

JO-CARROLL

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



CEO'S REPORT

by Mike Casper

I am honored to have been chosen by the Board to lead Jo-Carroll Energy and am extremely excited to be back in the area that I call home. I want to thank all of you for the outpouring of support and look forward to reconnecting with you and the communities Jo-Carroll serves.

I am especially excited to lead Jo-Carroll Energy with its diverse mix of businesses. The rapid change in emerging technologies combined with enhanced communication broadens the potential to generate new membership while continuing to provide a significant value to Jo-Carroll's current members.

During my time at the National Rural Electric Cooperative Association (NRECA), I developed strong relationships with America's Electric Cooperative Network that will prove beneficial in leading Jo-Carroll into the future. I gained a clear

understanding of energy cooperatives' current challenges and future opportunities.

Learning from each other and teaming together are keys to electric cooperative's success. I played a key role at NRECA with member engagement, specifically in the development of value added products and services. I will continue to focus my attention on member engagement at Jo-Carroll.

I would like to end with a few personal notes about my family. I have been married to the love of my life for more than 25 years with two boys, ages 15 and 18. We enjoy the outdoors, so you may see us competing in a community run, hiking, skiing, biking or at some other outdoor event. My mother and father, one grandmother, as well as other extended family continue to reside in the Jo-Carroll service territory.

Community is a very important part of our life and we look forward to meeting you.

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.

Coming soon! 2017 rebates and incentives

We're finalizing details about our 2017 energy efficiency rebates and incentives. Watch future issues of Hi-Lines for an article with complete details and listing of the rebates and incentives available.

The 2017 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, 2017.
- Incentives will be available through Dec. 31, 2017.

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.

Resume of Minutes

October 26, 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 Hallendorf
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, October 26, 2016, 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.

Presentations – Kristen Patterson, Midwest Medical Center HR Director, provided a presentation to the board regarding the hospital's request for a donation from Jo-Carroll Energy towards a new nurse call system. A motion was made, seconded, and carried to approve a \$3000 donation from the unclaimed capital credit fund to Midwest Medical Center towards a nurse call system.

Chairman's Report – Chairman Senn thanked M.L. Christman for serving as the Interim CEO. Senn announced the new CEO, Mike Casper, would be arriving today, October 26th, to meet with the Senior Staff and work on a press release. Senn informed the board and staff that Mike will be attending the upcoming employee meeting to introduce himself, as well.

Dairyland Report – Director Mattingley presented Dairyland's most recent monthly financials, as well as an update on the work of DPC's Wholesale Power Contract Task Force. Mattingley also noted that Dairyland Power Cooperative was awarded \$73.5 million from the U.S. government in the most recent round of litigation over the La Crosse Boiling Water Reactor.

AIEC Report – Chairman Senn reported on the AIEC meeting that he recently attended, noting that AIEC is losing two key employees and hiring for a safety position. Senn indicated that the AIEC budget will be presented at their next Board Meeting.

APGA Report – Director Carroll provided an update on regulatory matters of concern to the APGA.

PPI Report – Director Kuhns reported on PPI's most recent generation figures. Hallendorf also informed the board that PPI has hired Eric Hobbie as its next President & CEO. Mr. Hobbie comes to PPI from a long career at Springfield's City Water, Light, and Power.

Monthly Committee Review

a. Policy 105 - Directors Compensation and Benefits – A motion was made, seconded, and carried unanimously to approve Board Policy 105 as is.

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

a. Financial Operating Report – Interim CEO Christman reported on the Cooperative's margins through September, which, at \$3 million, are slightly above the revised budget amount. The current equity of the co-op is at 24.29%, which is up from 23.92% in 2015. By

general consent, the board moved to file the Financial Operating Report with the auditor.

b. Power Supply Report – Senior Vice

President Buros discussed the transmission rates the cooperative currently pays ITC Midwest.

c. CFO Report – CFO Heidenreich discussed the cooperative's yearly donations to area food pantries. Heidenreich also discussed that senior staff, along with the new President & CEO, will be hand-delivering some larger capital credit checks to members.

d. Sr. Vice President and Assistant General Manager Report – Contained in Power Supply Report.

e. Culture of Excellence and Communications

– Merri Sevey, Vice President of Human Resources recognized the Cooperative's culture of safety and noted that on October 24th, 2016, cooperative employees Jeff Harrelson, Steve Ludwig, Todd Chambers, Peggy Francomb, and Jamie Lockwood traveled to Galena and presented to the Galena Fire Department regarding electric safety. Jo-Carroll Energy plans to continue offering these presentations to interested groups within the cooperative's service area. Sevey also announced the Touchstone Energy #WhoPowersYou Contest, in which the cooperative's members can nominate individuals making a difference in the community, with cash prizes of up to \$5,000.

f. Member Services – Jennifer Skien, Vice President of Member Services, discussed the annual Capital Credit return process, noting that address verification letters have been sent to inactive Members. Skien also introduced a new employee, Elliott Mills, who will assist with energy audit analyses and load management programs.

g. External Affairs Update – Chris Allendorf, Vice President of External Relations and General Counsel, reported on the TCEDA's annual Manufacturing Day that was recently held. Allendorf stated that nearly 280 students participated in the event, which provides the students with an opportunity to learn about manufacturing careers in the area. Allendorf also noted that TCEDA was chosen by the Galena Area Chamber of Commerce as its non-profit business of the year. Allendorf also provided updates on legislative and regulatory issues.

Board Issues

a. PPI Wholesale Power Contract

Continued on 16c ►

Petitions available for 2017 director nominations

Nomination petitions for the 2017 Jo-Carroll Energy Board of Directors are now available. Three director posts will be up for election in the 2017 elections including: District 3, now represented by Marcia Stanger of Apple River; District 6, now represented by Tom Lundy of Savanna; and District 9, now represented by Larry Carroll of Thomson.

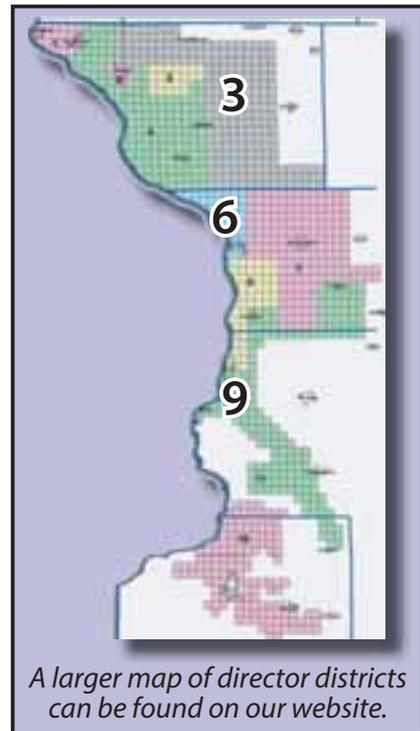
Any Jo-Carroll Energy member residing in the district of a director whose term is expiring, including the incumbent director may petition for nomination. Members interested in seeking election to the board may pick up a nomination petition at one of Jo-Carroll Energy's offices or download a petition 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. 27, 2016 and no later than March 24, 2017.

In order to qualify to have their 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.

Complete details on director qualifications and the nomination procedure can be found in Jo-Carroll Energy's bylaws. The bylaws are posted on the cooperative's website at www.jocarroll.com.



Minutes continued from 16b

- Amendments** – A motion was made, seconded and carried unanimously to approve the PPI Wholesale Power and Transmission Service Contract Extensions.
- b. Upcoming Jo-Carroll Energy Board Meeting Dates** – Dates for the 2017 Jo-Carroll Energy board meetings were discussed. A motion was made, seconded and carried unanimously to approve the dates selected.
- c. Voting Credentials for the Annual Meeting of Members for the ICWCG and the 16th Annual Meeting of Rochdale Services, Inc.** – A motion was made, seconded and carried unanimously to allow the newly appointed CEO or his designee to be the voting representative at the annual meetings of the ICWCG Rochdale Services, Inc.
- d. Jo Daviess County Leadership Forum** – By general consent, the board selected Director Jones

- to attend the annual Jo Daviess County Leadership Forum.
- e. Discounted Estate Retirements Approval** – A motion was made, seconded, and carried unanimously to approve the discounted estate retirements, as presented.
- f. Capital Credits General Retirement** – A motion was made, seconded and carried unanimously to approve the general retirement of capital credits for 2016 in the amount of approximately \$1.6 million.
- g. Form 990 Review** – A motion was made, seconded and carried unanimously to approve the cooperative's 2015 Form 990, as presented.
- h. Rescind the Resolution to Re-allocate the Reserves** – A motion was made, seconded, and carried unanimously to rescind a previous resolution reallocating non-operating reserves.
- i. Financial Forecast Informational Review** – No Action Taken.
- j. Review Employment Contract**

- for CEO** – The item was moved to Executive Session for Discussion.
- Executive Session** – A motion was to move into Executive Session at 11:57 a.m. which was seconded and carried unanimously.
- Consideration of Matters discussed in Executive Session** – The board approved an employment contract with Michael Casper to serve as the President & CEO of the cooperative.
- Reports**
Reports were heard on: The PPI Board Meeting, NRCO Board Meeting, AIEC Board Meeting and the Dairyland Board Meeting.
- Upcoming Meetings**
Course 943.1, APGA Operations Conference, CFC IBES, PPI, Dairyland Board Meeting, AIEC Board Meeting, Jo-Carroll Energy Board Meeting and the Jo-Carroll Energy Christmas Party.
- Other Business** – None.
- Adjournment**
Chairman Senn adjourned the meeting at 12:55 p.m.

Jo-Carroll Energy is looking for students for Youth Day, Youth Tour

Each year, Jo-Carroll Energy sends two high school students to Washington, D.C. on an all-expense paid, week-long education trip where they learn how the government and electric cooperatives operate.

The cooperative's participation in the annual event, also includes Youth Day in Springfield. Each year, nearly 300 students get an up close and firsthand look at democracy in action when they meet their elected representatives during Illinois Electric and Telephone Cooperatives' Youth Day. Participants tour the Capitol, visit the Abraham Lincoln Museum and meet students from across Illinois.

The cooperative will send up to eight candidates to Springfield for Youth Day during which interviews will be held to select two students to represent Jo-Carroll Energy on the Youth to Washington tour. The event this year will be held on Wednesday, April 5.

Youth to Washington

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.

In 2017, it takes place June 9-16,

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.

How to apply

In the past, we've asked applicants to fill out a lengthy application form. This year we're changing the application process. Students are asked to create a short video submission. High School students in grades 10-12 in the fall of 2016 and whose parents or guardians reside within the Jo-Carroll Energy service territory are eligible to apply.

Students are asked to submit their video on a flash drive by mail or by dropping it off at a Jo-Carroll Energy offices in Elizabeth, Savanna or Geneseo along with a short application form found on the cooperative's website. The submission deadline is March 3, 2017 and the winners will be announced in mid-March.



We encourage students to be creative and come up with a short video under two minutes explaining something they are passionate about and relate it to the co-op business model or community involvement, and tell us why you would like to be chosen to attend the Youth Tour. Students have the option to collaborate with friends; however, each applicant must submit their own video. Video submissions will be posted on Jo-Carroll Energy social media sites.

Videos will be judged on overall presentation and creativity. Up to eight applicants will be selected to attend Youth Day. Interviews to determine the two Youth Tour winners will be conducted during Youth Day.

If you have any questions, please contact Peggy Francomb at 800-858-5522, extension 1218, or pfrancomb@jocarroll.com.

Energy Efficiency
Tip of the Month



Consider insulating your water heater tank, which could reduce standby heat losses by 25 to 45 percent and save you about 4 to 9 percent in water heating costs. You can find pre-cut jackets or blankets available from around \$20.

Source: energy.gov

Jo-Carroll Energy scholarships available

In 2016, the cooperative significantly increased the number of scholarships awarded through its scholarship program. The cooperative offers five different scholarships to recognize outstanding students and to help make attending college a little more affordable.

Deadlines for each of the scholarships vary, so please read the requirements and instructions carefully.

The scholarships include:

- Six Jo-Carroll Energy Scholarships of \$1,000 each. These scholarships are awarded to outstanding scholastic students who are high school seniors and the sons or daughters of Jo-Carroll Energy members. Two scholarships are awarded in both Jo Daviess and Carroll counties and one scholarship is awarded in both Whiteside and Henry counties. Scholarships are awarded based on grade point average, college entrance exam scores, work and volunteer experience, participation in school and community activities and two short essay statements. *Application deadline is March 1, 2017.*
- Two Lineworker Scholarships in the amount of \$2,000 each. These scholarships are awarded to students who plan to attend a lineworker school. Applicants or their parent/legal guardian must be a cooperative member. Preference is given to applicants planning to attend: Northwest Iowa Community College in Sheldon, Iowa; Southwest Tech in Fennimore, Wis.; Chippewa Valley Technical College in Eau Claire, Wis.; or Moraine Park Technical College in Beaver Dam, Wis. Scholarships are awarded based on academic transcripts, school and community activities and a statement

outlining career goals and why the student is interested in becoming an electric lineworker. *Application deadline is March 1, 2017.*

- Four Two-year/Technical School Scholarships in the amount of \$1,000 each. Similar to the JCE Scholarships, these scholarships are awarded to outstanding scholastic students who are high school seniors and are the sons or daughters of Jo-Carroll Energy members but who plan to attend a two-year college or technical program. One scholarship is awarded in each of the counties the cooperative serves including Jo Daviess, Carroll, Whiteside and Henry. Scholarships are awarded based on grade point average, college entrance exam scores, work and volunteer experience, participation in school and community activities and two short essay statements. *Application deadline is March 1, 2017.*
- Four “Non-traditional/Adult” Student Scholarships in the amount of \$1,500 each. Applicants must be a current Jo-Carroll Energy member in good standing and must have his or her name on an active account. Applicants must be accepted to an accredited post-secondary school or program that would lead to their first degree, certification or licensure. Previous Jo-Carroll Energy

Scholarship winners are not eligible for this scholarship. Scholarships are awarded based on letters of reference and a statement about the student’s academic pursuits including their educational and career goals and how the scholarship will help them achieve those goals. One scholarship is awarded in each of the counties the cooperative serves including Jo Daviess, Carroll, Whiteside and Henry. *Application deadline is April 1, 2017.*

- Ten Director’s Scholarships in the amount of \$500. These scholarships are awarded in a drawing held at Jo-Carroll Energy’s Annual Meeting, set for May 23. Applicants must be high school seniors whose parents/legal guardians are members of the cooperative. *Application deadline is May 1, 2017.*

Funding for all Jo-Carroll Energy scholarships come from unclaimed capital credits.

Applications and complete details for all the scholarships can be found on the cooperative’s website at jocarroll.com.



Dylan Sadler from Elizabeth was one of two students to receive a Jo-Carroll Energy Lineworker Scholarship in 2016. Presenting him with a certificate was Interim CEO Chris Christman.

Energy savings for every season

By Anne Prince

While saving money through greater energy efficiency may be a year-round objective for many consumers, the way to achieve this goal will vary by season. A number of factors impact energy efficiency, including weather, the age and condition of the home, and desired comfort levels. During winter months, when the outdoor temperature is chilly, consumers desire a warm home and seek to keep the cold air out. Conversely, in the summer, the focus is on keeping the hot air from infiltrating cool abodes.

Fall and winter: keeping heat in

To maintain a warm indoor environment in colder weather, you can take these simple steps to increase energy efficiency.

- Examine seals on doors and windows to check for air leaks. Caulk and weatherstrip as needed to seal in warm air and energy savings. Similarly, examine outlets for air leaks, and install gaskets around the outlet to prevent drafts where necessary.
- During the day, open curtains or drapes on south-facing windows to enable sunlight to heat your home naturally. Close curtains or drapes at night for an added layer of window insulation.
- As the temperature drops lower with the onset of winter, schedule a service appointment for your heating system to ensure it is operating at an optimal level.
- Use a programmable thermostat to set the temperature as low as is comfortable when you are home (ideally around 68 degrees). When you are asleep or away, turn the temperature down 10-15 degrees for eight hours. According to the Department of Energy, this small adjustment can help you save approximately 10 percent a year on heating and cooling costs.

Spring and summer: keeping your cool

During warmer months, energy savings and efficiency will require different measures, many of which are inexpensive.

- Open your windows in the evening and turn off your cooling system while sleeping. In the morning, shut the windows and blinds to hold in the cool air.
- Where practical, plant trees and shrubs that provide shade in warm months and sunlight in winter. In addition to the aesthetic value, well placed trees can take heat gain from the sun and provide needed shade by creating a canopy for the house.
- Set the thermostat as high as you can while maintaining your comfort level. Moreover, using a ceiling fan in conjunction with your

air conditioning can allow you to increase the thermostat setting to approximately four degrees with no reduction in comfort levels.

- Replace any remaining incandescent bulbs with LEDs. The waste heat from the old bulbs impacts energy use and creates wasteful and unwanted heat. Employ a programmable thermostat to adjust the settings a few degrees higher when no one is home or your family is sleeping.

To learn more about additional energy-saving tips and programs, contact Jo-Carroll Energy at 800-858-5522.

Anne Prince writes on cooperative issues 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.

FIVE TIPS FOR SAVING ENERGY AT HOME

- 1 Set a programmable thermostat to turn down the heat when the house is empty or everyone is asleep.
- 2 Insulate your electric water heater.
- 3 Plug leaks around windows, doors, and power outlets with caulk and weather stripping.
- 4 Purchase ENERGY STAR® products.
- 5 Monitor your energy use to spot trends and sudden changes.

The benefits of community solar

By Meghaan Evans

Have you ever walked out of your house on a sunny day and thought, “I wish I could harness the sun’s energy to power my home”? Okay. Maybe you haven’t. But I’m sure you have noticed solar panels on top of homes in your community, and maybe you have even seen a solar farm here or there. If you have considered solar as a part of your home’s energy mix—but have been dissuaded by high costs or maintenance requirements—we here at Jo-Carroll Energy are happy to tell you that solar energy is more accessible than you might think!

Community solar programs harness natural energy from the sun and often cost less than installing a solar system at your home or business. If you are a homeowner, participating in community solar keeps you from having to worry about zoning restrictions or appealing to your homeowners’ association. If you don’t own your home, not to worry. Renters can participate, too!

The community solar model is easy to understand. Your cooperative builds a solar array—a group of solar panels in an empty lot or field—then, you purchase a share of the energy produced, often in the form of one or more solar panels. The energy is distributed to the power grid and solar-farm members receive credits that lower their electric bills.

Participating in a community solar program also eliminates maintenance costs and concerns that can be a hassle

for those who own and maintain their own residential solar system. With community solar, Jo-Carroll Energy takes care of maintenance making it easy for members to participate.

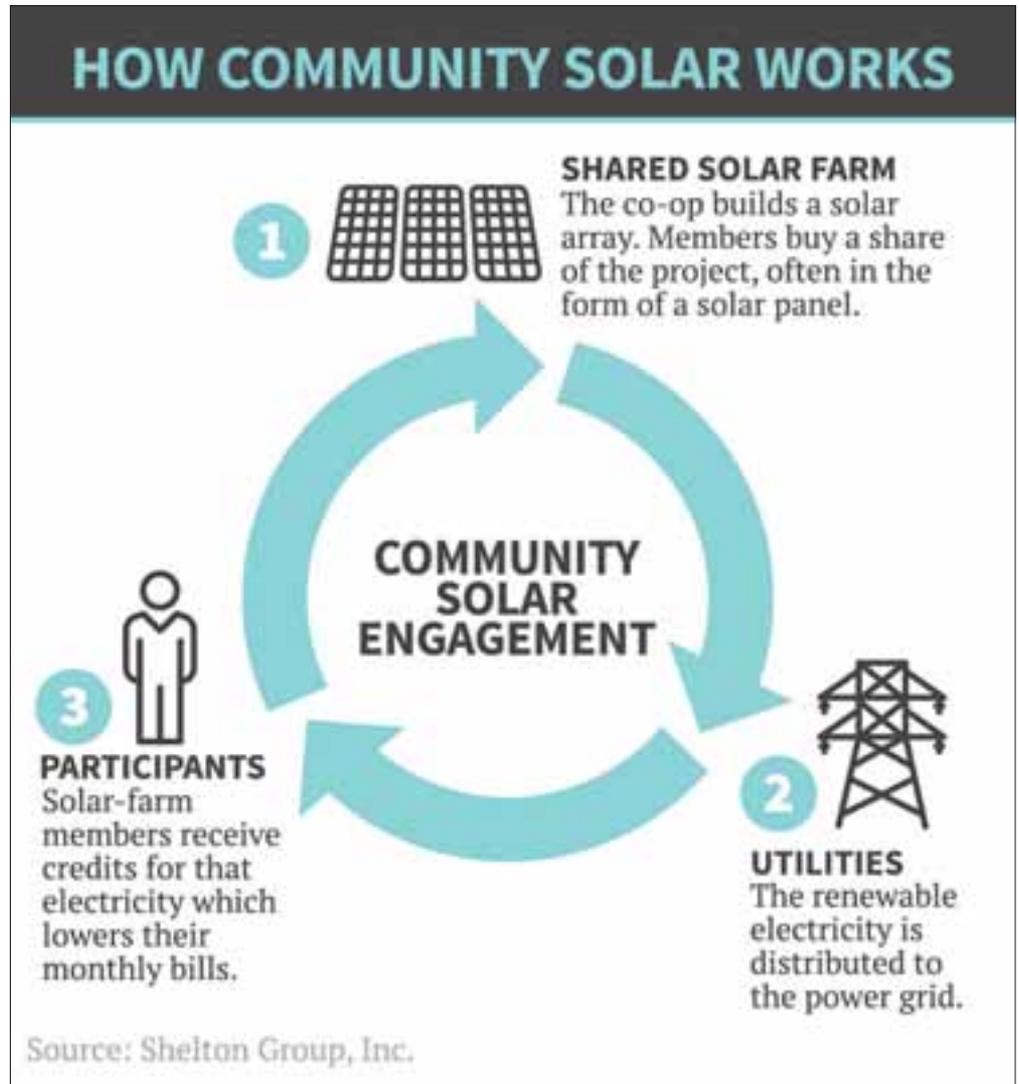
Jo-Carroll Energy’s own South View Solar Farm was built on three-quarters of an acre at the cooperative’s headquarters in Elizabeth. The array consists of 456 solar panels with a combined capacity of 126.5 kW (dc). Each panel has a capacity of 275 watts.

Members purchase subscriptions with a 20-year subscription agreement. The estimated average return is \$48-50

per panel per year, and the project was designed to provide payback in 20 years.

To learn more about community solar and other programs we offer, contact Jo-Carroll Energy at 800-858-5522.

Meghaan Evans 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.



Tips for weathering winter storms

Winter storms can cause hazardous road conditions, downed power lines, and extended power outages. Safe Electricity shares tips on preparing for and safely weathering winter storms.

Before a storm ever begins, tune into your local weather service for the weather forecast. It is important to know the differences among various watches and warnings.

- **Winter Storm Watches** signify that stormy conditions, including heavy snow, freezing rain, or sleet, are likely within the next few days. You should be alert, as this means adverse conditions could begin within the next 12 to 48 hours.
- **Winter Storm Warnings** call for stormy conditions to begin within the next 24 hours. Those in the range of the warning should be mindful of the impending conditions and consider canceling plans to travel outside of the home.
- **Blizzard Warnings** advise those in the affected areas to seek refuge immediately due to high levels of snow, strong winds, and resulting near-zero visibility to those traveling on the road.

If the power goes out, notify your utility of the outage. Have an emergency kit prepared to help you and your family weather the storm and the outage safely and comfortably. Some of the items this kit should include are bottled water, non-perishable food, flashlights, a weather radio and extra batteries.

If you are using an alternative heating source during an outage, know how to use it safely and have all supplies for it gathered. To help you and your family stay warm during an outage, dress warmly, cover windows at night, close off unneeded rooms, and place draft blocks at the bottom of doors.

To protect your circuits and appliances when power is restored, switch off lights and unplug appliances. Leave one light switched on as a quick reminder that the power is restored.

Only venture outside if absolutely necessary. Downed power lines could be submerged in snow and ice, making them difficult to see. If you must go outside, use caution and treat all downed and hanging lines as if they are energized. Stay away, warn others to stay away, and immediately contact your utility.

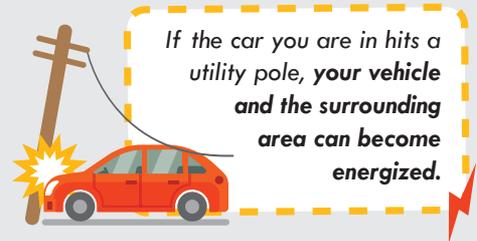
If travel is necessary, be especially cautious driving, and keep an emergency kit in your vehicle. Its supplies should include a windshield scraper, a first aid kit, a cell phone charging adaptor, booster cables, a blanket, and a flashlight with extra batteries.

Never drive over a downed line because that could pull down the pole and other equipment, causing additional hazards. If you see a downed line, do not get out of your car. The safest place is inside the vehicle. Contact the utility immediately.

KNOW WHAT TO DO



if in an Auto Accident with Power Lines



Even if you do not touch lines or equipment, you can still be killed or seriously injured.



1. Do NOT leave the car, and warn others to stay away.

2. Call 911 to have the utility notified.



3. Wait until a utility professional has told you it is safe.



The **only** reason to exit the vehicle is **if it's on fire.**

If the car is on fire, jump clear of the vehicle: **with feet together, and without touching the car and the ground at the same time.**



Continue to **hop away** with your **feet together** as far as you can.



Learn more at

Safe Electricity.org



You are their priority

“Hero” is a powerful word. Our industry’s heroes literally put their lives on the line every day. Until winter’s wrath causes power outages, you probably don’t think much about them. But, as a member/owner, your safety and comfort is their priority.

If your power is out and you haven’t already heard from your co-op, call the co-op office, then check Facebook for outage restoration updates. And be patient and supportive. They’re working as fast as they can in the worst possible conditions.

A message from your Touchstone Energy cooperative.



Jo-Carroll Energy

Your Touchstone Energy® Cooperative 