

JO-CARROLL

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

Why we celebrate cooperatives

Every October, cooperatives from all sectors across the country celebrate National Cooperative Month. The purpose of this annual celebration is to recognize the cooperative difference and remind you, the members of the co-op, about Jo-Carroll Energy's purpose.

As we celebrate National Cooperative Month with the theme "Cooperatives Build", we plan to highlight how your cooperative has worked to build community, jobs and trust.

Celebrating National Cooperative Month informs others about our unique business model, which is based on the Seven Cooperative Principles: Voluntary and Open Membership; Democratic Member Control; Members' Economic Participation; Autonomy and Independence; Education, Training and Information; Cooperation Among Cooperatives; and Concern for Community.

For co-op employees and members who are familiar with the principles, the month of October is a great opportunity to renew our connection to each other and the purpose of our co-op. Jo-Carroll Energy is a member-owned cooperative that strives to deliver utility solutions to our members and communities – safely, efficiently and responsibly. Our vision: to enhance the quality of life for our members.

In the U.S., there are more than 29,000 co-ops serving in every single industry. Many co-ops from different sectors join together during the month



of October to educate members in the community about cooperatives.

There are more co-ops in our local community than most people realize, like your local credit union, hardware store or Farm Service. Co-ops are even represented on the shelves at our local grocery stores, such as Land O'Lakes, Welch's, Organic Valley, Cabot Cheese, Sunkist, Ocean Spray and many more.

According to the latest data, more than 130 million people belong to a

co-op in the U.S. alone, and co-ops employ more than 2 million Americans.

This speaks to the heart of why we must take every opportunity to celebrate and teach others about the cooperative business model.

National Cooperative Month is truly an opportunity to celebrate. So, plan your own co-op celebration by purchasing co-op products, look to do business with co-ops right here in our local community and be an active member of Jo-Carroll Energy.

COOPERATIVES ARE:

VOLUNTARY • DEMOCRATIC • EQUITABLE • INDEPENDENT • INFORMATIVE • COLLABORATIVE • COMMUNITY

Resume of Minutes

July 20, 2016

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
Treasurer
District 1

Joseph Mattingley
District 2

Bret Jones
District 4

Patricia Smith
District 5

Thomas Lundy
District 6

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 to 4 p.m.

**Services and
Billing Questions:**

(800) 858-5522
www.jocarroll.com

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

The board met on Wednesday, July 20, 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 thanked the board for their commitment and input on the CEO Search. Senn also thanked Tracy Heidenreich for her work on the revised budget, as well as Peggy Kemp's report from the CFPC training she attended.

Presentations – Rod Kelsay, MidAmerica Cooperative Council, gave a presentation regarding services by the council for member cooperatives, like Jo-Carroll Energy.

Dairyland Report – Director Mattingley provided updates on the Dairyland Board Meeting he recently attended.

AIEC Report – No report was given, as there was not a monthly meeting.

APGA Report – Director Carroll provided updates on issues of concern to the APGA. Carroll also stated that he has been reappointed to the board of directors for the APGA.

PPI Report – Due to Prairie Power's Annual Meeting last month, there was not a board meeting scheduled.

Monthly Committee Review

- (a) **Policy Report** – Policy 103 – Director Conflict of Interest. It was discussed and approved with no changes.
- (b) **Set Policy Committee Meeting Date** – A Policy Committee Meeting was set for August 23 at 10 a.m. at the Cooperative's Headquarters.
- (c) **Annual Meeting Planning Committee Report** – The Annual Meeting Planning Committee met and discussed possible sites for the 2017 Annual Meeting.

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

- (a) **Financial Operating Report** – CEO Hastings reported that the Cooperative had an unaudited margin of approximately \$311,490 in June, compared to a budgeted amount of \$175,398. The Cooperative's equity is 24.8%. The Board accepted the June Financial Operating Report for filing with the auditor by general consent.
- (b) **Power Supply Report** – CEO Hastings updated the board on a stipulated settlement regarding the merger of ITC Midwest and Fortis before the ICC.
- (c) **EDNF Report** – Deferred to Executive Session.
- (d) **CFO Report** – Controller Peggy Kemp gave a presentation on her CFPC (Cooperative Financial Professional Certificate) Capstone Project.

(e) **Sr. Vice President and Assistant General Manager Report** – Sr. Vice President and Assistant General Manager Buros presented the 2016 Dairyland Residential Rate Study Report. Buros noted that Jo-Carroll Energy's rates fell roughly in the middle. Buros provided an update on the Jo-Carroll Energy building addition, noting that it should be completed soon.

(f) **Culture of Excellence and Communications** – Merri Sevey, Vice President of Human Resources, provided historical attendance data for recent Jo-Carroll Energy Annual Meetings, noting that the last meeting had the largest turnout, with 252 meals served to members.

(g) **Member Services** – Jennifer Skien, Vice-President of Member Services, provided an update on a USDA energy efficiency grant, noting that \$29,897 has been collected thus far and there is \$65,202.54 still available for reimbursement of energy audits. A total of 12 agriculture and small business energy audits have been processed, thus far. Skien also provided updates on the Community Solar Program.

(h) **External Affairs Update** – Chris Allendorf, Vice President of External Relations and General Counsel, reported that the state had begun paying debts owed to the Cooperative for utility service, after recent approval of a 6 month appropriations bill. TCEDA has expanded its Build It Grow It Program and participating businesses have seen an increase in revenue by approximately \$160,000. TCEDA is also working with Highland Community College for their annual Manufacturing Day event. That event, along with the Jo-Daviess Conservation Foundation for their summer camp, were selected to receive CoBank matching grants. Manufacturing Day provides a great opportunity to show local kids what jobs are available within their region.

Board Issues

- (a) **Discounted Estate Retirements Approval** – CFO Heidenreich presented the current discounted estate capital credit retirements for the board's consideration. The discounted estate retirements were approved as presented.
- (b) **NRCO Director and Alternate** – No action taken.
- (c) **Modification of the Budget** – CFO Heidenreich presented the board with a revised budget for 2016, which was updated in part to account for revised usage and revenue forecasts. The revised budget was

Continued on 16f ►

Congresswoman Bustos visits Jo-Carroll Energy, area businesses

Federal grant, loans boost local businesses and co-op programs

U.S. Rep. Cheri Bustos visited Jo-Carroll Energy and other area businesses in August as part of her 21st century heartland tour to discuss efforts to strengthen rural communities.

“Over the last month, I’ve traveled across our region to listen and learn about the challenges we face and the opportunities that lie ahead of us,” Bustos said. “By making investments that strengthen our local economy and partnering with our businesses, we’ll build a better future for all of our families.”

Highlighting her Aug. 29 visit to Jo Daviess and Carroll counties were presentation of federal loans and grants to the co-op, Neumiller Farms and FS.

Joined by representatives of the US Department of Agriculture, her first stop in the cooperative’s service territory was at Neumiller Farms where a new potato handling facility was financed in part by a \$446,155 loan from the USDA’s Rural Economic Development Loan Program.

“Our agriculture producers are the backbone of our rural economy and I’m very proud of all of the work being done at Neumiller Farms,” Bustos stated. “They are truly a local success story and I urge all of our local agricultural producers to consider working with our office and the USDA when they are considering seeking assistance to grow or expand their business.”

Jo-Carroll Energy received the \$447,155 loan through the Rural Economic Development Loan Program, and in turn loaned those funds to Neumiller Farms to construct the new facility, add equipment and build a more efficient electric and drainage system. The new building is larger



than the old facility and provides a more streamlined handling process to improve operations.

Next up on the tour was Stephenson Service Company’s new Fast Stop station, currently under construction at the western edge of Elizabeth.

A \$770,000 Economic Development Loan was presented to Stephenson Service Company which aids in construction of the

new unmanned fueling station. The new station will consist of seven dispensers, including gasoline dispensers with flexible fuel upgrades. The remaining dispensers will be used for diesel fuel. An office facility will be located at the station also. Jo-Carroll Energy received the funds through the Rural Economic Development Loan Program. The co-op then loaned the funds to FS.

Continued on 16f ▶

National Co-op Connection's Day is Oct. 14

Get involved and save big when you use your Co-op Connections Card

Touchstone Energy® Cooperatives and Jo-Carroll Energy invite you to celebrate the first-ever National Co-op Connections Day on Oct. 14.

October is National Cooperative Month and the members of Jo-Carroll Energy are getting ready to celebrate the cooperative difference. For more than 50 years, organizations across the country have championed the benefits of the cooperative network and have used it as an opportunity to educate others about the value of the cooperative business model.

On Oct. 14, 2016, Jo-Carroll Energy invites you to take advantage of the benefits the Co-op Connections Card provides by participating in the first-ever National Co-op Connections Day, sponsored by Touchstone Energy. Cooperative employees and members can celebrate this money saving program and receive even more benefits when they use The One Card That Does It All® at participating national and local retailers.

Co-op Connections day will feature special flash deals and a social media photo contest. Be sure to get involved by sharing photos featuring your Co-op Connections Card with the hashtag #ImConnected on Facebook, Twitter and Instagram.

You may be announced as the photo contest winner!

Jo-Carroll Energy encourages all members to get involved and take advantage of the savings and discounts offered on Oct. 14, 2016. If you need a new card, download the "Co-op Connections" app, print one from connections.coop or contact your local Jo-Carroll Energy office.

If you are a local business wishing to be part of the Co-op Connections Program, you can join for no cost to you. Just contact Jamie Lockwood at jlockwood@jocarroll.com to sign up. For more information on National Co-op Connections Day, visit www.jocarroll.com. For more information on the Co-op Connections Program and benefits, visit connections.coop.

HOW ARE YOU CONNECTED?

National Co-op Connections® Day is October 14th. Get connected.



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.

You work hard, so on October 14, let The One Card That Does It All® work hard for you.

Help celebrate National Cooperative Month by using your Co-op Connections Card on October 14 to receive special deals and discounts. Then share a photo featuring your card with the hashtag #ImConnected to be eligible to win a prize.



Jo-Carroll Energy helps build a better world

Member-owned co-op observes National Cooperative Month

Jo-Carroll Energy is joining with 30,000 other cooperatives nationwide in October to celebrate National Cooperative Month, which recognizes the many ways cooperatives help to build stronger communities, a stronger economy and a better world.

“Cooperatives Build” is the theme for this year’s celebration, spotlighting the many advantages cooperatives offer to their members and the communities in which they live and work. Nationwide, cooperatives create 2.1 million jobs and generate more than \$650 billion in sales and other revenue annually.

Jo-Carroll Energy delivers electricity, natural gas and/or broadband internet service to more than 19,300 members and 25,000 accounts in portions of

Jo Daviess, Carroll, Whiteside and Henry counties. The co-op is a major employer in the region. Through the real estate, sales and payroll taxes it pays, the co-op is a major contributor to the tax base of local governments, helping support schools, police and fire protection and other vital community infrastructure.

Rural America is served by a network of about 1,000 electric cooperatives, most of which were formed in the 1930s and 40s to bring electricity to farms and rural communities that large, investor-owned power companies had no interest in serving because of the higher costs involved in serving low-population-density areas.

Jo-Carroll Energy began offering broadband service in 2009, and demand for the service has been

steady ever since. This year, the cooperative is undertaking a fiber-to-the-premise project.

In 2014, Jo-Carroll Energy made a commitment to renewable energy with construction of South View Solar Farm. The community solar project array consists of 456 solar panels with a combined capacity of 126.5 kW (dc).

During Co-op Month, Jo-Carroll Energy will utilize its social media channels and other media outlets to share more of the cooperative’s story, highlight employees and showcase programs and services. To close out the month, an American Red Cross Blood Drive will be held at the Elizabeth headquarters. Anyone interested in participating should contact Jamie Lockwood at 800-858-5522 or jlockwood@jocarroll.com.



Cooperatives
BUILD
A BETTER WORLD

Helping build a better world...

Jo-Carroll Energy lineman Ryan Stadel, left, is one of two of the cooperative’s lineworkers who have volunteered to assist with an NRECA International project in Bolivia in 2017. Also volunteering is Kurt Krohmer. They will be working with other lineworkers from across the state to help with two areas in Bolivia: El Fuerte and Cuevas. Stadel was part of a scouting trip to Bolivia earlier this year. We will provide more coverage of this international project as it progresses.

Agencies announce weatherization assistance programs

Agencies in Northwestern Illinois have announced the 2017 LIHEAP, PIPP and Weatherization Assistance Programs.

The agencies receive funding from the Department of Commerce & Economic Opportunity to assist residents of the counties they serve with home heating utility costs through the Low Income Home Energy Assistance program, Percentage of Income Payment Plan and weatherization programs. To qualify for weatherization assistance, you must apply for and be approved for LIHEAP/PIPP.

In September, income eligible seniors (age 60 and older) and people receiving Social Security disability benefits were able to schedule appointments to apply for assistance. Starting Oct. 3, income eligible households

without home energy service (are disconnected from their primary and/or secondary heating utility) and families with children age 5 and under may call to schedule an appointment to apply. Starting Nov. 1, all other low-income eligible households may apply.

To qualify, a household must have income at or below the following for 30 days, including the application date:

# of people in household	30 day gross income
1	\$1,485
2	\$2,003
3	\$2,520
4	\$3,038

Add \$520 for each additional person

Eligible households in Jo Daviess County may call 800-883-1111 or 815-232-3141 from 8 a.m. to 3:30 p.m. to schedule an appointment to apply for assistance at one of the following locations: NICAA Main Office – Freeport; Stockton Banking Center, Warren Township Library, Hanover Village Hall, Citizens State Bank of Lena, East Dubuque Library, Illinois Bank & Trust – Galena Downtown.

For information on assistance available in Carroll and Whiteside counties, contact the Tri-County Opportunities Council at 800-323-5434. In Henry County, contact Project Now at 309-852-4565.

Congresswoman Bustos continued from 16b

The last stop for the day was at Jo-Carroll Energy's headquarters where a check for \$126,665 was presented to the cooperative from the USDA. Those funds include the \$90,000 grant the co-op received to provide energy audits at little or no cost for rural small businesses and agricultural producers in northwestern Illinois and surrounding areas.

The remaining \$36,665 was a grant through the Rural Energy for American Program. Funds were used to install a ground source heat pump system at the co-op's headquarters new addition and to replace fluorescent lights with new LED lighting as well as adding wall and ceiling insulation to the existing building. The project is expected to save the cooperative about \$18,000 in energy costs and approximately 174,000 kWh per year.



Minutes continued from 16b

approved by the board.

- (d) **Approve Resolutions to Remove Michael Hastings' Signature from the Bank Card Signature Line** – Resolutions were approved to remove Michael Hastings' signature from bank cards' signature line, as well as adding other names.

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: Dairyland Board Meeting

Upcoming Meetings

APGA Annual Conference, NRECA Course 963.1, AIEC Annual Meeting, PPI Board Committee Meetings, AIEC Board Meeting, and the Dairyland Board Meeting.

Other Business – None.

Adjournment

Chairman Senn adjourned the meeting at 11:22 a.m.

Fiber-to-the-premise pilot project underway

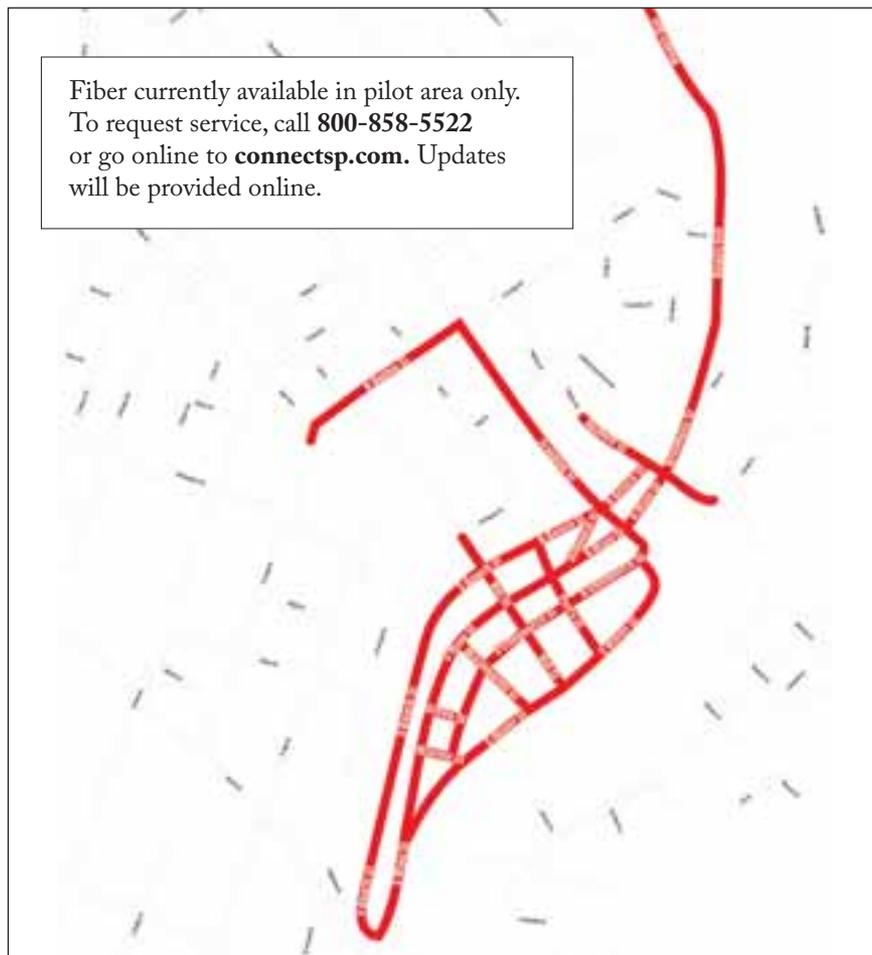
Construction of the Sand Prairie fiber-to-the-premise pilot project in Galena got underway in September. Sand Prairie is a service of Jo-Carroll Energy.

Jo-Carroll Energy crews have been stringing the overhead fiber while contractor J&R Underground has handled the underground and splicing. Vantage Point, a consultant on the project, is contracted to complete installations during the pilot project.

Installation of service at homes and businesses is expected to begin once construction of the fiber network is complete.

Residents and businesses in the Galena pilot area can now sign up for service. The pilot area includes the immediate downtown Galena business district as well as apartments and residences along portions of Commerce, Water and Bench streets between U.S. 20 and Meeker Street (see map; streets in red are included in the pilot).

Sand Prairie offers three fiber packages starting at \$74.99. Subscribers within the pilot area will have the installation fee waived if they sign up before Nov. 1.



Pole, underground inspections to be done this fall

Jo-Carroll Energy has contracted with Osmose Inc. to conduct underground facilities and utility pole inspection for 2016.

Inspection of the cooperative electrical poles is expected to begin in late September or early October.

Approximately 5,000 poles will be inspected. Areas included are on the cooperative's Scales Mound, Elizabeth, Pleasant Hill and Mount Carroll substations.

Utility pole inspections are a part of the cooperative's routine maintenance, according to Robert Pelelo, director of operations. Inspectors will travel from pole to pole, digging around

each to inspect for rot below the ground surface. The process checks the strength of the poles and identifies those that should be replaced.

Poles will be treated with a preservative to extend the life of the pole or tagged for replacement.

Typically, less than five percent of inspected poles are rejected and need to be replaced, Pelelo noted. Inspectors look for rotten poles and poles damaged by insects, woodpeckers, vehicle contacts or even lightning.

Pole maintenance can save the cooperative money by reducing unplanned replacement costs and providing additional years of durable

service life to poles.

Contractors' vehicles will be identified with their company name and will display "Jo-Carroll Energy Contractor" vehicle magnets while they work in the cooperative's service territory.

Pelelo said that the cooperative is also working the DJB Inspections for the 2016 underground residential distribution (URD) devices. Like the overhead system, the cooperative inspects a portion of URD each year, looking for corrosion, mechanical damage and insect infestations.

In addition, the contractor paints cabinets and replaces warning stickers and ID tags.



2016 Coloring Contest winners

Three children from Jo-Carroll Energy's service territory were selected as the winners of the 2016 Jo-Carroll Energy Coloring Contest. Two winners were selected from Galena and one from Fulton. These children received school supplies for the school year, and five books were donated to the area library in their hometown.



Jamie Lockwood, digital media coordinator, presents Jayme Frank, 8, of Galena with school supplies.



Lydia Kotman, 5, of Fulton, shows off her school supplies. With her is Gwen Smith, librarian of Fulton Library.



Rachel Lenstra (left), Galena librarian, and Jamie Lockwood (right) pose with Abby Ehrler, 10 of Galena.

**SAVE
THE DATE**

**MAY
23**

Looking ahead to 2017, save the date of Tuesday, May 23 for the Jo-Carroll Energy Annual Meeting of Members!

The meeting will be held at West Carroll High School in Savanna.

Registration at 5 p.m.; Meeting at 6 p.m.; Dinner at 7 p.m.