

JO-CARROLL

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



PRESIDENT'S REPORT

by Michael Hastings

Co-op receives REAP grant to expand energy audit program

We received some good news at the co-op this spring telling us we will receive a USDA grant that will support our energy audit program for small businesses and agriculture producers.

I am pleased to announce that Jo-Carroll Energy is receiving a \$90,000 REAP grant for energy audits under our Energy Detective program. Agriculture Secretary Tom Vilsack announced the award of grants through USDA's Rural Energy for America Program on Earth Day in April.

This is the second REAP grant Jo-Carroll Energy has received. The first grant, received in 2009, led to the hiring of a dedicated energy advisor and further development of an energy assessment and audit program. The Energy Detective program started in 2010 with a focus on residential members. The service promotes energy conservation and efficiency through consumer education and action.

With the latest grant, we plan to expand the popular Energy Detective program to business and agriculture producer members. The grant will allow us to allocate additional employee time to the energy audit program, and to provide an incentive for small businesses and agriculture producers to engage in energy efficiency programs.

All audits will be supervised and conducted by an in house certified energy manager and a BPI certified energy consultant. Utilizing a variety of tools, the audits allow us to analyze the energy

efficiency of a business or agricultural facility in order to help the member get the greatest value out of the energy they use each month.

After the audit is complete, a report is provided to the member and includes recommendations discussing ways a business or facility could be improved through energy efficiency upgrades.

With the grant, we will be able to offer special, value-pricing on energy audits for small businesses and ag producers. While details of the program are being finalized, we plan to offer a tiered approach to the energy audits, including the following packages:

- Lighting and small appliance energy audit focusing on conversion to efficient lighting equipment and upgrades to small coolers/ motors, HVAC systems, etc. The business owner will pay \$200, which is 25% of the cost of an \$800 audit.
- Midsized energy audit focusing on the same as the above and also larger HVAC systems and equipment. The business owner will pay \$350, which is 25% of the \$1,400 cost of the audit.
- Commercial/large scale energy audit focusing on large scale business and agriculture operations. The owner will pay \$500, which is 25% of the \$2,000 audit.

We'll be announcing further details of the program soon in future issues and on our website. If you have any questions about the program, please call us at 800-858-5522.

South View
Solar Farm

Reserve your
place in the sun!

Subscriptions to
South View Solar Farm
panels now available

Visit www.jocarroll.com
for information

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.

For your information

Your Board of Directors:

David Senn
Chairman
District 7

Chris Stadel
Vice Chairman
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Secretary
District 3

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District 10

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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) 927-5254

Resume of Minutes

Regular Board Meeting • March 25, 2015

The regular board meeting of Jo-Carroll Energy, Inc. (NFP) was held at Jo-Carroll Energy Headquarters in Elizabeth, Illinois on Wednesday, March 25, 2015. The following is a summary of items of action.

The Agenda as modified and the Consent Agenda were approved.

Chairman's Report – Chairman Senn commented on the Member meetings that have taken place to discuss the new unbundled rates and bills. He reminded the board that even though the Cooperative celebrated its 75th anniversary last year, the next 25 years will likely be as challenging as the first 75, albeit for different reasons.

AIEC Report – Director Senn reported on the approval of resolutions at the NRECA Annual Meeting in support of increased gas and electric cooperation and the NRECA's 21st Century Report. CFC made a presentation to the AIEC board about cost recovery through facility charges.

APGA Report – Director Carroll reported on the recent APGA Operations & Marketing conference in Florida. Attendees participated in a case study of a recent natural gas explosion.

PPI Report – Director Hallendorff reported that PPI's expenses were slightly over-budget. PPI is moving ahead with obtaining several megawatts of wind and solar power, including two 500 kw solar projects at Spoon River and Shelby Electric Cooperatives.

Monthly Committee Review

(a) **Policy Report** – Policy 137.1 – Identity Theft Prevention (Red Flags) – Staff are still working on possible updates to Board Policy 137.1 and a motion to send Policy 137.1 to the Policy Committee carried unanimously.

(b) **Executive Committee Report** –
(1) Board Conflicts of Interest – The committee reviewed the Cooperative's bylaws and current board policies and determined that no conflicts of interest currently exist among the directors.

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

a. **Financial Operating Report** – Hastings reported that the Cooperative exceeded budgeted margins by approximately \$200,000 in February. The Board accepted the February Financial Operating Report for filing by general consent. Hastings also reported that the Member meetings regarding rate unbundling and bill redesign are going well, with some good participation by the Members who do attend.

b. **Power Supply Report** – CEO Hastings reported that he was very impressed with the new CEO of Dairyland, commenting that it is refreshing that someone from outside the organization was brought in, with the possibility of bringing new ideas to Dairyland.

c. **Rentech Report** – CEO Hastings reported a conference call was held on March 23.

d. **CFO Report** – CFO Heidenreich informed the board that the audit report is complete; the Cooperative's Form 990 will be the next step. Additionally, Heidenreich stated that 2014 allocation notices have been sent to the Members.

e. **Sr. Vice President and Assistant General Manager Report** – Assistant General Manager Buross reported that there were no Member comments on the redesign of the bills; all comments pertained to the unbundled rates.

The comments regarding unbundled rates have focused on bottom-line costs, with some confusion about the unbundled rates being "revenue neutral", since some Members will see an increase in their bills. Staff has been working with Members to help them better understand the individual impact the unbundled rates may have.

f. **Culture of Excellence and Communications** – Merri Sevey, V.P. of Human Resources reminded the board that the 76th Annual Meeting of the Cooperative is scheduled for April 18 in Geneseo. Also, as part of the Cooperative's Culture of Excellence, employees will be receiving a new survey as part of the Dennison Culture Exercise.

g. **Member Services** – Jennifer Skien, V.P. of Member Services, reported that her department has not seen an increase in calls due to the unbundled rates and bill redesign. Skien also informed the board that they may be receiving calls from Members because disconnects have started, with the end of winter.

h. **External Affairs Update** – Chris Allendorff, Corporate Counsel, provided the board with a legislative update, including a bill in Illinois that would benefit Exelon's nuclear generation fleet. Allendorff also informed the board of a letter the NRECA is circulating through Congress that asks for each Member's support for RUS funding. Allendorff also updated the board on the activities of TCEDA, as well as a brief overview of a potential project for a Rural Economic Development loan. Board Attorney Cox updated the board on the Campbell Center.

Board Issues

a. **Work Orders and Special Equipment** – A motion to approve work orders and special equipment purchases carried unanimously.

b. **Revisions to Rates** – A motion to make minor revisions to previously approved unbundled rates carried unanimously.

Reports – Reports were heard on: APGA Marketing/Sales Conference/SIF Operations Conference, NRECA Course 901.1, Member Meetings at Geneseo, Fulton, Mt. Carroll, Savanna, and Elizabeth and the TCEDA Annual Meeting.

Upcoming Meetings – Member Meeting at Galena and the Jo-Carroll Energy Annual Meeting.

Other Business – None

Executive Session – A motion to go into Executive Session at 10:50 a.m. to discuss pending and possible litigation and employment matters carried unanimously.

A motion to end the Executive Session was made at 11:20 a.m. and carried unanimously.

Consideration of Matters discussed in Executive Session – None

Adjournment – The meeting was adjourned at 11:21 a.m.

Jo-Carroll Energy holds annual meeting

About 200 members, employees and friends of Jo-Carroll Energy gathered for the cooperative's annual meeting held April 18 at St. Malachy's Catholic School in Geneseo.

During the meeting, members approved bylaw amendments and five incumbent Jo-Carroll Energy directors were re-elected to the board by a vote of acclamation. They included Pat Smith of Galena, District 5; David Senn of Mount Carroll, District 7; Russell Holesinger of Fulton, District 8; and Robert Kuhns and Ronald Hallendorff, both of Geneseo, District 10.

Board chairman Senn recognized outgoing board member Doug Darby, who served a total of 29 years on the Farmers Mutual and Jo-Carroll Energy boards, including two years as chairman of the Association of Illinois Electric Cooperatives board.

Senn later noted that Geneseo was home to Farmers Mutual Electric Company, which merged with Jo-Carroll Energy in 2012.

"What a privilege to be here, the home of the first electric co-op in the state of Illinois," Senn said, "and now part of one new big family, a cooperative by and for the members." **Dixie Dittmar**

In keeping with the theme of the meeting, "Unity of Purpose", Senn urged members to stay involved in their cooperative and to be the grassroots of rural America.

"There are those that say rural America doesn't count, co-ops are no longer needed," he said. "Your board, however, knows you do count and if we speak with one voice, our grassroots, we can be heard."

Referencing the cooperative's 75th anniversary in 2014, Senn noted, "The next 25 years are going to be as great a challenge as the past 75. There are those who argue on both sides of the issue of climate



change. The true question is how we plan to save the limited natural resources that we do have.”

Michael Hastings, president and CEO, focused on the cooperative’s community solar project that was commissioned in 2014. South View Solar Farm makes renewable energy available to more members, and is an affordable, accessible way for members and the cooperative to demonstrate a commitment to clean energy, Hastings said.

Located at the cooperative’s headquarters in Elizabeth, the 456-panel array has a combined capacity of 128 kW (dc). That is enough energy to power about 25-30 homes annually.

Jo-Carroll Energy members who receive electricity from the co-op can purchase subscriptions for this locally produced clean energy. Participating members receive a monthly bill credit for their panels’ output.

“The project increases the amount of our power generated by renewables,” Hastings said. “Investing in a local renewable energy project is a hedge against rising fuel costs, helping us build a stronger future.”

Hastings also discussed the new bill design and restructured rates.

“What we needed to do was realign our rates to reflect the cost of providing service to each of our members,” he said. “Your new bill unbundles charges into the categories of distribution costs and energy—or supply—costs. We think it is important to be able to show you where your energy dollars are going, and separate the items we can control from those we can’t.”

He stressed that the end result is revenue neutral to Jo-Carroll Energy; the cooperative is not collecting additional revenue over the course of the year. Because of the changes and depending on how much energy a member uses, some will see their bills go down while others will increase.



Co-op Connections® Card Puts Value in Your Wallet

Jo-Carroll Energy's commitment to you goes beyond providing safe, reliable, and affordable electricity, natural gas and broadband internet.

We're always looking for ways to provide value to our members and our community, Jo-Carroll Energy's Co-op Connections® Card is a money-saving tool we're proud to offer our membership. The card connects you with discounts on everything from hotel stays to prescription drugs.

A wide variety of merchants throughout our communities—from Galena to Geneseo—accept the card. Be sure to present the card at the register to receive your discount!

For a complete list of all participating businesses in our area, simply log on to our website www.jocarroll.com and follow the Co-op Connections® Card link. You can download the Co-op Connections® app onto your mobile phone to search for deals near you, also.

One of the most valuable features of the Co-op Connections® Card is the pharmacy discount. While it is not insurance, the discount can mean savings of 10 to 85 percent on prescription drugs. The logo and information on the back of your card is recognized at more than 60,000 national, regional, and local pharmacies.

The pharmacy discount has been widely used by Jo-Carroll Energy members, resulting in combined savings of more

than \$300,000 on prescriptions.

The card also gives you access to online savings at around 100 national retailers like Hertz Rental Cars, Best Western hotels and ProFlowers.com. You can check out these great national discounts at www.connections.coop.

We hope local businesses participating in the Co-op Connections program benefit from increased traffic from Jo-Carroll Energy members. Businesses can sign up for the program at no cost.

We're eager to answer any questions you have about the card and how to take advantage of the discounts it provides. Call us at 800-858-5522, ext. 1228 to find out more, or log onto www.jocarroll.com.

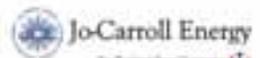
As a Touchstone Energy co-op, Jo-Carroll Energy strives to serve our members according to four core values: integrity, accountability, innovation and commitment to community. Our Co-op Connections® Card is one of the ways we live up to those values.



**MAKE SAVING MONEY AS EASY
AS SHOWING A CARD.**



**Don't have a card? Call us today
and we'll send you one, or pick
one up at any Jo-Carroll Energy office.**



www.connections.coop
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Keeping you safe during and after summer storms

No one knows electrical safety better than the experts who practice it every single day. Jo-Carroll Energy encourages you to practice safety with these reminders – for during and after a summer storm.

Avoid wires and water—When lightning strikes a home during a storm, the electrical charge can surge through pipes and utility wires. That means you can get zapped if you're touching water or any device that's plugged in, whether it's a landline phone or toaster.

Skip the makeshift shelter—During a storm, it's tempting to take cover under a picnic gazebo or golf cart, but in open-sided structures with no conductors to channel strikes, a bolt's path of least resistance to the ground could be you. On top of that, these structures raise your risk of a lightning strike because of their height. Keep moving toward

suitable shelter.

Portable generators—Take special care with portable generators, which can provide a good source of power, but if improperly installed or operated, can become deadly. Do not connect generators directly to household wiring. Power from generators can back-feed along power lines and electrocute anyone coming in contact with them, including co-op line workers making repairs. It's best to hire a qualified, licensed electrician to install your generator and ensure that it meets local electrical codes.

Flooded areas—Stay away from downed power lines and avoid walking through flooded areas. Power lines could be submerged and still live with electricity. Report any downed lines you see

to Jo-Carroll Energy by calling 800-858-5522 immediately.

Electrical equipment — Never use electrical equipment that is wet – especially outdoor electrical equipment, which could be a potential danger after a summer storm. Water can damage electrical equipment and parts, posing a shock or fire hazard. Jo-Carroll Energy has been a proud member of Touchstone Energy Cooperatives since 1998. Along with 750 electric cooperatives nationwide, we have partnered with Touchstone Energy to put safety as our number one concern. For a checklist to assess safety hazards around your home or to take a quick safety quiz, go to <http://www.togetherwesave.com/power-of-community/safety>.



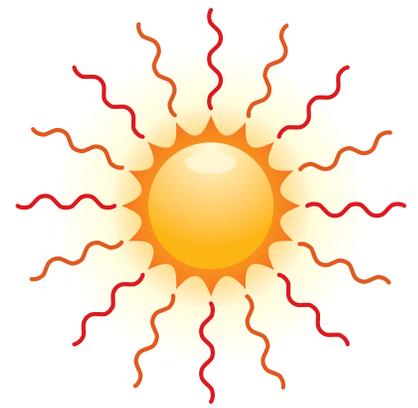
Summer Storm Safety Tip

Strong summer storms can create dangerous situations. Always avoid downed power lines - the wire could be live, which could be deadly for those nearby. Quickly report downed power lines to your local electric cooperative.



Jo-Carroll Energy asks your help in limiting summer energy costs

Do the Summer Shift: 11 a.m. to 7 p.m. Weekdays



As member-owners of Jo-Carroll Energy, you have proven your ability each summer to help limit power costs for the membership. We appreciate your participation in the cooperative's Summer Shift program, as it has helped control wholesale costs to the cooperative in each of the past several years.

While changing the time of day you use electricity in the summer doesn't appear as a line item credit or obvious reduction in price on your utility bill, it actually limits exposure to price increases for the cooperative and our members. It truly saves all members from costly power surcharges each summer. We call it avoided cost.

It may seem odd, but it costs less to provide electricity for your use during certain hours of the day and days of the week. Because consumers in our regional energy pool use more electricity summer weekdays from 11 a.m. to 7 p.m., it is most costly to provide our members with adequate power during those hours.

As an analogy, think of the maximum electricity use in those

hours as "electricity rush hours" for the large population in our regional energy pool. Adequately providing as much electricity as consumers need causes power generation of every sort to be maximized, transmission routes to reach capacity and costs can become extremely high – reaching many multiples of our typical rates.

We do have options, though. Dairyland Power Cooperative, one of our power providers, continues to encourage us to help limit Jo-Carroll Energy's summer wholesale electricity costs by shifting members' electricity use to lower cost times on summer weekdays—either before 11 a.m. or after 7 p.m.

Do the Summer Shift to help control costs. It's easy and the kids can help:

- ⌚ Shift energy use outside the hours of 11 a.m. to 7 p.m. summer weekdays.
- ⌚ Delay the dishwasher.
- ⌚ Turn up the thermostat.
- ⌚ Shift the start of the laundry.
- ⌚ Be conscientious of the time of day when using computers,

televisions and electronic games.

- ⌚ Take advantage of day time natural light in offices and homes.

We're confident that our members' combined efforts to move electricity use outside the hours of 11 a.m. to 7 p.m. summer weekdays will make a difference.

Over the next couple of months, we'll share more specific suggestions for how you can continue to participate by shifting some electricity use outside of these more costly hours. For now, if you would like to read further, take a look at this link to more information on our website: www.jocarroll.com/SummerShift or this link for energy efficiency suggestions from the U. S. Department of Energy <http://energy.gov/articles/resolve-save-energy-year>. Give us a call at 800-858-5522 with any questions you have.

Thank you for your participation in this valuable effort. Do the Summer Shift!



SHIFT IT
You Can Make
A Difference!

Cooperative members can help keep electric rates affordable for everyone. Just shift energy use to before 11 a.m. and after 7 p.m. summer weekdays.

- Shift use of dishwasher and washer/dryer
- Turn up air conditioner thermostat a few degrees

Do the Summer Shift

WE KEEP THEM UP HERE FOR A REASON.

STAY CLEAR OF DOWNED POWER LINES.

Helping members use electricity safely, that's the power of your co-op membership.
Learn more from the experts themselves at TogetherWeSave.com.



Jo-Carroll Energy

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