

JO-CARROLL

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



CEO'S REPORT

by Mike Casper

At Jo-Carroll Energy, it is our mission to provide you with safe, efficient and reliable energy and broadband internet. But membership in your co-op goes beyond that. It means you have a partner you can trust to look out for your best interests.

We are here for you. Membership in your co-op is a powerful thing. Owned by you – our members – we firmly believe that living in rural America should not put you at a disadvantage to more urban areas.

We are not-for-profit. When revenues exceed costs, we give it back to members in the form of capital credits. A benefit of co-op membership, capital credits represent your ownership in Jo-Carroll Energy. Putting money back into our communities through our members is one way we support the local economy.

We are local. You probably know one or more employees of Jo-Carroll Energy. That's because we work here, we live here, we raise our families here. We share the same concerns. We work to improve the quality of life and keep our communities a great place to live.

We are all in this together. While rural Americans probably do a better job of staying connected, it is not something we should take for granted. Like you, your cooperative will face increasing challenges in an uncertain future. Overcoming these challenges will only happen if we work with one another as a community.

Working together to build better communities worldwide, co-ops put people first. As part of our commitment to the cooperative principles and values, we team with you in support of our communities through a variety of programs and activities.

We are co-op.



Join us for the annual meeting

In the five months I've been at Jo-Carroll Energy, I've seen how hard everyone works, how committed they are to building stronger connections with you and the local communities we serve.

On behalf of Jo-Carroll Energy, I would like to personally invite each of you to join us for our 78th annual meeting at West Carroll High School on Tuesday, May 23 starting at 6 p.m. to hear what we've accomplished, learn more about our programs and services and to take an active role in your ownership of the co-op by making your voice heard.

Member-owners like you have a role to play and your participation is essential. The purpose of the annual meeting is to take care of the business of your co-op and the equally important business of building a real sense of community. Jo-Carroll Energy and our member-owners are connected by more than just powerlines, pipelines and internet. We are your neighbors, your friends, and your family.

I hope to see you at the annual meeting. Together, we can make our communities stronger than ever.

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.

Voluntary and open membership • Voluntary and open membership

Resume of Minutes

February 22, 2017

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

Vacant
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 February 22, 2017, at the Jo-Carroll Energy Headquarters. The following is a summary of the meeting activities. The Agenda, as amended, and the Consent Agenda were approved.

Chairman's Report – Chairman Senn commented on the future of natural gas prices. Senn also commented on the Dairyland meeting he recently attended, noting their President, Barbara Nick, has been doing an excellent job supporting her staff and keeping them informed during their Strategic Planning process.

Dairyland Report – Director Mattingley provided an update on Dairyland's monthly financials for January, noting that electric demand is down across Dairyland's system. Mattingley also provided an overview of Dairyland's current generation mix. Mattingley concluded by noting that Dairyland's board will be conducting strategic planning over the summer.

AIEC Report – Chairman Senn discussed Federated Rural Electric Insurance's presentation to the AIEC board, noting the premium refund that Jo-Carroll Energy received from Federated as a result of our excellent safety record, due to the cooperative's focus on safety.

APGA Report – Director Carroll provided an update on regulatory matters being followed by the APGA, as well as the APGA gas conference he recently attended. The APGA will soon be visiting with President Trump's transition team to discuss regulatory matters.

PPI Report – Director Hallendorff reported on PPI's most recent generation figures and provided operational and safety highlights from 2016.

Monthly Committee Review

- a. **Policy 107** - Policy 107 was approved as is.

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

- a. **Financial Operating Report** – President and CEO Mike Casper reported that the current equity of the cooperative is approximately 23.91%, compared to 23.6% at the end of 2016. Operations and maintenance expenses were \$496,050 under budget. Casper also provided the board with a wholesale power cost comparison going back to 2014. By general consent, the board moved to file the Financial Operating Report with the auditor.
- b. **CFO Report** – CFO Heidenreich provided a brief update on a payment received from Dairyland regarding its most recent settlement with the federal government over the decommissioned La Crosse nuclear reactor.
- c. **Sr. Vice President and Assistant General**

Manager Report – Nothing to add to written report.

- d. **Culture of Excellence and Communications** – Merri Sevey, Vice-President of Human Resources discussed the upcoming Jo-Carroll Energy Annual Meeting, which will be held at the Savanna High School on May 23, 2017.
- e. **Member Services** – Jennifer Meyer, Vice-President of Member Services provided an update on past-due amounts owed to the cooperative. Meyer noted that warmer weather and proactive efforts by staff to make payment arrangements with members have helped keep those amounts low.
- f. **External Affairs Update** – Chris Allendorf, Vice President of External Relations and General Counsel, discussed efforts in the Illinois Senate to pass a “grand bargain” budget plan. Allendorf also reported on sources that have noted Illinois has much to offer to new and expanding businesses, but these businesses cite the lack of a budget as a major hindrance. A new EPA director has been confirmed by the U.S. Senate. The Trump Administration has also signaled that it will order a review of major environmental regulations like the Clean Power Plan and the Waters of the U.S. rule.

Board Issues

- a. **Discounted Estate Capital Credit Retirements- Discounted Estate Retirements Approval** – A motion was made, seconded and carried unanimously to approve the discounted estate retirements, as presented.
- b. **CRC Voting Delegate and Alternate** – A motion was made, seconded and carried unanimously to select Mike Casper as the CRC Voting Delegate and Russ Holesinger as the alternate.
- c. **Proposed Changes to Rate 730** – A motion was made, seconded and carried unanimously to approve the proposed changes to Rate 730, which included an increase in the fee for tampering with a meter in the amount of \$300.00.
- d. **Board Vacancy for District 4** – A motion was made, seconded and carried unanimously to declare a vacancy for District 4, due to the resignation of Bret Jones. Chairman Senn noted that the Executive Committee is working on a process to appoint a replacement.
- e. **UVIG Membership (Utility Variable Generation Integration Group)** – A motion was made, seconded and carried unanimously to approve Jo-Carroll Energy's membership in UVIG and for Mike Casper to serve as a UVIG board member.
- f. **Review New Broadband Policy 805** – A

motion was made, seconded and carried unanimously to approve Broadband Policy 805, which sets hotspot monthly charges.

- g. Broadband Internet Business** – A motion was made by the Executive Committee to continue to support the existing wireless network and build out fiber based on demand, which was seconded and carried unanimously.
- h. Defer 2016 Operating Expense Refunds to 2017**– Discussion was had on additional operating expense refunds the cooperative received for 2016. The consensus among the board was that deferring these additional refunds would help stabilize rates in 2017. A motion was made, seconded

and carried unanimously to approve a resolution to defer additional 2016 operating expense refunds from 2016, including the settlement payment from Dairyland for the La Crosse nuclear reactor, to 2017.

Meetings and Training

a. CFC Forum- Registrations were turned in for the CFC Forum.

Executive Session- A motion was made to move into Executive Session at 11:23 A.M. which was seconded and carried unanimously.

Out of Executive Session- A motion was made to come out of Executive Session at 11:52 A.M. which was seconded and carried unanimously.

Consideration of Matters discussed in Executive Session –

The board approved a resolution regarding severe temperature disconnects of members receiving LIHEAP funds.

The board approved retaining John Cox as outside counsel for the board in the event of a conflict of interest, if one should arise.

Reports

Reports were heard on: NRECA Course 2610.1 and the Dairyland District Meeting.

Adjournment

Chairman Senn adjourned the meeting at 12:03 P.M.

This May, take the time to plug into safety

We use electricity every day. This invisible force has become so commonplace that it can be all too easy to overlook possible electrical hazards. May is Electrical Safety Month, and a good time to share safety tips and reminders to help raise awareness about the dangers of electricity.

We all depend on electricity to power our lives, but accidents can happen when electricity is improperly used. Throughout the month, we will share safety tips on our website www.jocarroll.com, our Facebook page and YouTube channel.

Our responsibility to you

Our concern for safety extends beyond our employees. We care deeply about the safety of our members, and this month, we encourage you to plug into safety. According to the Electrical Safety Foundation International, thousands of people in the U.S. are critically injured and electrocuted as a result of electrical fires, accidents and electrocution in their own homes.

To promote safety education in our local communities, we've taken our hotline demonstration and other safety programs to local schools, community events and organizations. We

frequently provide electrical safety content in the Hi-Lines newsletter and statewide magazine, Illinois Country Living.

We encourage the public to contact us if they see a downed power line or any other type of dangerous electrical situation, and provide reminders of this during storms and outages.

We strive to provide our communities with safe, reliable and affordable electricity and to serve as your trusted energy advisor, now and well into the future.

Our responsibility to employees

Our lineworkers are required to wear personal protective equipment at all times when on the job. This includes special fire-resistant clothing that will self-extinguish, limiting potential injuries from burns and sparks. Insulated and rubber gloves are worn in tandem to protect from electrical shock. Our safety team regularly discusses important safety issues pertaining to work within the building as well as out in the field.

It is no accident that safety is a top priority at Jo-Carroll Energy. We are committed to a culture of safety that is integral to our daily

operations. It is our number one core value. In fact, as our safety manager Jeff Harrelson says, each of us at Jo-Carroll Energy is 200% accountable for safety: We each are 100 percent responsible for our own safety and 100 percent responsible for the safety of those around us – including our members and the public.

We encourage you to visit our website and follow us on social media for ongoing safety messages as we “plug into safety” during May.



**ELECTRIC CO-OPS
are committed to
keeping members
and employees SAFE.**

**May is National
Electrical Safety Month**

 **plug into safety**



AMERICA'S ELECTRIC
COOPERATIVES

Members to elect three directors; one contested election

Three directors will be elected to the Jo-Carroll Energy Board at the 78th Annual Meeting of members on Tuesday, May 23 in Savanna.

Directors are up for election in Districts 3, 6 and 9, but only District 3 has a contested election. The election for the District 3 director is conducted through the mail; only members in District 3 have been mailed ballots. Election

in Districts 6 and 9 will be by a vote of acclamation at the annual meeting.

Seeking election as District 3 director are Marcia Stanger, the incumbent, of Apple River and Joe Ambrosia of Elizabeth.

District 6 Director Tom Lundy and District 9 Director Larry Carroll are both seeking re-election unopposed.

Members who live in District 3

should carefully review the election material mailed to them and promptly return their completed ballots. Ballots are due to Jo-Carroll Energy by 4 p.m. on Monday, May 22, 2017. Ballots will be counted by the Credentials and Elections Committee. Results of the election will be announced at the Annual Meeting.

Candidate profiles

District 3

Joe Ambrosia, 2601 S. Becker Road, Elizabeth, IL



Joe Ambrosia of Elizabeth is seeking election to the District 3 directorship. He has been a member of Jo-Carroll Energy for 10 years,

since the acquisition of Alliant Energy territory.

The vision of Jo-Carroll Energy, "...to enhance the quality of life for our members", is an overriding statement that needs to be at the forefront of every director, Ambrosia said.

"Every decision needs to be accountable to that vision."

For the last several years, Ambrosia has been directly involved with the Village of Elizabeth in developing a plan to promote appropriate economic development for the region. He serves as chairman of the village's Economic Development Group.

"An efficient and reliable energy infrastructure, as well as broadband service, is paramount to the sustained economic development of any area," he said. "I would like to see that Jo-Carroll Energy continues to create the opportunities to keep northwest

Illinois a place for businesses to develop and prosper. This in turn is favorable for all our members."

"Board members are the voice for the members, and communication is key for any director," he said. "By keeping lines of communication open with members, only then can a director know what issues are important to those who use the services of the cooperative."

"I will strive to be available to discuss matters that affect the members of District 3 as well as all members of Jo-Carroll Energy. With member input, the cooperative will continue to meet the growing needs of its members, now and into the future."

Ambrosia said he will help promote the seven cooperative principles. "Also, I will continue to promote our international support with cooperatives around the world who generally operate according to the same core principles and values as adopted by the International Cooperative Alliance in 1995," he added.

A graduate of Elizabeth High School, Ambrosia earned a bachelor of science degree in agricultural education and a master of science degree in agricultural business and finance from Southern Illinois University.

Currently an investment advisor

representative through HD Vest Advisory Services, Ambrosia has 21 years of financial and investment planning experience. A former high school instructor and technology director for the East Dubuque School District 119, he also was an instructor of graduate level technology courses for the Jo Daviess - Carroll and Lee - Ogle regional offices of education. He coached varsity soccer for the Galena-River Ridge High School team for 10 years.

Ambrosia also has 15 years of experience as a farrow-to-finish hog producer.

In addition to the economic development group, Ambrosia has board experience as a board member and past vice president of the Elizabeth Community Fair Board, member of the finance committee of St. Mary's Church in Elizabeth, member of the Elizabeth Nursing Home and Grandview Estates board and past board member of the Jo Daviess County Farm Bureau.

Travel, both domestic and international, are among his interests. Noting that "it is very rewarding to learn from others and their cultures," he has had the opportunity to visit several European countries as well as parts of South America. Other

interests include gardening, reading and “of course, spending time with family.” Ambrosia and his wife of 41 years, Mary, have three grown children and one granddaughter.

District 3

Incumbent: Marcia “Marcy” Stanger, 13A17 Rawhide Ct., Apple River, IL



Marcia Stanger and her husband, Bob, have been Jo-Carroll Energy members since 1992 when they moved from Fox River

Grove, IL to Apple Canyon Lake. The Stangers have always been interested in community endeavors and want to “give back” to the community for all the friendship that has been shown them.

Stanger has been a Jo-Carroll Energy director since 2005. She is currently board secretary and serves on the executive and policy committees. To keep abreast of current energy issues, she attends regional and national conferences. She has earned her Credentialed Cooperative Director and Board Leadership certifications. She believes this is time well spent as a way to keep abreast of energy issues and how it will affect members. **Judith Behnke**

Stanger is an advocate for board openness and transparency. Membership in a cooperative is a “family-thing,” she stated. “Members are our most important concern and we value their support. Further, we recognize our employees are the core to delivering safe, affordable service.”

She supports the Jo-Carroll Energy mission statement: “Jo-Carroll Energy exists to enhance the quality of life for our members” and the accompanying set of values.

Stanger said she believes the role of director is a balance. She continued, “The main emphasis is on keeping rates affordable for services rendered, reliability and safety. Yet, the company needs to be fiscally responsible.

That has taken us in the areas of offering broadband, entering the natural gas business and the Farmers Mutual Electric Company (Geneseo) merger to name a few.”

The Stangers have lived in small semi-rural communities all their lives, namely 15 years each in Country Club Hills and Fox River Grove, IL. They are proud of their four children, 12 grandchildren and one great-grandchild.

Stanger has served as a member with the local PTAs, Jaycees and Lioness groups. She was elected to the Fox River Grove Village Board and Apple Canyon Lake Property Association Board, each for six-year terms. She participated in the “Most Elizabeth” events, Galena Country Fair, and is a member of Holy Trinity Church, Scales Mound.

Stanger said she hopes to become more active in participating in community activities throughout her next term.

DISTRICT 6

Incumbent: Tom Lundy, 17861 Airhart Road, Savanna, IL



Tom Lundy has served on the Jo-Carroll Energy board for 27 years. Tom was elected to the Jo-Carroll Energy Board March 10,

1990, and has been a co-op member since 1974. He resides in rural Savanna, and has farmed for 56 years.

A 1955 graduate of Savanna High School, Tom attended Cornell College located in Mount Vernon, IA, where he received a degree in chemistry. Following college graduation, Tom served in the Marine Corps and was stationed just 36 miles from Washington, D.C., at Quantico Marine Corps Base in Virginia.

Tom stated he is running for the board of directors “to represent the members of District 6 and to provide for the long-term health while dealing with present and future challenges of the cooperative.”

Tom and his wife, Priscilla, operate a grain and beef cattle farm in rural Savanna. They are the parents of four grown children and have 10 grandchildren and one great-grandchild.

District 9

Incumbent: Larry Carroll, 1104 Locust St., Thomson, IL



Larry Carroll is seeking re-election on the Jo-Carroll Energy board as the representative from District 9. He has been a member of

Jo-Carroll Energy since 2007.

A graduate of Thomson High School and Morrison School of Drafting and Design, Carroll has also completed numerous law enforcement courses and Illinois Certification for Fire Protection District Trustees.

Carroll currently serves on the board of directors of the American Public Gas Association from Washington D.C. APGA represents the interests of municipals, cooperatives and investor-owned natural gas utilities at the federal level by developing legislative and regulatory policies that further the goals of gas system members.

Now retired, he worked for Interstate Power/Alliant Energy for 36 years as well as the Thomson Police Department, serving 28 years as Chief of Police. While with Interstate Power, he was a member of the Work Safety Council. He also served on the Alliant Energy foreman selection committee. He is currently a trustee for the Thomson Fire Protection District and secretary of the York Community Church board.

Carroll and his wife, Carolyn, are the parents of sons Brennan, Bradlee, Jamie, Wesley and Rush.

He enjoys detailing vehicles, fishing, yard work and “lighousing” around the Great Lakes and spending time with his family.



Our 78th annual meeting will be held on Tuesday, May 23 at the West Carroll High School in Savanna. A special thank you to our employees, members and families who participated in the making of our annual report cover photo. Together, We Are Co-op.

Join us for the 78th Annual Meeting of Members

Jo-Carroll Energy invites our member-owners to join us for the 78th Annual Meeting of Members on Tuesday, May 23.

This year's annual meeting will be held at the West Carroll High School located at 500 Cragmoor Street in Savanna. Parking is available in front, to the west and behind the school. Doors will open at 5 p.m. for registration, and the meeting begins at 6 p.m. A pork chop sandwich dinner, catered by Sullivan's, will follow at approximately 7 p.m.

Each membership in attendance will receive a \$10 bill credit. Make sure to bring the registration card from this year's Annual Report to be entered in additional prize drawings. This year we are giving away 10 \$25 bill credits,

four \$50 bill credits and one home energy audit (\$300 value). You must be present to win.

Those attending can visit with other member-owners as well as meet the board of directors and cooperative employees. Prior to the meeting, members can visit displays about the cooperative's programs and services. Be sure to bring your Co-op Connections Card (or pick one up at the booth) to receive a gift.

During the business session, members will hear from Board Chairman Dave Senn (District 7) and President and CEO Mike Casper. Director election results for those districts with contested elections will be announced. (Districts up for election include 3, 6 and 9.)

Three seats are up for election on the board of directors, including Districts 3, 6 and 9. Ballots are only mailed to members in a district where more than one candidate has been nominated. Results of the District 3 election will be announced during the business session, and directors in Districts 6 and 9 will be elected by a vote of acclamation at the annual meeting.

Candidate biographies can be found on Page 18D-18E.

Up to 10 Director's Scholarships of \$500 each will be awarded, one each in the cooperative's 10 director districts. May 1 was the deadline for high school seniors to submit applications.

Additional information about the meeting appears in the 2017 Annual Report to be mailed in April.

Co-op Connections Card: A benefit of co-op membership

For many of us, Northwest Illinois is the only place we have ever called home. Just like you, Jo-Carroll Energy has deep roots in our community. Those roots are strongly supported by the small businesses that boost our local economy. One of the ways that your co-op supports small businesses is through the Co-op Connections® Card Program. It's a free benefit for Jo-Carroll Energy members. With the card you can save on lots of things, from carpet cleaning to dining out and just about everything in between. What's more, the Co-op Connections Card is accepted at nearly 23,000 businesses nationwide.

Jo-Carroll Energy members have

The Co-op Connections Card is a free benefit for Jo-Carroll Energy members and is accepted at nearly 23,000 businesses nationwide.

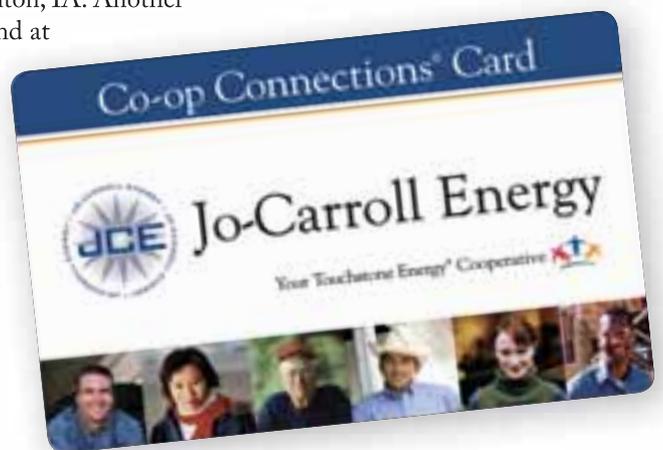
access to more than 65 local discounts. You can save 15 percent off live plants from Flower Fan-A-See in Mount Carroll, 10 percent off a guest room or meeting space at Country Inn and Suites by Carlson in Galena, and \$80 off insulation removal or installation at CGI Insulation in Clinton, IA. Another

great deal can be found at Jansen Heating in Elizabeth offering \$50 off service calls of \$200 or more.

But that's not all; there are many more opportunities to save! To search for discounts or to find

out more about your card, visit www.connections.coop and enter your zip code or call us at 800-858-5522 for a complete list of discounts.

Whether you are running errands or enjoying a night out, remember to shop local and save – all you have to do is show your card at participating retailers! It's just another member benefit brought to you by Jo-Carroll Energy.



Jo-Carroll Energy is looking for entries for its 2017 Photo Contest.

Winners will be featured in the 2018 Jo-Carroll Energy Calendar.



We are looking for images that represent life in our service territory – whether they are action shots or scenic landscapes. All photos must be the work of the entrant and be taken within the Jo-Carroll Energy service territory.

Entry deadline is June 30, 2017.

For complete rules and entry information, visit www.jocarroll.com or contact Peggy Francomb, manager of communications and marketing, at 800-858-5522, Ext. 1218 or pfrancomb@jocarroll.com.



Faster speeds;
more reliable
connections.

Benefits of **Fiber-To-The-Home**.

Speeds you need to enjoy your online experience at home.

1

Fiber has the capability for you to connect to multiple devices at once

Households now have an average of 7 devices connected to the internet at once. All of these devices have to share the available bandwidth. The higher your Mbps, the more devices you can have connected at one time. No more having to make someone stop using the connection in order for you to be able to stream or surf.

2

Fiber offers higher stability and less interruptions, even during “Internet Rush Hour”

Nothing can alter a fiber optic network connection, except a physical cut to the fiber or the destruction of the building it’s in. With fiber, you can expect a consistent, true speed, even between the “rush hours” of 7–11 p.m. So, don’t worry, no dropped connections while you’re binge watching your favorite show.

3

Fiber is “future safe” and cheaper to maintain

That means between its virtually unlimited bandwidth and its long reach, fiber is a technology that will be in place for a long time to come. If speeds become 1,000 times faster in 20 years, fiber connections still support it. Being future proof also makes it cheaper to maintain and requires less networking hardware, saving you money in the long run.

4

Fiber internet adds value to your home and community

Homebuyers are willing to pay 7% above market prices for houses with high-speed connections, as reported by several studies. Fiber internet also adds educational value to the community as broadband-enabled educational tools are shown to facilitate more interactive, personalized instruction. This improves the learning outcomes of students while also playing a critical role in developing 21st-century skills, according to the FCC.

Want to know what speed you’re getting? To see how your speed fluctuates with your current connection, go to <http://www.speedtest.net/> and test your speed at random times throughout the day.

Fiber-to-the-home brings reliability you won’t find with other services.

Get connected now! 800-858-5522 www.connectsp.com



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Connecting our members to the world.
A service of Jo-Carroll Energy



Jo-Carroll Energy

Your Touchstone Energy® Cooperative 

2017 ANNUAL MEETING OF MEMBERS

**WEST
CARROLL
HIGH
SCHOOL**

500 Cragmoor Street
Savanna, Illinois

MAY

S	M	T	W	T	F	S
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28	29	30	31			



5 pm: Member Registration



6 pm: Annual Meeting of Members



7 pm: Pork Chop Sandwich Dinner

RSVPs Requested

- Call 800-858-5522 ext. 1208 or 1228.
- Complete the survey at www.surveymonkey.com/r/JD976HR

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