

JO-CARROLL

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

Voluntary and open membership • Voluntary and open membership • Voluntary and open membership



PRESIDENT'S REPORT

by Michael Hastings

Because member satisfaction is something we take seriously at Jo-Carroll Energy, we are gratified by the results of our latest member survey that show overall satisfaction with the cooperative increased for the second year in a row.

Members surveyed indicate an increase in overall satisfaction with the co-op – now the highest of all previous surveys at 85 percent which gives us an average satisfaction rating of 8.58 on a 10-point scale. In the 2014 survey, overall satisfaction was at 81% with an 8.40 average rating.

Jo-Carroll Energy also improved its American Customer Satisfaction Index score to 82 in 2015, an increase from 80 the previous year. The score is well above those received by Ameren, ComEd and the national average for investor-owned utilities.

The ACSI is one of several benchmarks included in our annual residential member satisfaction survey. Twelve co-op service attributes are measured in the survey. Among the key satisfaction drivers, respondents gave the co-op the highest ratings for providing reliable elec-

tric or natural gas service and having prompt outage response, along with knowledgeable employees and excellent member service.

Conducted in September and October, by Inside Information, Inc., the survey collected responses from 400 randomly selected members. The survey included topics such as reliability, responsiveness, communication and energy efficiency.

Compared with our last survey in 2014, there are increases in satisfaction with all 12 co-op service attributes measured.

Everyone at Jo-Carroll Energy takes pride in providing the membership with the best possible service every day. Surveys like this give us valuable information on how we are performing, help us identify the areas in which we excel and provide insight on where we can make changes to better serve our members.

Thank you to our members who took the time to participate in our latest member satisfaction survey. We appreciate your input and will strive to provide all of our members with the best possible services as your safe, reliable and local energy cooperative.



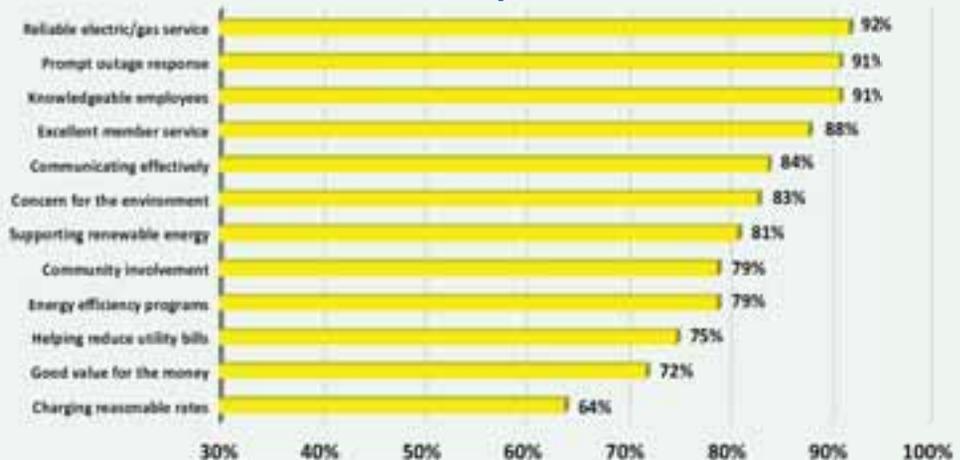
Always Call Before You Dig.

Safe Digging Is No Accident:
Always Call Before You Dig
One call gets utility lines marked.

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.

Satisfaction with Co-op Service Attributes





Resume of Minutes

Regular Board Meeting • October 28, 2015

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

The board met on Wednesday, October 28, 2015, at the Jo-Carroll Energy Headquarters. The following is a summary of the meeting activities. The Agenda and the Consent Agenda were approved.

Member Presentation – Mark Turczynski thanked the board for holding open meetings. Mr. Turczynski informed the board that he thought the application for solar panels may be simplified, in case it was deterring members from subscribing. Mr. Turczynski also commented on the recent Member Appreciation Days that the Cooperative held, stating that he believed they were successful and worthwhile.

Chairman's Report – Chairman Senn stated that though we are facing challenges ahead as an industry, it is also an exciting time, because of new technology and capabilities. The challenge for the Cooperative will be to balance future costs in a manner that is affordable for our rural area.

Dairyland Report – Director Stadel reported that Dairyland margins are over budget for the year-to-date. Dairyland will be returning a portion of those excess margins and will be deferring the rest to keep costs down next year.

AIEC Report – Chairman Senn reported that there has been discussion at the AIEC about the state's inability to pass a budget and the effect that's having on cooperatives, since state agencies may soon be unable to pay their utility bills.

APGA Report – Director Carroll reported that the APGA and the AGA are teaming up to challenge a new furnace efficiency rule. Additionally, the APGA estimated that 65% of gas technicians will be retiring in the near future.

PPI Report – Director Hallendorff presented the board with the latest generation and financial numbers from PPI.

Monthly Committee Review

Director Smith reported on Board Policy 145 – Open Meetings, which was approved without changes.

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 \$624,000 in September, compared to a budgeted margin of approximately \$441,000. Power sales remain down, along with the cost of purchased power. Equity is at approximately 23.92%, which will decrease after this year's capital credit retirements, pending board approval. The Board accepted the September Financial Operating Report for filing by general consent.
- b. **Power Supply Report** – CEO Hastings reported on the Cooperative's proposal for a 5Mw solar project did not make Dairyland's "short list". With regard to PPI, the merger committee is interviewing possible consultants to review merger possibilities.
- c. **Rentech Report** – CEO Hastings deferred discussion of Rentech matters to executive session.
- d. **CFO Report** – Vice President and Chief Financial Officer Heidenreich reported that the external auditors are conducting preliminary audit work at the Cooperative. Heidenreich also reported that the Cooperative has received its first dividend check from

the community solar project. Finally V.P. Heidenreich informed the board of upcoming insurance renewals, as well as cyber insurance products that the Cooperative is evaluating.

- e. **Sr. Vice President and Assistant General Manager Report** – Sr. Vice President and Assistant General Manager Buross reported on the building addition, as well as providing the board with strategic planning update.
- f. **Culture of Excellence and Communications** – Merri Sevey, Vice President of Human Resources updated the board regarding open employment positions at the Cooperative. Sevey also commented on the large turnout for the grand-opening of the Dollar General. President and CEO Hastings was present for the ribbon cutting ceremony and Elizabeth Village President, Mike Dittmar, spoke favorably of the Cooperative's involvement with the Dollar General project.
- g. **Member Services** – Jennifer Skien, Vice-President of Member Services, made a presentation to the Board that is also being given by John Scott, Energy Advisor, to local groups.
- h. **External Affairs Update** – Chris Allendorf, Corporate Counsel, updated the board on state and federal legislative and regulatory matters. Allendorf also updated the board on the activities of TCEDA, including the recently held Manufacturing Day tours for local students.

Board Issues

- a. **Capital Credit Retirement** – CFO Heidenreich presented the board with a proposed capital credit retirement plan for 2015. The Board approved capital credit retirements of a total amount of approximately \$1.3 million. The Board also approved the Estate Retirement Approval process.
- b. **2016 Leadership Forum Attendee** – the Board approved sending Director Holesinger and 1 staff person for the 2016 Jo Daviess County Leadership Forum.
- c. **Voting Credentials IL Cooperative Workers Compensation Group** – The Board appointed CEO Hastings as the voting delegate for the 2015 ICWCG and RSI annual meeting.
- d. **2016 Board Meeting Schedule** – The Board approved the 2016 board meeting dates.
- e. **Authorization of Christmas Donations Members (Food Pantry)** – No action was taken, since the board had previously approved these donations as part of the 2015 budget.
- f. **Scholarship Program Proposal** – Peggy Francomb, Manager of Communications and Marketing, presented the board with proposed changes to the Cooperative's scholarship program. The number of scholarships and the amounts of the awards would be increased at no cost to the Members, since the scholarships are paid for out of the unclaimed capital credits fund, as allowed by state law. The Board approved the changes to the scholarship program, as presented.
- g. **New Checking Account for USDA Loan Payment** – The board approved opening a new checking account to administer the REDLG loan received by the Cooperative.

(Continued on 16C)



Area business utilizes REDLG loan through Jo-Carroll Energy

A local business is moving forward with an upgrade to its facilities, thanks in part to a USDA Rural Development Loan awarded to Jo-Carroll Energy.

Jo-Carroll Energy was among last year's recipients of zero-interest loans for rural economic development. The cooperative was awarded \$447,155 through the REDLG program. **Bonnie Lynn Kreisler**

The USDA's REDLG program provides zero interest loans and grants to rural, not-for-profit utilities, including cooperatives, who then loan the money to local businesses for projects that help retain and create jobs in rural areas. The loan helped fund construction of a potato handling facility and the purchase of equipment at Neumiller Farms in rural Savanna.

"We are always looking for opportunities to help our businesses," said Michael Hastings, president and CEO of Jo-Carroll Energy. "This was an opportunity to help a local business expand and one that provided employment opportunities for our members as well."

According to the loan application, the project supports 47 jobs. Helping one of the cooperative's area businesses to grow and expand "is good for the business, the area and for the co-op," Hastings added.

Lisa McCarthy, executive director of TCEDA, presented the Jo-Carroll Energy board of directors with the request to sponsor the application at its February 2015 meeting.

"Our board is always on the lookout for opportunities to help our service area and members," Hastings said. "This is a good example of their efforts in that regard."

Neumiller Farms is a third-generation potato and vegetable farm operation. It grows chipping and processing potatoes, among other crops.

The new potato handling facility replaces one built in 1985 that had seen five additions through expansion of the business, according to Matt Floming, Neumiller Farms manager.

"It streamlines how we do business," he said. The new facility increases the number of holding bins from one to four, which allows loading of multiple trucks and is

safer. The project also included improvements to heating, lighting and energy efficiency.

"With the project, we are able to position ourselves to be more attractive to our current and prospective customers," Floming noted.

REAP grants

This was the third successful USDA grant or loan application for the cooperative in 2015.

In October 2015, Jo-Carroll Energy was awarded \$89,125 through the USDA's Rural Energy for America Program for its South View Solar Farm community solar project. The award was made to Four County Renewable Energy, a Jo-Carroll Energy affiliate created to operate the solar project.

In May, Jo-Carroll Energy was awarded a \$90,000 REAP grant for energy audits under the cooperative's Energy Detective program. The grant allows the cooperative to offer energy audits to small businesses and agricultural producers at special value pricing.

Minutes *(continued from 16b)*

Reports – Reports were heard from directors in attendance at the Member Appreciation Days held in Savanna, Geneseo and Elizabeth Offices.

Upcoming Meetings – NRECA Course 921.1 Risk Oversight: The Boards Role in Risk Management.

Other Business – The board reviewed the NRECA Annual meeting travel sheets, Director Kuhns photo with Certificate of Achievement and the video of the Natural Gas Industry: Wellhead to Burner Tip that will be purchased for viewing at a later date.

Executive Session

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

Consideration of Matters discussed in Executive Session – No action taken.

Adjournment – The meeting was adjourned at 12:01 P.M.

Building addition update



Work on the building addition at the Jo-Carroll Energy headquarters continues. Crews have been working on the geothermal wells, walls and roofing. Completion of the project is expected in July or August.



2016 rebates and incentives

We're finalizing details about our 2016 energy efficiency rebates and incentives. Look in the February Hi-Lines for an article with complete details and listing of the rebates and incentives available.

The 2016 rebates and incentives will be available on Jo-Carroll Energy's website at www.jocarroll.com.

Some general guidelines include:

- Items for rebates must be purchased, installed and/or recycled Jan. 1-Dec. 31, 2016.
- Incentives will be available through Dec. 31, 2016.

Members are encouraged to submit rebate forms and receipts as soon as equipment or appliances are purchased and installed. All documentation must be submitted no later than six months after purchase or installation.

Petitions available for 2016 director nominations

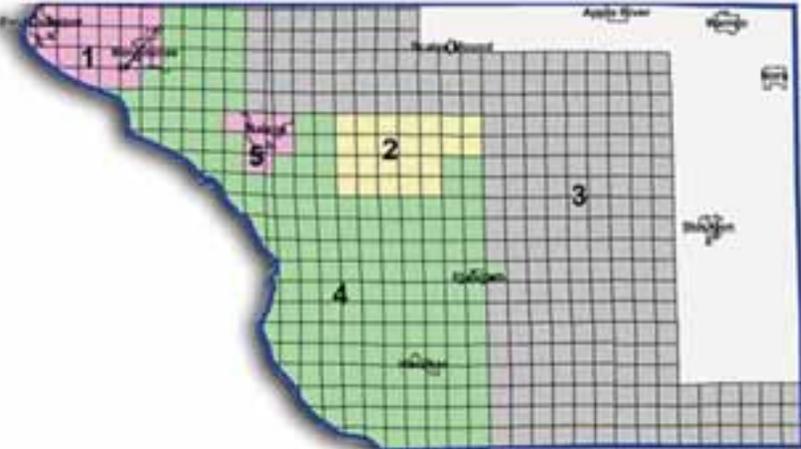
Nomination petitions for the 2016 Jo-Carroll Energy Board of Directors are now available.

Three director posts will be up for election in the 2016 elections including: District 1, now represented by Martin Werner of East Dubuque; District 2, now represented by Joe Mattingley of Scales Mound; and District 4, now represented by Chris Stadel of Hanover.

Any Jo-Carroll Energy member residing in the district of a director whose term is expiring, including the incumbent director may petition for nomination. Members interested in seeking election to the board may pick up a nomination petition at one of Jo-Carroll Energy's offices or download a petition from the cooperative's website at www.jocarroll.com

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 earlier than Dec. 28 and no later than March 24.

In order to qualify to have their



Three director posts will be up for election in the 2016 elections including: District 1, now represented by Martin Werner of East Dubuque; District 2, now represented by Joe Mattingley of Scales Mound; and District 4, now represented by Chris Stadel of Hanover. (The map above shows only the northern portion of our service territory. A complete map appears on our website at www.jocarroll.com.)

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, educational 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.

Jo-Carroll Energy is looking for the next generation of leaders

What do 1,500 high school students, our nation's capital and electric cooperatives have in common? The Electric Cooperative Youth Tour, of course!

Youth Tour was established with one thought in mind – to inspire our next generation of leaders. Since 1964, more than 50,000 young Americans have taken advantage of this special opportunity offered by their electric cooperative.

It all takes place June 10-17, when hundreds of electric co-ops across the country send participants to Washington, D.C. for a chance to learn about the cooperative business model and a full week of sightseeing.

While in D.C., participants have a chance to meet with their elected officials and discuss the issues that are important back home. Without a doubt, Youth Tour has grown into an invaluable program that gives young Americans an experience that will stay with them for the rest of their lives.

In March, Jo-Carroll Energy will begin the interview process to select two local students to attend Youth Tour 2016. If you are a high school sophomore, junior or senior interested in traveling to Washington,

D.C. to experience the trip of a lifetime, please contact us for more information to apply. Students who apply must be sons or daughters of Jo-Carroll Energy members.

New this year, up to eight applicants will be selected by an impartial panel of judges to attend Illinois Cooperative Youth Day in Springfield on April 13. From that group, two students will be chosen to represent Jo-Carroll Energy on the all-expense paid trip to Washington, DC.

Youth Tour is so much more than a sightseeing trip. Students have repeatedly shared that this experience has helped them grow into successful professionals. It has also benefited our local communities. Youth Tour participants return home with a deeper understanding and skillset of what it takes to be a leader, and as a result, they put these skills to use right here in our community.

Help us find the next generation of leaders by sharing the Youth Tour experience with a promising student. For more information about Jo-Carroll Energy's Youth Tour program, call 800-858-5522 or visit www.jocarroll.com. Applications must be received by March 7.



Need money for college?

Scholarships available through the Jo-Carroll Energy Scholarship Program

- General scholarships
- Lineworker scholarships
- 2-year/technical school scholarships
- 'Nontraditional student' scholarships
- Director's Scholarships

Visit www.jocarroll.com for information

apply now!

Utilize the Savings!

As a member of Jo-Carroll Energy, enjoy local business and prescription savings with your free co-op connections card. The co-op card program was designed to save cooperative members money on prescriptions and at local establishments year round. Over 65 local business offers are listed online at www.connections.coop.



CO-OP CONNECTIONS Fast Facts



63 local retail offers where members can shop and save in their neighborhoods



Members have saved more than \$300,000 on prescriptions since 2008



Average savings on prescriptions reached the highest level ever at 50% off



THOUSANDS of national deals and coupons at Connections.coop

Lost card and need a new one?

Call Jo-Carroll Energy at 800-858-5522 or communications@jocarroll.com to request a new card. Simply present your card at participating local businesses and pharmacies for savings.

Promote your business

Would you like to promote your business or service to roughly 20,000 Jo-Carroll Energy members? Contact us at communications@jocarroll.com to learn more about becoming a part of this great program.



Be prepared for winter storms

By Abby Berry

When winter temperatures drop and storms hit, it can be challenging to stay safe and warm. Winter storm severity varies depending on where you live, but nearly all Americans are affected by extreme winter storms at some point. Jo-Carroll Energy cares about your safety, and we want you to be prepared.

Heavy snow and ice can lead to downed power lines, leaving co-op members without power. During extremely low temperatures, this can be dangerous. During a power outage, our crews will continue to work as quickly and safely as possible to restore power, but there are a few things you can do to prepare yourself.

- **Stay warm** – Plan to use a safe alternate heating source, such as a fireplace or wood-burning stove during a power outage. These are great options to keep you and your loved ones warm, but exercise caution when using, and

never leave the heating source unattended. If you are using gasoline-, propane- or natural gas-burning devices to stay warm, never use them indoors. Remember that fuel- and wood-burning sources of heat should always be properly ventilated. Always read the manufacturer's directions before using.

- **Stay fed** – The CDC recommends having several days' supply of food that does not need to be cooked handy. Crackers, cereal, canned goods and bread are good options. Five gallons of water per person should also be available in the event of an extended power outage.

- **Stay safe** – When an outage occurs, it usually means power lines are down. It is best not to travel during winter storms, but if you must, bring a survival kit along, and do not travel alone. If you encounter downed lines,

always assume they are live. Stay as far away from the downed lines as possible, and report the situation to our dispatchers by calling 800-858-5522.

Winter weather can be unpredictable and dangerous, and planning ahead can often be the difference between life and death. Jo-Carroll Energy is ready for what Mother Nature has in store, and we want you to be ready, too. For more winter safety tips, visit www.jocarroll.com.

Abby Berry 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.

When it comes to severe weather... hope for the best, **but prepare for the worst.**



You can begin your preparation by assembling an emergency preparedness kit, which includes items to help keep your family safe and comfortable during a power outage. Your kit should include items such as water, non-perishable food, flashlight, batteries, blankets, and a first aid kit.

- ___ Drinking water & food
- ___ Blankets, pillows, & clothing
- ___ Basic first-aid supplies
- ___ Medications
- ___ Basic toiletries
- ___ Flashlights
- ___ Battery-operated radio
- ___ Extra supply of batteries
- ___ Cell phone with chargers
- ___ Cash and credit cards
- ___ Basic tools (duct tape, wrench, etc.)
- ___ Important documents & numbers
- ___ Toys, books, & games
- ___ Baby supplies
- ___ Pet supplies

Learn more at:





"Let us be your trusted energy partner."

- John Scott - Energy Advisor at Jo-Carroll Energy

IDENTIFYING energy solutions for your small business or farm

Small businesses and farms are taking action to improve their energy efficiency and reduce monthly costs. An energy audit from Jo-Carroll Energy and the The Energy Detective is the first step towards money-saving solutions for your small business or farm.

Choose the energy audit that's right for your business or farm:

-  Commercial/Large Scale Energy Audit - Customizable for your business. Owner pays \$500 of \$2,000 value*.
- Mid-sized Energy Audit - Best for restaurants, small commercial and small ag services. Owner pays \$350 of \$1,400 value*.
- Lighting and Small Appliance Energy Audit - Best for small cafés and coffee shops, boutiques, etc. Owner pays \$200 of \$800 value*.



Call John Scott, the Energy Detective, to discover your energy efficiency solutions.

800-858-5522



Jo-Carroll Energy

Your Touchstone Energy® Cooperative 



*Special pricing at 25% of the audit cost made possible by a REAP grant through the USDA. Limited time offer.

January wind and snow can be brutal to the electric system, and dangerous to those who work on it. If you have an outage, please be patient. Help is on the way. Line personnel who try to rush outage restoration could make costly mistakes that could hurt them, their co-workers and co-op members, or worse. Working steady and deliberately means everyone goes home safely each night.

*From your local
Touchstone Energy® cooperative*



Jo-Carroll Energy

Your Touchstone Energy® Cooperative 
The power of human connections®