

JO-CARROLL

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



PRESIDENT'S REPORT

by Michael Hastings

Appreciation Days, fiber project plans underway

Mark your calendars for our 2016 Member Appreciation Days! Join us at one of the cooperative's offices for food, fun and prizes as we celebrate Member Appreciation Days. We've planned three events as our way of thanking you for the opportunity of serving you throughout the year.

All events will be from 11 a.m. to 1 p.m., and are set for three locations for your convenience:

- **June 28 – Elizabeth Headquarters**
- **June 30 – Savanna Office**
- **July 1 – Geneseo office**

Due to feedback from members and employees, we're moving these events from October to the summer months.

Our employees and directors will be grilling pork chop sandwiches and hot dogs, served with chips and a treat. We'll have games for all ages and co-op members have the opportunity to win bill credits.

Everyone who receives electricity, natural gas or broadband internet services from Jo-Carroll Energy are members.

We appreciate your membership and welcome you to an event in your honor. There are no speeches or presentations at appreciation days. Our employees work hard to host this fun event, and I encourage you to attend. Join us at one of these events to visit with your board members and employees and celebrate co-op membership!

Fiber pilot projects

Jo-Carroll Energy's team is constantly looking for ways to improve service to members and strengthen reliability. Earlier this year we announced two pilot projects to bring fiber internet service to portions of two communities in our service territory.

The fiber project will support the cooperative's own advanced metering infrastructure as well as brings a new option for broadband service to our members.

As a cooperative, we strive to bring value-added services to our rural area. Although high-speed internet options have become increasingly available across the nation and world, much of rural America has remained unserved or underserved. Sand Prairie, our broadband division, is working to bring these solutions to our members.

Construction of the pilot projects in Galena and Savanna begins this month. These communities were selected, in part, because of the cooperative's existing infrastructure, allowing us to better utilize our resources and minimize environmental impacts. To provide construction diversity, the pilot projects required both underground and overhead designs.

You can find more information about both Appreciation Days and the fiber projects inside this issue and on our website at jocarroll.com.

South View Solar Farm

Reserve your place in the sun!

Subscriptions to South View Solar Farm panels now available \$846 per panel

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
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

March 23, 2016

The board met on Wednesday, March 23, 2016, at the Jo-Carroll Energy Headquarters. The following is a summary of the meeting activities. The Agenda and the Consent Agenda were approved.

Chairman's Report – Chairman Senn reported that the Cooperative will be submitting a resolution to the NRECA regarding potential changes to the Natural Gas Act which would benefit electric consumers.

Dairyland Report – Director Stadel reported that Dairyland's Class D members signed a power purchase agreement with Alliant Energy. Stadel also reported that the January PCA was 4 mills.

AIEC Report – Director Senn reported on the lack of a budget for the State of Illinois and utilities of all types not receiving payments from the state. Senn also discussed the Glenn English Youth to Washington Scholarship. Additionally, the search for a new CEO of the NRECA is continuing.

APGA Report – Director Carroll reported on the APGA's efforts regarding the "Furnace Rule". Carroll also noted that the Pipeline and Hazardous Materials Safety Administration has received federal funding to hire additional inspectors. These inspectors will be paying close attention to the wall thickness of pipe, which could increase costs to consumers to remediate, considering the average age of gas transmission lines is 60 years.

PPI Report – Director Hallendorff reported on the generation numbers for the Prairie State Generating Campus in February.

Monthly Committee Review

- Policy Report** – Policy 101– Communications was discussed and approved with no changes.
- Bylaw:** Article IV Section 1– A proposal was made by Vice President of External Relations and General Counsel, Chris Allendorf, to add a provision to Section V, Article IV of the bylaws, which would expressly prohibit nominations from the floor for director candidates during the Annual Meeting and was approved.

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

- Financial Operating Report** – Hastings reported that the Cooperative had an unaudited margin of approximately \$569,000 in February, compared to a budgeted amount of \$940,000. The Board accepted the February Financial Operating Report for filing with the auditor by general consent.
- Power Supply Report** – CEO Hastings reported that Jo-Carroll Energy is working with IPL (Interstate Power and Light) regarding the possible purchase of a share in a new combined-cycle natural gas plant in Iowa.
- CFO Report** – The 2015 Audit for Jo-Carroll Energy was presented by Mark Prouhet, an accountant with BKD CPAs.
- Sr. Vice President and Assistant General Manager Report** – Sr. Vice President and

Assistant General Manager Buros reported on the addition to the Jo-Carroll Energy headquarters building, noting that staff are preparing to begin moving into the new office space beginning on April 22. Buros also reported on various renewable energy credit auctions. Buros concluded by announcing that the councils of the cities of Galena and Savanna have approved the Cooperative's plans for fiber broadband internet pilot projects.

- Culture of Excellence and Communications** – Merri Sevey, Vice President of Human Resources, reported that two line crew employees, Ryan Stadel and Kurt Krohmer, have volunteered for and will be assisting with the NRECA's international project in Bolivia. Sevey also reported that Jo-Carroll Energy recognized our Gas Technicians on March 18 for National Gas Utility Workers Appreciation Day, and a similar celebration will be held for the line crews.
- Member Services** – Jennifer Skien, Vice-President of Member Services, reviewed the rate changes for District 10 (former Farmers Mutual Cooperative area), which were previously accepted by the Membership as part of the merger of the two Cooperatives.
- External Affairs Update** – Chris Allendorf, Vice President of External Relations and General Counsel reported on the impact of recent events involving the U.S. Supreme Court, as well as effects of the state's inability to approve a budget. Allendorf also reported on changes to the state Department of Commerce and Economic Opportunity that may have an effect on the efforts of TCEDA.

Board Issues

- Discounted Estate Retirements Approval** – CFO Heidenreich presented the discounted estate capital credit retirements for the board's consideration. The discounted estate retirements were approved as presented.
- Credentials and Election Committee** – The Credentials and Election Committee Members were certified and approved.
- Ratification of the Engagement Letter with Shay Phillips** – The engagement letter with Shay Phillips was approved.
- Elimination of Rate 160** – Rate 160 was eliminated in District 10.

Executive Session

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

Consideration of Matters discussed in Executive Session – None.

Reports – Reports were heard on: NRECA Course 2640.1-Financial Decision Planning and the TCEDA Annual Meeting.

Other Business – None.

Adjournment – The meeting was adjourned at 11:16 AM.

Jo-Carroll Energy President and CEO accepts new position

Jo-Carroll Energy president and CEO Michael Hastings announced in April that he is resigning to take a new position as President and CEO of Shenandoah Valley Electric Cooperative in Mt. Crawford, Va. on August 1.

Hastings has over 25 years of experience working for electric cooperatives. Raised on a Kansas farm, he first worked for the Kansas Electric Cooperatives' statewide association, then for the Association of Illinois Electric Cooperatives. He has served Jo-Carroll Energy since 2005.

During the past 11 years Hastings has led Jo-Carroll Energy through many changes including the acquisition of Alliant Energy electric and natural gas assets in Illinois, a merger with another electric cooperative, Farmers Mutual Electric Company, and the addition of broadband and natural gas services.

Hastings said the addition of the Illinois territory served by Interstate Power & Light Company,

an Alliant Energy company, was by far the most challenging change. The acquisition added new members who tripled the size of the cooperative and created a need for new employees. Upgrades to the acquired system were made such as adding smart meters. Employees adapted to running a natural gas system and learning about a new service territory. There was also a learning curve for Alliant customers, who became members-owners of the non-profit cooperative. "There is just a different business model and culture that comes with a cooperative, but those differences are all consumer and community centric," said Hastings.

Service to the members is at the heart of that cooperative difference, said Hastings. Broadband service is an example he cites. However, broadband service is also a big challenge. Jo-Carroll Energy, through its broadband division Sand Prairie, is now working on adding fiber optic service to some areas.

Hastings said given their history of bringing electricity to rural areas, cooperatives are uniquely qualified to meet the challenge of providing broadband service to sparsely populated rural areas.

Moving on will also be a challenge for Hastings. He said, "Although this is a wonderful opportunity and new challenge, I will miss my co-op family here at Jo-Carroll Energy. The board of directors, employees and members have all been wonderful to me and my family."

Jo-Carroll Energy Board Chairman David Senn said, "We have accepted Michael's resignation with regret, but also a sense of pride. We are proud of all the things Michael and all of our employees have accomplished for our cooperative. We are also proud that another cooperative's board has recognized what a wonderful leader we've had here at Jo-Carroll Energy. We are already discussing how we are going to find a replacement for Michael. He has set the bar pretty high."



Jo-Carroll Energy directors recently attended an NRECA course on cooperative finance at the Association of Illinois Electric Cooperative's headquarters in Springfield. Pictured are, from left: Martin Werner, District 1; Robert Kuhns, District 10; David Senn, District 7; Joe Mattingley, District 2; Pat Smith, District 5; course instructor; Marcy Stanger, District 3; Larry Carroll, District 9; Tom Lundy, District 6; and Chris Stadel, District 4.

Jo-Carroll Energy announces fiber-to-the premise pilot projects

Jo-Carroll Energy president and CEO Michael Hastings has announced the cooperative's Sand Prairie internet service is undertaking two fiber-to-the-premise pilot projects.

"We're excited to announce we'll be breaking ground on two fiber pilot projects," Hastings said. "Two diverse areas were chosen for these projects, one in the downtown Galena area and the other in a mostly residential area of Savanna."

Approximately 250 premises are included in each pilot project. Staking for the projects has been completed. Construction is expected to begin this month with commissioning of the two pilots late this summer.

"Sand Prairie is working to bring solutions to our members," said Jesse Shekleton, director of engineering. "To provide construction diversity, the pilot projects required both underground and overhead designs. Jo-Carroll Energy already has a fiber network running through Savanna in addition to several fiber extension requests to support its own AMI and SCADA installations. The Savanna pilot provides the overhead design component for construction diversity. The downtown Galena area provided the underground component."

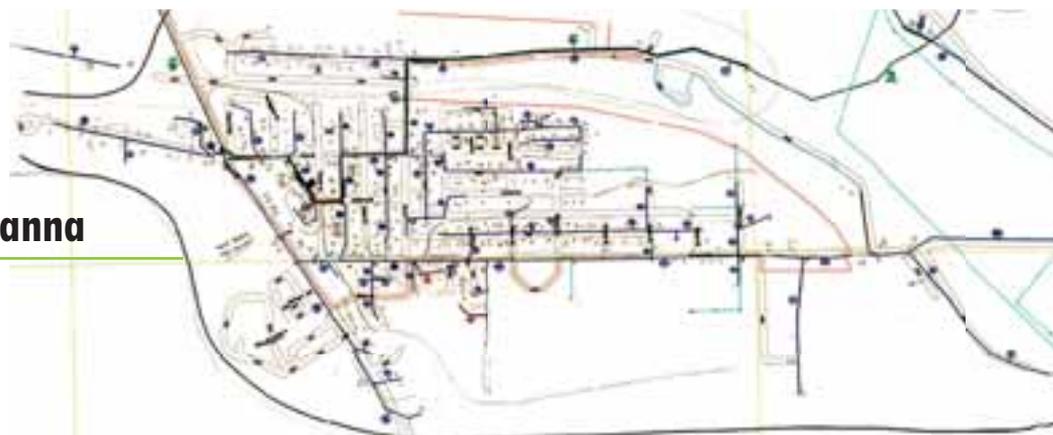
Dan Marcure, Jo-Carroll Energy's manager of network services, noted that FTTP brings

a reliability that isn't found with other services, and has coined the phrase "true speed" to the service. "True Speed is a promise by us to ensure your service is getting the speed you signed up for," he said. "If a device isn't getting the speeds you think it should, call us and we'll work with you to find the solution."

Visit my.connectsp.com for more information on these two pilot projects as we bring this technology to our service area.



Savanna



Galena



Plan to visit us during our 2016 Appreciation Days!

Join us for Jo-Carroll Energy's 2016 Member Appreciation Days set for each of our offices in Elizabeth, Savanna and Geneseo, paired with an American Red Cross Blood Drive in each community.

Events are scheduled from 11 a.m. to 1 p.m. on the following dates:

- June 28 at the Elizabeth Headquarters
- June 30 at Savanna
- July 1 at Geneseo

Have lunch on us as we fire up the grills to bring back the popular pork chop sandwiches that were a hit last year along with hot dogs, chips and a special treat.

We will have games for adults and kids alike. Members can try their hand at a balloon pop game to win bill credits.



We will have LED lightbulbs to give away, and you can bring along your old CFLs and drop them in one of our recycling buckets.

During the events you can

sign-up for the MyAccount Member Services Portal, learn about our efficiency incentives and how to subscribe to Southview Solar, our community solar farm.



Jo-Carroll Energy and Scott Hanson, manager of IT and broadband, were honored recently by the Employer Support of the Guard and Reserve. Hanson received the Patriot Award, presented for a supervisor's direct support of a service member. Jo-Carroll Energy was recognized with the Above and Beyond Award, given to local employers providing support and accommodation over what is required by law. Hanson and cooperative were nominated for the awards by broadband technician Mike Cox, who is an Army Reserve sergeant. Pictured are (from left) Bob Schwieder from the ESGR, Cox, Hanson and Michael Hastings, Jo-Carroll Energy president and CEO.

Blood drives



Jo-Carroll Energy is sponsoring American Red Cross Blood Drives during each of the appreciation events.

Watch our website and Facebook page and local newspapers for more information about these events.

Know the dangers of electric shock drowning

Despite being categorized as leisure activities, swimming and boating can quickly become dangerous. While water-safety behaviors such as wearing life jackets and maintaining safe boating speeds have become commonplace, a serious hazard remains that is often overlooked. This silent killer, classified as electric shock drowning, occurs in fresh water when a typically low level alternating current (AC) passes through the body, which causes muscular paralysis and eventually leads to drowning.

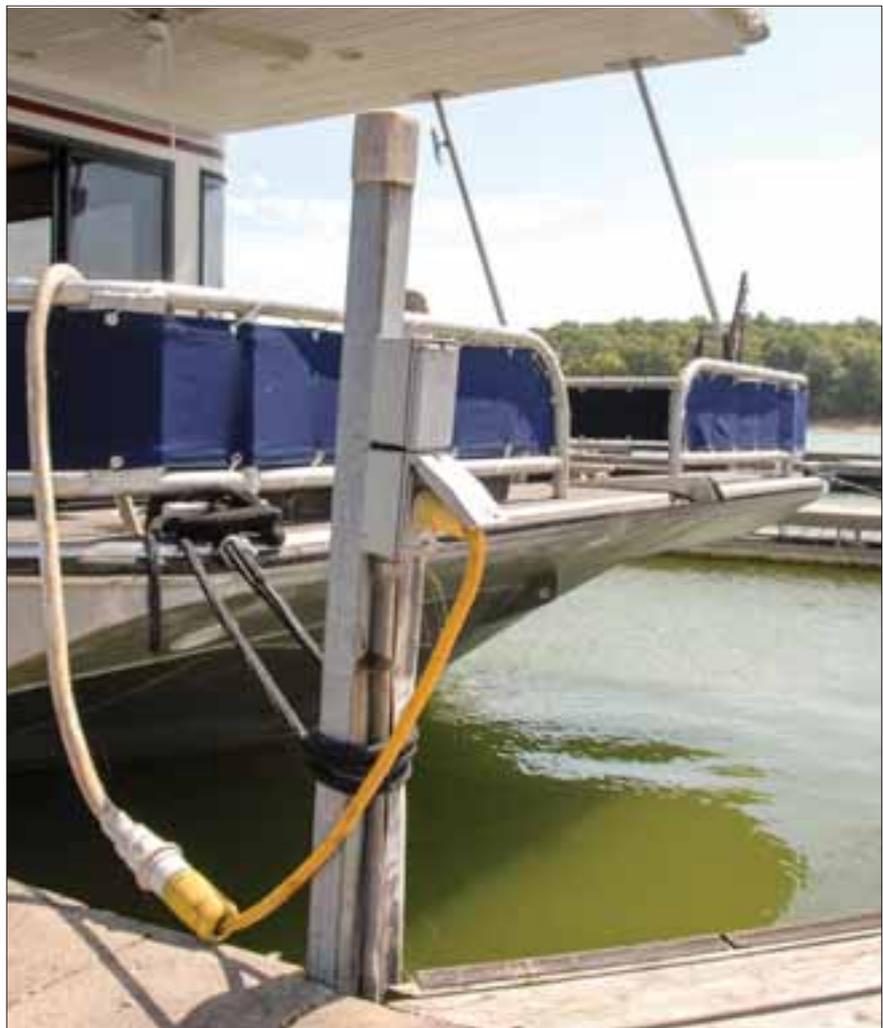
A 21-year-old Illinois man died in 2015 when touching a dock ladder at the Lake of the Ozarks in Missouri. Electric Shock Drowning deaths are usually recorded as drowning because victims show no signs of burns, so many instances remain undocumented.

Remember to always maintain a distance of at least 10 feet between your boat and nearby power lines, and never stand or swim in water when turning off electrical devices or switches.

Tyler Prigel

Only use shore or marine power cords, plugs, receptacles and extension cords that have been tested by Underwriters Laboratories (UL), Canadian Standards Association (CSA) or Intertek (ETL).

Electric Shock Drowning can also occur in swimming pools, hot tubs and spas. Have an electrician inspect and upgrade your pool, spa or hot tub in accordance with applicable local codes and the National Electrical Code (NEC).



For ESFI's complete collection of Boating and Marina Safety resources, visit www.esfi.org.

The Electrical Safety Foundation International (ESFI) is dedicated exclusively to promoting electrical safety

in the home and the workplace. ESFI proudly sponsors National Electrical Safety Month each May, and engages in public education campaigns throughout the year to prevent electrical fires, injuries, and fatalities. To learn more about ESFI and electrical safety, visit www.esfi.org.

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

WARNING: ELECTRIC SHOCK DROWNING HAZARD FOR BOAT OPERATORS

Unknowingly, many swimmers and boat operators place themselves in the face of danger by swimming near electric-powered boats and docks. This innocent act of fun can turn tragic as electric shock drowning occurs each year. Help prevent electric shock drowning or other electrical injuries with these tips from ESFI.

1
Don't allow anyone to swim near docks or boats.

2
If you feel a tingle while swimming, the water may be electrified. Get out of the water as soon as possible avoiding the use of metal objects such as ladders.

3
Never use cords that are frayed or damaged or that have had the prongs removed or altered.

4
Have Ground Fault Circuit Interrupters (GFCI) installed on your boat. Test them once a month.

5
Consider having Equipment Leakage Circuit Interrupters (ELCI) installed on boats to protect nearby swimmers from potential electricity leakage into water surrounding your boat.

6
Have your boat's electrical system inspected and upgraded by a certified marine electrician regularly.

ESFi.org



For more information on boat and marina electrical safety visit: www.esfi.org

Jo-Carroll Energy sponsors students at Youth Day in Springfield

Three area high school students had the opportunity to meet Secretary of State Jesse White during the Illinois Electric and Telephone Cooperatives Youth Day on Wednesday, April 13 in Springfield.

Representing Jo-Carroll Energy at Youth Day were Devin Koester, Jordan McLane and Rachel Ellinor, all of Elizabeth. They joined more than 225 students from around Illinois who had an opportunity to visit the State Capitol, view state government in action and question their legislators on key issues. Students also were invited into the office of the Secretary of State. Rep. Donald Moffitt met with students representing Jo-Carroll Energy.

During lunch, Michael Frerichs, state treasurer, addressed students and chaperones and challenged them to take an interest in the political process. He encouraged them to follow their dreams and do what interests them because life can take interesting turns and twists.

Jyostna Bitra, the 2015-16 Illinois Youth Leadership Council Representative from Corn Belt Energy Corporation, spoke about her experience on the Youth to Washington tour and encouraged attendees to maintain an interest in their cooperatives and the political process.

While in Springfield, the students also visited the Supreme Court, Old State Capitol, and the Abraham Lincoln Presidential Museum.



Students from Jo-Carroll Energy met Illinois Secretary of State Jesse White during the Illinois Electric and Telephone Cooperatives Youth Day on Wednesday, April 13 in Springfield. Pictured from left are: Rachel Ellinor, Secretary of State Jesse White, Devin Koester and Jordan McLane.



Youth to Washington

During the day, the students were interviewed for the chance to participate in the Youth to Washington Tour from June 10 – 17. Jo-Carroll Energy's winners of the 2016 Youth to Washington Tour trip are Koester and McLane. Ellinor is the alternate.

ELECTRIC CO-OPS WERE CONSTRUCTED WITH LINES, POLES AND THE FOOLHARDY NOTION THAT WE ALL PROSPER BY HELPING EACH OTHER.



It seems obvious in retrospect, but there was a time when getting electricity outside of the city limits wasn't a given. Today, the spirit of community that co-ops were built upon continues to thrive. And as members we can all lend a hand by saving energy. Learn how at TogetherWeSave.com.



Jo-Carroll Energy

Your Touchstone Energy® Cooperative 

TOGETHERWESAVE.COM