election include Martin Werner of East Dubuque, District 1; Joe Mattingley of Scales Mound, District 2; and Chris Stadel of Hanover, District 4.

If more than one candidate files for election in a district, ballots will be mailed to each member residing in that district. Members may vote for one director for the district in which they reside – or in which the member is entitled to vote. All balloting concludes on May 24, the day prior to the

annual meeting. Ballots are counted by the Credentials and Election Committee.

Results of any elections are reported at the annual meeting of members. If only one candidate files in a district, election is by acclamation at the annual meeting; ballots are not mailed.

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. The cooperative has one director from each of its 10 board districts. (An exception is District 10 which is currently served by two directors as part of the merger with Farmers Mutual Electric Company; that number will become one in 2018.)

Minutes

(continued from 16b)

Executive Session

Executive Session was held to discuss pending and possible litigation, and employment matters.

Consideration of Matters discussed in Executive Session – No action was taken as a result of matters discussed during executive session.

Reports – Reports were heard from directors in attendance at NRECA Course 921.1 and Director Senn reported on the CFC IBES meeting.

Upcoming Meetings – Board Budget Meeting on December 22, 2015.

Other Business – Directors Mattingley, Stadel, and Werner were reminded to provide names of members willing to serve on the Credentials and Election Committee.

Adjournment – Chairman Senn adjourned at 1:40 P.M.

Resume of Minutes

December 22, 2015

The board met on Wednesday, December 22, 2015, at the Jo-Carroll Energy Headquarters. The following is a summary of the meeting activities. The agenda was approved.

Board Issues

a. November Financials – Hastings reported that the Cooperative had an unaudited margin in November of approximately \$329,000, compared to a budgeted amount of \$304,000. By general consent, the board approved the November financials for filing with the auditor.

b. Resolution to Reallocate the Margins in the Operating Revenue Account – CFO Heidenreich informed the board that based on the board's action at the previous board meeting regarding allocation of operating reserve margins, the auditor recommended that the board consider a resolution authorizing the allocation of operating reserve margins to the Members. The board approved the resolution as recommended by the auditor.

c. Triumph Bank Resolution – the Board approved a resolution updating authorized personnel for an account with Triumph Bank.

d. 2016 Budget – CFO Heidenreich made a presentation to the board regarding the 2016 budget for the Cooperative. Different scenarios were presented, along with the effects on equity, debt-service

ratios, and other financial metrics. The proposed 2016 budget was approved. Resolution to Defer Revenue from 2015 to 2016 – As part of the budget presentation, CFO Heidenreich presented the board with budget forecasts that took into account the deferral of a portion of 2015 revenue. The Board approved a resolution to defer \$500,000 of 2015 revenue to 2016, in order to help stabilize rates.

e. NRECA Course 2630.1 & 2640.2 – were discussed and attendees noted.

f. Rotary Roundtable – there will not be anyone attending the Roundtable this year due to a scheduling conflict with a directors' course.

Executive Session

Executive Session was held to discuss pending and possible litigation, and employment matters.

Consideration of Matters discussed in Executive Session – No action was taken as a result of matters discussed during executive session.

Upcoming Meetings – NRECA Course 2620.1 and February Board Meeting. Other Business – Required signatures for the NRECA Voting Credentials, Rentech resolution and NRTC Voting Credentials were completed.

Adjournment – Chairman Senn adjourned at 10:41 A.M.

Top five energy users in your home

A starting point for savings

By Anne Prince

While most homeowners would like to be more energy efficient and save money, often it feels overwhelming because many people don't know where to start. How can the average family use less energy, lower their utility bill and still meet their daily energy needs? To help jumpstart your effort, it is useful to know what the top energy users are in your home. With this knowledge, you can choose a path that works best for your family.

According to the U.S. Energy Information Agency, the top five energy users in U.S. homes are:

1. Space cooling
2. Space heating
3. Water heating
4. Lighting
5. Refrigeration

Adjust the temperature.

Together, home heating and cooling use the most energy and take the biggest bite out of your energy budget. On the bright side, there are ways you can achieve at least 10 percent savings by taking a few simple low-cost or no-cost steps.

- During cold weather, set your thermostat to 68 degrees Fahrenheit.
- During warm weather, the recommended indoor temperature is 78 degrees Fahrenheit.
- Cleaning the filters of your HVAC system can cut costs from five to 15 percent.
- Clean the coils around your electric baseboard heater to maintain maximum efficiency.

- Caulk and weather-strip around windows and doors to prevent heat from escaping to the outdoors.

No matter what the climate or time of year, proper use of a programmable thermostat can save you 10 percent on your monthly utility bill.

Shine the light on savings.

Take a fresh look at the lighting in your home. If you still use incandescent lighting, your light bulbs are operating at only 25 percent energy efficiency. Replacing your home's five most frequently used bulbs with Energy Star-certified LEDs can save you \$75 per year. Another easy way to save is to always turn lights off in rooms that are not being used.

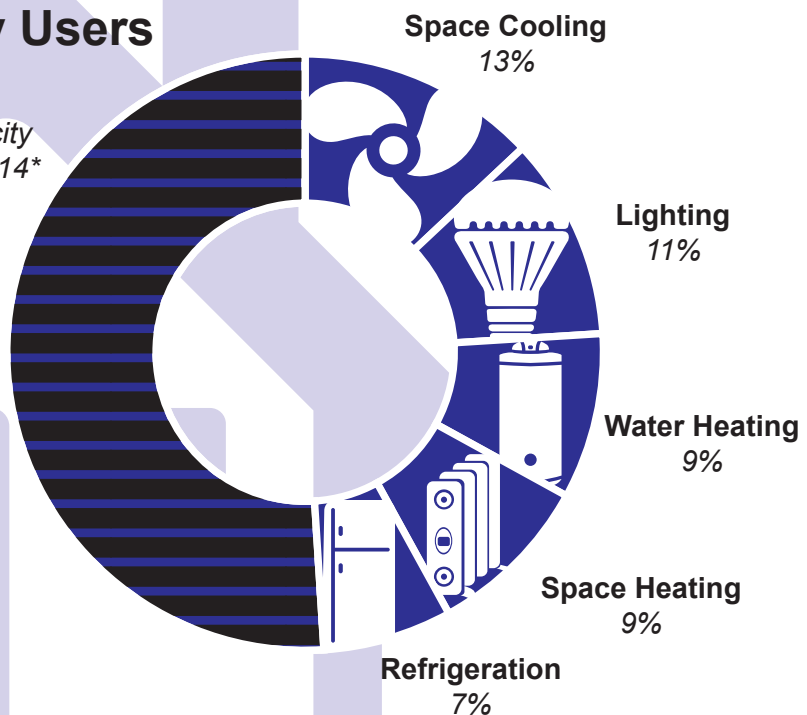
Top Five Energy Users in U.S. Homes

*Estimated residential electricity consumption by end use, 2014**

Other uses include TV, set-top boxes, home entertainment and gaming systems, monitors and networking equipment, clothes dryer, small electric devices, heating elements and motors.



America's Electric
Cooperatives



*Source: EIA

Heat water efficiency.

Just as it is energy-wise to insulate your roof, wall or floor, it also pays to wrap your hot water heater with an insulating blanket. This is all the more critical if you have an older unit. Make sure to follow the manufacturer's instructions. For additional efficiency and savings, insulate exposed hot water lines and drain one to two gallons of water from the bottom of your tank annually to prevent sediment build-up.

Put cold hard cash back in your wallet.

If your refrigerator was purchased before 2001, chances are it uses 40 percent more energy than a new Energy Star model. If you are considering an appliance update, a new Energy Star refrigerator uses at least 15 percent less energy than non-qualified models and 20 percent less energy than required by current federal standards.

Regardless of the age of your fridge, there are additional steps you can take to save energy and money. For example, don't keep your refrigerator too cold. The Department of Energy recommends temperatures of 35 – 38 degrees Fahrenheit for the fresh food compartment and 0 degrees Fahrenheit for separate freezers (used for long-term storage).

By understanding how your home uses energy, you can determine the best ways to modify energy use and keep more money in your wallet.

Anne Prince writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives.

Energy Efficiency Tip of the Month



Consider purchasing rechargeable batteries – and an ENERGY STAR charger for them – which are more cost effective than disposable batteries. In the U.S. alone, more energy-efficient battery chargers could save families more than \$170 million annually.

HOW TO CLEAN REFRIGERATOR COILS

... AND WHY IT MATTERS!

Your refrigerator is one of the largest, most-used appliances in your home. It requires only minimal maintenance – just simple cleaning of the condenser coils, which disperse heat. If the coils are covered with dust, gunk or pet hair, they cannot diffuse the heat properly and will not run efficiently. A bigger problem can result if the compressor burns out from having to run constantly because of the grimy coating. This can be an expensive problem. The bottom line? A minor investment in time once a year can save you cold cash down the line.

MATERIALS YOU WILL NEED

- Vacuum cleaner with hose
- Damp cloth



1. Locate the refrigerator's coil, a grid-like structure, or fan that will likely have a covering or grate protecting it. The coil is usually concealed behind the front toe kick or in the back. Some newer models have internal coils, so if you don't find them in the front or back, this may be the case with your fridges.
2. If the coil is in the back, slide the refrigerator away from the wall, removing the plug from the electrical outlet when possible. You may also need to disconnect the line to the water dispenser or icemaker to allow enough room to work.
3. Gently vacuum and clean the coil. Using the brush or crevice attachment, carefully vacuum the dust and dirt wherever you see it. If you have pulled the fridge out, vacuum and wipe down the sides and back of the fridge and the floor.
4. Once the floor is dry, plug in the refrigerator and rearrange the power cord and supply lines so they don't get a kink or stuck under the weight of the refrigerator. Slide the refrigerator back into place. Be sure to replace the toe kick panel if this was removed.



Your reliable source

Serving your street

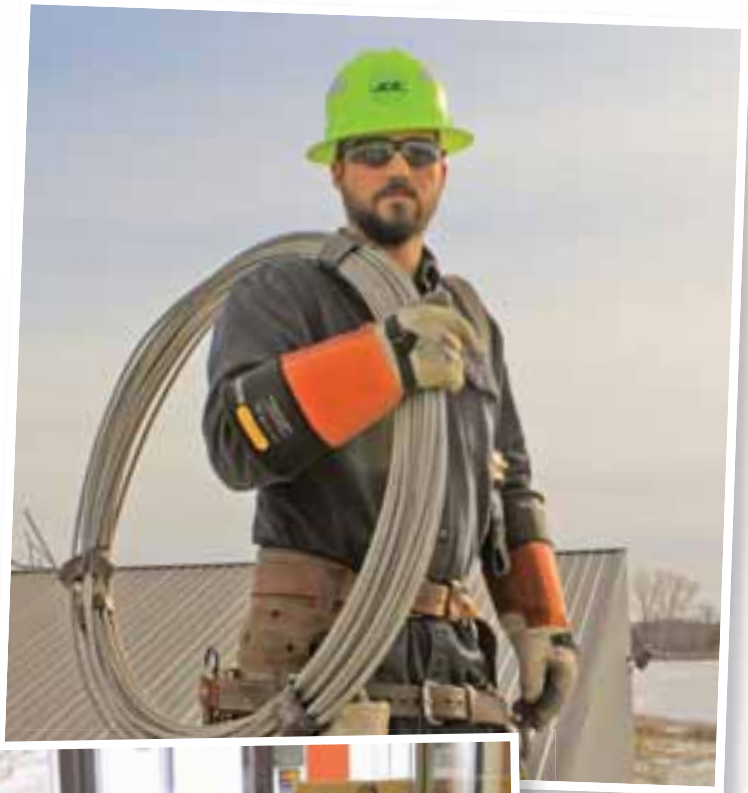
The best part about being a member of Jo-Carroll Energy is just that ... it's your energy cooperative. You have a say in how your co-op is run because membership also equals ownership.

Being locally owned, operated and democratically run means you can trust Jo-Carroll Energy to focus on your needs, local priorities and decisions that are best for your community.

Cooperatives are organized around a strong commitment to make a difference and provide excellent service to our members. That's why Jo-Carroll Energy invests time, money and expertise to build our local economy. Unlike large investor-owned utilities, we are rooted right here. We strive to improve members' quality of life by taking leadership roles in community development projects, educating youth, and generously donating time, energy, and resources to schools, nonprofits and community events.

Over the years, we have answered the call to provide additional benefits and services because it is extremely important to us that our community thrives and prospers. This is why we offer members services like energy audits, the Co-op Connections Card, youth programs and internet services.

Always remember that Jo-Carroll Energy is committed to preserving your trust, and around here, there's more to trust than making sure your lights come on when you flip the switch. We are dedicated to being your reliable source of power and information, your trusted community partner—your cooperative.





your reliable
SOURCE

2016 Annual Meeting of Members

Save the DATE!

Wednesday, May 25, 2016
East Dubuque High School
200 Parklane Drive, East Dubuque, IL

5 pm | Registration begins • 6 pm | Annual Meeting
7 pm | Pork Chop Sandwich Dinner by Piggly Wiggly

Members who attend the meeting will receive one \$10 bill credit per membership

Please **RSVP** *Appreciated but not required.*

* attending: MEETING _____ DINNER _____
NAME _____
MEMBER # _____ (located on your bill)

- Please return this RSVP form or the form in your bill with your next payment.
- Call 800-858-5522 ext. 1208 or 1228
- Complete the survey at www.surveymonkey.com/r/jceannualmtg16

793 U.S. Route 20 West, P.O. Box 390 | Elizabeth, IL 61028 | www.jocarroll.com

The Atkinson Wellness Center — Atkinson

The Atkinson Wellness Center, our newest co-op connections business, opened their doors in 2009 and offers members a unique massage therapy experience. What makes this business unique is a message technique they specialize in called Myofascial release. **Gregory Mighell**

This form of massage focuses heavily on the connective tissue and light pressure instead of a deep tissue massage on the muscles.

Rachel, owner of Atkinson Wellness Center, says the myofascial release is a completely different type of experience.

"I tailor sessions to what people really need, if they are having hip or shoulder pain I will make sure to really work on relieving this pain or tension."

Atkinson Wellness Center is located at 510 N State St. Atkinson. Call (309) 489-6030 to learn more. All new customers can receive a \$10 discount for an hour long appointment and a \$5 discount for a half hour myofascial massage.



How to use your Co-op Connections card

With changes in the New Year, several of the pharmacies have updated their systems and are asking for members to bring in their card when purchasing pharmacy prescriptions.

Can I use my Co-op Connections Card with my current insurance benefit to reduce my costs?

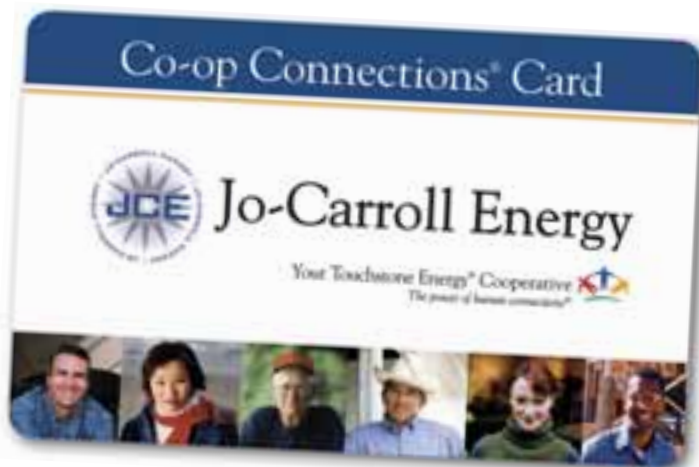
Unfortunately, your card cannot be used in conjunction with insurance. However, use your card for products and services not covered by your insurance plans and receive a discounted rate.

Can I find out the discounted price of my prescriptions before going to the pharmacy?

Yes, if you know the name, strength, and quantity of the medication, you can find the discounted price of the medication by visiting www.rxpricequotes.com.

Where can I get a list of providers that accept the card?

The Co-op Connections Card is accepted at more



than 100,000 health related providers nationwide. Find participating locations at www.HealthySavings.coop. Visit www.connections.coop for over 22,000 online shopping and local business discounts.

I've lost my card. How can I get a replacement?

Please contact Jamie Lockwood at Jo-Carroll Energy by calling 800-858-5522, extension 1208 or by email at jlockwood@jocarroll.com.