

JO-CARROLL

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



CEO'S REPORT

by Mike Casper

Connecting with our communities, connecting with our members is the theme for Jo-Carroll's annual meeting scheduled for Wednesday evening, May 23.

The annual meeting continues to move around to connect with different communities and you, our member-owners. This year the meeting will be held in Galena.

I strongly encourage all of you to attend, including our younger members. It is important that our younger generation experiences what being a part of a co-op is about. It is more than just receiving electricity, natural gas or internet services; it is being part of a community, where you, our member-owners have a say in what is important to you.

Please bring your children or grandchildren who will be our next generation of member-owners. Their voice is so important to us to better understand what current and future technologies and services are and will be central to them to remain or come back to our communities.

Jo-Carroll Energy and Sand Prairie thrive for the sustainable development of our communities to provide services our member-owners want, attract new businesses, grow jobs and maintain a technologically competitive area. Connecting and working closely with our communities is vital to serve them to ensure success. Two examples are education and healthcare.

It is critical for students to have fast connections to the internet at school, but also at home to be on the same level as students in larger urban areas. Rapid adoption of technology in the healthcare field has put smaller communities at a disadvantage, unless they are connected with high internet speeds where records and information can be transferred almost instantaneously to experts around the world.

We take connecting with communities literally and figuratively. Jo-Carroll has an incredible team of locally connected employees plugged into every community we serve. They and you are our ambassadors, connecting with our members and communities.

We also have exciting news to share with you during our annual meeting. In 2018, Jo-Carroll Energy strengthened its cooperative connections serving the electric membership. As of April 1, 100 percent of our electric power supply comes from generation and transmission (G&T) cooperatives, which will provide you a long-term, reliable, sustainable and reasonably priced power source.

We are also pleased to announce that Dairyland Power, our G&T cooperative that provides us wholesale power from the north, has selected to develop a 1,500-kilowatt solar array in our service territory. The array will generate adequate power to supply approximately 250 homes at a price that is competitive with our current energy supply.

Please join us the evening of May 23; we look forward to connecting with 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.

Connecting
with our
Communities

Jo-Carroll Energy
Annual Meeting

May 23 • 6 p.m.

Crossroads Community Church

Registration begins at 5 p.m.

Member Appreciation Dinner at 7 p.m.

Voluntary and open membership • Voluntary and open membership

Resume of Minutes

February 21, 2018

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

Dan Tindell
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 21, 2018, 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.

Presentation- Peggy Francomb, Manager of Communications provided a summary on the fiber build-out area, noting that several areas are on the verge of making it to the sign-up phase. Francomb discussed the connectsp.com website for members interested in fiber. Francomb expressed that this is a grassroots effort and it will take involvement from communities and members to expand fiber in our service area. Francomb also discussed legislative efforts to increase broadband deployment in rural areas.

Chairman's Report – Chairman Senn discussed the board evaluation process, which includes a peer assessment component. Senn noted how well this assessment has worked with other cooperatives.

AIEC (Association of Illinois Electric Cooperatives) and NRECA Report – Senn provided an update on Spoon River Electric Cooperative changing their method of recovering fixed infrastructure costs.

Dairyland Report – No report presented.

APGA Report – Director Carroll provided an update on regulatory matters being followed by the American Public Gas Association (APGA).

PPI Report – Director Hallendorff reported on Prairie Power Inc. (PPI's) most recent generation figures and provided operational highlights from Prairie State Units 1 and 2. Hallendorff also discussed the percentage of PPI's generation that comes from renewables.

Policy Committee Update –

- a. **Policy 102** – A motion was made and seconded to approve Policy 102 as amended. A motion to further amend Policy 102 was made and seconded. Both motions carried unanimously.
- b. **Policy 102 B** – A motion was made, seconded and carried unanimously to approve Policy 102 B.
- c. **Policy 115** – A motion was made, seconded and carried unanimously to approve Policy 115.
- d. **Policy 120** – A motion was made, seconded and carried unanimously to approve Policy 120 as amended.

CEO's Report –

a. **Financial Operating Report** – CFO Woods reported on the Cooperative's operating margins for January. The current equity of the cooperative is approximately 24.80%,

compared to 23.91% at this time last year. By general consent, the board moved to file the financial operating report with the auditor. Woods also commented that operations and maintenance expenses were slightly less than budgeted.

b. **Technical Presentation** – V.P. Buros provided a presentation on solar power and discussed the Future Energy Jobs Act.

Operations & Regulatory/Legislative Update –

- a. **Senior Vice President and Assistant General Manager** – Buros provided information on Jo-Carroll Energy's Strategic Goals and Initiatives. Staff has taken a different approach to meet the objectives, which seeks to engage more employees in the process. Staff anticipates providing an outline of the initiatives at the next board meeting.
- b. **External Relations Update** – Chris Allendorff, Vice President of External Relations & General Counsel, provided the board with an overview of matters concerning the State of Illinois and the federal government. Allendorff noted that rural broadband is a trending topic at the federal level, which will hopefully translate to new opportunities for the cooperative to expand rural access to broadband. TCEDA will be unveiling the new branding of the organization during its annual meeting on March 15. The Build It Grow It campaign is also expanding. Allendorff also discussed the first-ever Legislative Day being held by the AIEC in May, where Illinois cooperative staff will have the opportunity to meet with state legislators and discuss issues of concern.

Board Issues

- a. **Discounted Estate Capital Credit Retirements** – A motion was made, seconded, and carried unanimously to approve the discounted estate retirements as presented.
- b. **Metering Equipment Transfer to Dairyland** – A motion was made, seconded, and carried unanimously to approve the metering equipment transfer to Dairyland.
- c. **Approve Credentials and Election Committee** – A motion was made, seconded, and carried unanimously to approve the credentials and election committee.
- d. **Director AD&D** – VP of Human Resources Sevey discussed the Director AD&D policy that's currently in place.

Executive Session– None.
Adjournment

Chairman Senn adjourned the meeting at 11:30 a.m.



Connecting with our Communities

Join us for the 79th Annual Meeting of Members

Jo-Carroll Energy invites our member-owners to join us for the 79th Annual Meeting of Members on Wednesday, May 23.

This year's annual meeting will be held at the Crossroads Community Church located at 900 Galena Square Drive in Galena. Parking is available adjacent to the church.

Doors will open at 5 p.m. for registration, and the meeting begins at 6 p.m. with dinner following at 7 p.m.

Prior to the meeting, members are encouraged to visit displays about the cooperative's programs and services. Be sure to bring your Co-op Connections Card to receive a special gift at that booth. If you don't have a card, you can pick one up at the booth.

Members who receive electric service from the co-op will want to stop by the renewable energy display where they can enter to win one of two subscriptions to a half panel in the cooperative's community solar farm, South View Solar. Information about renewable energy will be available at the booth also.

The meeting will feature presentations by board chairman David Senn (District 7) and president and CEO Mike Casper.

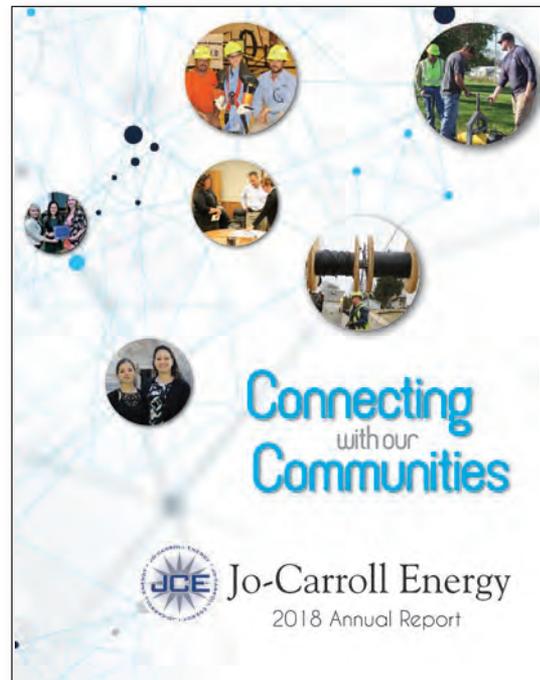
During the business session, members will also hear results of

the election in District 4 which has two candidates seeking the directorship. Ballots are only mailed to members in a district where more than one candidate has been nominated. Directors in Districts 5, 7, 8 and 10 will be elected by a vote of acclamation at the meeting.

Candidate biographies for all districts can be found on pages 20D-F.

Each membership in attendance at the meeting will receive a \$10 bill credit. Make sure to bring the registration card from this year's Annual Report to be entered for 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. Winners of the solar farm subscriptions will be drawn at the close of the meeting also.

The Director's Scholarships of \$500 each will be awarded, one from each district, at the close of the



meeting. (May 1 was the deadline for high school seniors to submit applications.) The student applicant and at least one parent or guardian must attend the meeting. Director's Scholarships are awarded one per district. However, if no students apply and are present for individual districts, those scholarships will then be awarded at-large.

Members to elect five directors; one contested election

Five directors on the Jo-Carroll Energy board are up for election in 2018 including Districts 4, 5, 7, 8 and 10.

The election in District 4 is to fill an unexpired term that ends in 2019. Because two candidates have filed for District 4, ballots will be mailed to members in that district. All other elections are by acclamation at the annual meeting.

Seeking election as the District 4 director, Dan Tindell, the incumbent, who was appointed to the post in 2017, and Chris Stadel who formerly served on the board.

Seeking re-election to the board unopposed are District 5 Director Pat Smith, District 7 Director David Senn, District 8 Director Russell Holesinger and District 10 Director Bob Kuhns.

Also, of note in District 10 is that the number of directors will be reduced to one, the same as in other districts. Following the merger with Farmers Mutual Electric Company, District 10 was initially represented by three directors and reduced to two in 2015 as part of a transition and integration period.

Members who live in District 4 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 Tuesday, May 22, 2018. Ballots are counted by the Credentials and Elections Committee.

Results of the District 4 election will be announced at the Annual Meeting, and a vote of acclamation for all other districts will be held.

2018 board candidate profiles

DISTRICT 4

Incumbent

Dan Tindell

**13 W. Arrowhead Dr.
Galena, IL 61036**

Dan Tindell is seeking election as the District 4 Jo-Carroll Energy Board member. He was appointed to the board in May, 2017. Dan, with his wife, Pam, a River Ridge District 210 preschool teacher have been members of Jo-Carroll Energy since 1996. He has two adult daughters, Emily and Grace. Emily is married to Ben Mock. Ben works with the local youth and the Jo Daviess County Transit. The Tindells have two grandchildren.

Dan has committed himself to public service in various capacities. In addition to his appointment to the Jo-Carroll Energy Board, his service has included: (1) five years, Veteran, US. Air Force as Mainframe Computer Tech. Specialist; (2) 21 years with



the State of Illinois in the Illinois Historic Preservation Agency and the Department of Human Services (retired in 2017); (3) 15 years, past board memberships including: Galena-Jo Daviess Historical Society, Planetary Studies Foundation, Apple River Fort Historic Foundation (former staff representative as Acting Site Manager and presently on the Foundation board); (4) 22 years as an active member Galena Bible Church, serving as teacher/leader for AWANA (children's biblical study) and as chairperson for missions.

Dan's educational background includes: (1) Graduate of University of Maryland (European History), A.A.; (2) Moody Bible Institute B.A., Professional Radio Broadcasting; and (3) Illinois State University, B.S. (History, Teaching). He has earned his Cooperative Credential Director Certificate (CCD) and participated in the Jo Daviess Leadership Forum in 2001. Dan is an amateur ham radio operator, who loves the outdoors

and to spend time with his family.

Dan said: "I hope to give to this co-op community -- new ideas such as modernization of technology, coordination and participation with public and private sectors to save Jo Carroll Energy users (members) financially and improve the efficiency of our services. With my experience in technology, teaching and government, I feel I can make a difference on the board as I have this past year."

DISTRICT 4

Chris Stadel

**6609 S. Blanding Road
Hanover, IL 61041**

Chris Stadel is seeking election to the Jo-Carroll Energy District 4 Directorship.

Chris has been a member of Jo-Carroll Energy since 1991. He previously served on the Jo-Carroll Energy Board for 12 years and served as a director for the Dairyland Power Cooperative



Board and the Association of Illinois Electric Cooperatives board. He has earned his Credentialed Cooperative Director (CCD) certificate and Board Leadership (BL) certificate.

A graduate of Scales Mound High School, Chris worked for Thompson Township after high school and then went to Kelly Springfield Tire Co. where he worked until 2005. He started a small business, Brush Hog Mowing in 1999. He is a truck driver for XPO/Jacobson Transportation.

He and Maria have seven daughters, one son and 11 grandchildren. He enjoys spending time on the river with his children and grandchildren and hunting and fishing.

Chris stated he is running for the board of directors because he wants to represent the members in his district. He added he wants to help ensure the lowest rates possible for members, and to make sure that the members have a voice representing them.

DISTRICT 5

Pat Smith
712 Park Ave.
Galena, IL 61036

Pat Smith has served as a director of Jo Carroll Energy for 11 years. In that time, she has completed the required courses to become a Credentialed Cooperative Director and has her Board Leadership Certification. She continues to attend seminars and classes to keep up with the changing world of the power industry.

Pat and her husband, Ron, are lifelong residents of Galena. Both graduated from Galena High School. They have been married for over 56 years and have three children; Kathy (Jay), Lynn (David), Ron (Lori), eight grandchildren and five great-grandchildren and another one arriving in April.



For over 55 years Ron and Pat have lived in the same neighborhood. They have owned and renovated two homes which includes the one where they currently reside. Pat retired from the Galena School district after 23 years of service as a Primary School aide for six years and at the high school as a library aide for 17 years.

She enjoys being involved in her community. She was an organist at St. Michael's Church for many years. She served as a director on The Galena Foundation Board for nine years, including six as secretary. She served on the Turner Hall Restoration Committee and the Grant Park Restoration Committee. Pat has volunteered at the Galena Country Fair for over 36 years. She is currently vendor chairperson for the Fair.

As a Jo-Carroll Energy Director, Pat has served on the Policy Committee, Power Supply Committee, New Director Selection Committee and Annual Meeting Committee. She has also served as a voting delegate for the National Rural Electric Cooperative Association and an alternate for the Association of Illinois Electric Cooperatives.

Pat has been involved in the important decisions and changes that Jo-Carroll Energy has experienced in her 11 years as director. "Jo-Carroll Energy will continue to be a positive and supportive organization in the economic development of our service area," she said. "The building of a community solar farm, a comprehensive plan to provide high speed internet and fiber to our rural members, are just two examples of Jo-Carroll's commitment to its members."

A little over a year ago the board was met with the task of employing a new CEO. Pat is very proud to have taken part in that most important process. The board was able to hire an extremely qualified CEO, who, having been born and raised in Jo Daviess County, has a special

vested interest in the Jo-Carroll Energy members.

Pat would like to continue to represent her community in this organization that provides services that are vital to the progress and growth of our business community, and that "exists to enhance the quality of life for our members."

DISTRICT 7

David H. Senn
13575 West Point Road
Mount Carroll, IL 61053

David Senn has been a member of Jo-Carroll Energy since August, 1982. David has been on the Jo-Carroll Energy board of directors since the fall of 2007, and currently serves as chairman of the board.



As a director, he has completed all the courses to achieve director gold status. Currently, he represents Jo-Carroll Energy on the board of the Association of Illinois Electric Cooperatives. There he serves on the statewide scholarship committee and is chairman of the resolutions committee. He has represented Illinois at the national level by being involved in the rewriting of the resolution process and serving on the advisory council as well as being a presenter at meetings of electric cooperatives.

A graduate of Northern Illinois University in 1968, David received a B.S. degree in accounting. After graduation from NIU, he became a naval aviator and achieved the rank of lieutenant. Upon separation from the Navy, he entered into a career in the brokerage industry that included a five-year stint in New York City. He completed a two-year program and achieved the Certified Financial Planner designation in 1994. He worked as a financial planner until his retirement in 2007.

Continued on 20F ►

"Board candidate profiles" continued from 20E

"Having had the opportunity to attend national and state meetings, sessions with our elected officials and education training sessions, I realize I have been given a leg up and placed in a position where my experience will permit me to be able to deliver to the members of Jo-Carroll Energy innovative, diversified and energy products, which will enable them to grow and prosper in the century ahead," he stated.

"We as a nation stand on the threshold of change. The future of energy consumption and availability of things we have become accustomed to appear to be in a state of turmoil," David stated. "I believe Jo-Carroll Energy is positioned to provide stability during these trying times, and I hope to be a part of this process as we move forward."

David is actively involved in many conservation groups such as the National Wild Turkey Federation, Pheasants Forever and the Rocky Mountain Elk Foundation. David has a son who is a Doctor of Veterinary Medicine. After a 27-year courtship, David married Shirley Dykema on June 2, 2010.

DISTRICT 10

Robert (Bob) Kuhns
19789 E. 1650 St.
Geneseo, IL 61254

Robert (Bob) Kuhns has been a cooperative member since 1975 and became a Jo-Carroll Energy member at the time of the merger with Farmers Mutual Electric Company. Bob served on the Farmers Mutual Board of Directors for nearly 20 years and was secretary/treasurer for most of that time.

A graduate of Millikin University with a B.A. degree in Music



Education and with two summers of graduate study at the University of Iowa, Bob taught instrumental and vocal music for 15 years in Iowa and Illinois. Now retired, Bob had his own piano tuning business for 49 years and was a registered piano technician and member of the Piano Technicians Guild for 45 years. In addition, he has 30 years as an emergency veterinary assistant and maintenance man for his wife's veterinary practice.

Bob has served on the charitable foundation, GIFT ("Geneseo Is For Tomorrow"), as a board member, treasurer and president.

Appointed to the Jo-Carroll Energy Board of Directors in 2014 and elected in 2015, Bob stated, "I enjoyed the experience of serving on the Farmers Mutual board and continuing that service on the Jo-Carroll board."

"My wife's grandparents were some of the first to sign up for the newly formed Farmers Mutual Electric co-op in 1936," he noted. "Her parents were co-op members through their lifetime. When we moved back to the area in 1975, it was an easy decision to choose our local electric co-op over the investor owned utility.

"Some years later, one of my neighbors approached me about running for a board position as he was about to retire. I accepted, was successful and served on the Farmers Mutual Electric Board until the merger with Jo-Carroll. Now that I am—mostly—retired I have more time to devote to board duties and responsibilities," he said.

Bob and his wife of 53 years, Barbara, have no children but between them have 10 brothers and sisters and many nieces and nephews. They also have a dog, two cats, three horses and a cockatoo from Australia.

Bob has several interests, many involving music as he enjoys playing musical instruments, singing and

writing music. He also flies his own airplane, enjoys pickleball, bicycling, horseback riding and walking as well as being a home handyman.

DISTRICT 8

Russell Holesinger
825 Middle Road
Fulton, IL 61252

Russ Holesinger has been a member of Jo-Carroll Energy since the co-op acquired the Alliant Energy territory and was elected to the Board of Directors in 2009. Russ has been a practicing attorney since 1977 in the areas of real estate and estate planning. Holesinger Law Offices is located in Fulton and Morrison, Illinois. Russ and his wife, Jan, have two sons and one daughter and they have been blessed with 10 grandchildren.

"Serving on the Board allows me the opportunity to contribute to my community and to learn more about the benefits of the co-op," Russ said. Also, Russ appreciates the opportunity of learning more about the energy business through the classes offered to the Directors and the hands-on experience from the Board room. Jo-Carroll has grown significantly during my years as Director and the co-op model brings out the best in the employees which ultimately benefits the members. Jo-Carroll has also been very supportive of the economic growth of the communities which we serve.

It has been a privilege to serve at the Board level.



GET CONNECTED

With

CO-OP CONNECTIONS

Jo-Carroll Energy

THE VIEW MOTEL

2500 Highway 20 West
Elizabeth, IL
815-858-2205

Use your Co-op Connections card when staying at The View Motel and receive 20% off midweek (Sunday-Thursday)

This family-owned and operated business offers clean and affordable rooms located just off of Highway 20 west of Elizabeth.

CAJUN JACKS RESTAURANT

1336 Highway 20 West
Elizabeth, IL
815-858-3535

Use your Co-op Connections card when you dine at Cajun Jacks and receive \$2 off any appetizer.

Unique to this area, this family-owned and operated restaurant brings a southern flare to your favorite dishes and incorporates some hometown recipes which can be enjoyed by all.

FOR A COMPLETE LIST OF DEALS, VISIT WWW.CONNECTIONS.COOP AND CLICK ON B2B SAVINGS. YOU CAN ALSO USE THE CARD TO RECEIVE DISCOUNTS ON PRESCRIPTIONS AS WELL AS DENTAL, VISION AND CHIROPRACTIC SERVICES. FOR PROVIDERS CALL 800-800-7616.



Enter the 2018 Jo-Carroll Photo Contest!

The 2018 Photo Calendar Contest (photos submitted in 2017-18) is open until June 30! We're looking for more of those beautiful photos we have received in previous years that depict life in our service territory.

We're looking for images that represent life in our service territory – whether they are action shots or scenic landscapes.

From the member submissions we choose 12 photos to appear on the calendar pages along with front and back cover photos. Several other photos are selected as honorable mention.

All photos must be the original work of the entrant and taken within the Jo-Carroll Energy service territory.

Entry deadline is June 30, 2018.

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.

A graphic for Memorial Day featuring a large, stylized star with a blue field of white stars and red and white stripes. The star is set against a light yellow background with a dark blue border at the top and bottom.

MEMORIAL DAY

Our office will be closed May 28.

Remember Plug into Safety

In May, electric cooperatives across the country promote safety awareness to coincide with National Electrical Safety Month. Every year, thousands of accidents occur due to shock hazards, and Jo-Carroll Energy, a not-for-profit utility, is committed to educating the public about potential electrical dangers in the home.

In 2016, 475,500 structure fires (including residential fires) were reported in the U.S., causing 2,950 deaths, 12,775 injuries and \$7.9 billion in property damage. According to the National Fire Protection Association, a residential fire was reported every 90 seconds. Many home fires occur when electrical equipment is outdated or improperly used.

It is critical that the public understands their home's electrical system and the safety concerns associated with the latest residential technologies before bringing them into their homes. With newer technologies, such as solar panels, electric vehicles and more electrical gadgets in the home, people need to ensure they have an electrical system that's compatible with the increased load.

Through electrical safety awareness and education, we can all play a part in preventing electrical hazards and injuries in the future. Together, let's plug into safety this May.



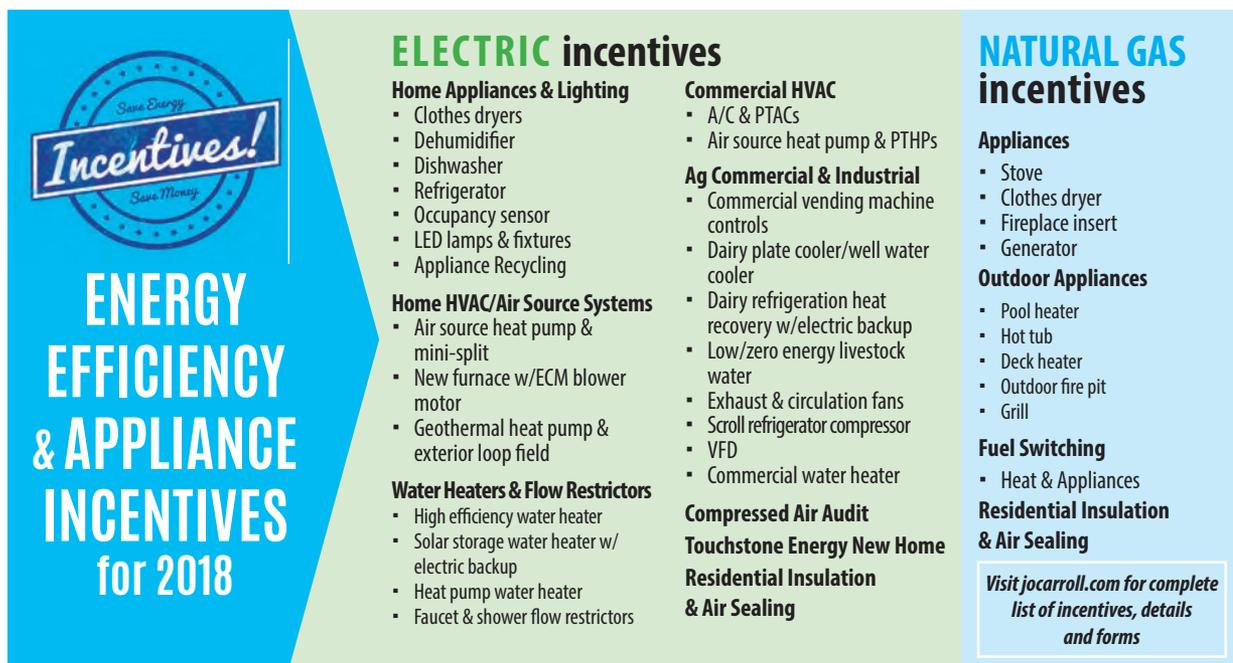
May is National Electrical Safety Month

This month, we encourage all members to take extra time to plug into safety.

#ElectricalSafetyMonth



AMERICA'S ELECTRIC COOPERATIVES



ENERGY EFFICIENCY & APPLIANCE INCENTIVES for 2018

ELECTRIC incentives

Home Appliances & Lighting

- Clothes dryers
- Dehumidifier
- Dishwasher
- Refrigerator
- Occupancy sensor
- LED lamps & fixtures
- Appliance Recycling

Home HVAC/Air Source Systems

- Air source heat pump & mini-split
- New furnace w/ECM blower motor
- Geothermal heat pump & exterior loop field

Water Heaters & Flow Restrictors

- High efficiency water heater
- Solar storage water heater w/ electric backup
- Heat pump water heater
- Faucet & shower flow restrictors

Commercial HVAC

- A/C & PTACs
- Air source heat pump & PTHPs

Ag Commercial & Industrial

- Commercial vending machine controls
- Dairy plate cooler/well water cooler
- Dairy refrigeration heat recovery w/electric backup
- Low/zero energy livestock water
- Exhaust & circulation fans
- Scroll refrigerator compressor
- VFD
- Commercial water heater

Compressed Air Audit

Touchstone Energy New Home Residential Insulation & Air Sealing

NATURAL GAS incentives

Appliances

- Stove
- Clothes dryer
- Fireplace insert
- Generator

Outdoor Appliances

- Pool heater
- Hot tub
- Deck heater
- Outdoor fire pit
- Grill

Fuel Switching

- Heat & Appliances

Residential Insulation & Air Sealing

Visit jocarroll.com for complete list of incentives, details and forms