



LEAVENWORTH-JEFFERSON ELECTRIC COOPERATIVE

The Powerline

Leavenworth-Jefferson Electric Cooperative, Inc.

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Staff

Steve Foss
General Manager

Chris Parr
Assistant Manager

Energy Efficiency Tip of the Month



Circulate
savings!
Ceiling
fans
will

keep you cool
during summer months
and can even allow you to raise
your thermostat setting about
four degrees without affecting
your comfort.

FROM THE MANAGER

2014 Highlights & 2015 Outlook

As we wrap up our 71st Annual Meeting, we look back on 2014 and look forward to the future and opportunity.

Retirements

We have experienced a fair amount of change at LJEC in terms of retirements. In April 2014, both Joe Heinen and Steve Poe retired with a combined 84 years of experience. In January, Bob Funk retired with 25 years of experience. This trend will continue at LJEC; we currently have another eight employees becoming eligible in the next five years.

Capital Credits

Capital credits in the amount of \$296,000 were distributed during 2014. The cooperative was able to retire allocations from 1975-1978 and retire a portion of 2013. By retiring a portion of the last year's capital credits, it allows current members to see benefits of membership now. LJEC is, once again, in the financial position to distribute capital credits in 2015. We will be retiring allocations from 1979-1981 and also a portion of 2014 in the amount of \$340,000.

Cooperative Alliance

One major initiative LJEC undertook during 2014 was forming an alliance with Kaw Valley Electric Cooperative in Topeka. On October 3, 2014, both

boards of directors from LJEC and Kaw Valley approved forming an alliance working toward a consolidation vote in April 2016.

Over the past six months we have worked toward bringing our processes, operations, and employees together to capture savings with a target over \$13.5 million projected for the next 10 years. Watch for your monthly issue of *Kansas Country Living* magazine for updates to the cooperative's savings and accomplishments between both LJEC and Kaw Valley over the next 12 months.



Steve Foss

Pre-Paid Programs & SmartHub

Our pre-paid program that was functioning as a pilot in 2012 has expanded and now has over 150 participants. Pre-paid is a great program for members that may fare better paying their bill in small increments versus one, big monthly bill. With this program, members avoid disconnect and reconnect fees—something that can put a member further behind each month. Pre-paid also encourages members to monitor usage through our online bill-pay system, SmartHub.

We continue to enhance existing programs available to our

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2015 Annual Meeting

The 71st Annual Meeting of LIEC was held Tuesday, April 28 at the McLouth Elementary School Purple Gym.

This year's meeting focused specifically on the cooperative's alliance with Kaw Valley Electric. The alliance was approved during a special joint meeting of the cooperatives' Board of Trustees on October 3, 2014, and is the first step toward a possible consolidation of the cooperatives on January 1, 2017.

Board president Larry Meadows called the meeting to order and introduced the members of the Board of Trustees.

Bob Funk, retired accounting manager was recognized for his 25 years of service, and new hires Joseph Fridlington and Sarah Farlee were introduced.

Martha Shaw, board secretary, read the notice of the meeting and the 2014 minutes were approved.

In the election of trustees for District 1, incumbent **BILL POHL** remained on the board. In District 4, incumbent **LARRY MEADOWS** retained the board seat, and in District 6, incumbent



Members gather to enjoy a complimentary dinner before the LIEC Annual Meeting on April 28.

Martha Shaw and challenger Margaret Saunders tied. A coin toss determined Saunders the winner of the District 6 seat. However, Saunders resigned the position back to **MARTHA SHAW**, who will resume board duties.

Meadows thanked the nominating committee of Don Baker, District 1; Jeff Brandau, District 4; Chop Marquardt, District 4; Larry Tripp, District 6; and Tom Swearngin, District 6.

In the leadership report, General Manager Steve Foss reported that the cooperative had a net margin of \$1,515,880 in 2014.

Foss also commented on the ways LIEC is working to control costs by installing Automatic Metering Infrastructure (AMI), refinancing cooperative debt, and installing peak shaving generators at two substations. In 2014, the generator savings equaled \$379,841 netting a 60 percent return on costs to install in 2012.

Foss pointed out that the continued focus is on costs that are controllable.

- ▶ \$0.25 of every dollar pays the expenses of running the cooperative



LIEC Board Member Harlan Hunt (center in blue) visits with members.

- ▶ \$0.11 of every dollar goes to uncontrollable expenses (taxes, interest, depreciation)
- ▶ \$0.64 of every dollar pays for power purchased from the power supplier

This work to stabilize rates has also directed the cooperative to look at external opportunities. One of these opportunities is the alliance and possible consolidation with Kaw Valley Electric headquartered in Topeka. The alliance is an opportunity to help hold down rates and improve operating efficiencies by:

- ▶ Combining purchasing, billing and accounting, and member service functions
- ▶ Sharing equipment, software and engineering services
- ▶ Incorporating best practices and processes from both cooperatives
- ▶ Providing members with all of the value-added services and discounts available through each cooperative



Board President Larry Meadows (left) and General Manager Steve Foss addressed members at the Annual Meeting.

Highlights

The alliance is an excellent fit for both cooperatives because of how we provide services. Our operations processes are similar and we use much of the same technology and equipment, which will allow us to efficiently and effectively blend functions to maximize cost savings.

Foss also introduced the new cooperative alliance management team:

- ▶ Manager and CEO (joint positions):
STEVE FOSS (LJEC) and **JERRY MANNING** (KVE)
- ▶ Assistant Managers (joint positions):
CHRIS PARR (LJEC) and **KEVIN GREGG** (KVE)
- ▶ Compliance and Resource Manager:
RANDY RICHARDS (KVE)
- ▶ Finance and Accounting Manager:
MICHELLE MEYER (KVE)
- ▶ Administrative Services Manager: **JENNIFER PING** (LJEC)
- ▶ Engineering Manager: **ERIC WYLIE** (LJEC)
- ▶ Operations Manager: **CURTIS HAVENSTEIN** (KVE)

Chris Parr, assistant manager, gave a Kansas Legislative Update regarding Kansas Senate Bill 261 that proposes to fund schools, state government and services by adding a tax passed on consumption. This would apply a 6.15 percent sales tax to residential electric bills where currently no taxes exist on electric usage. This sales tax is not a rate increase from LJEC, but a collection for Kansas. Parr encouraged members to contact their local legislator to take action against this bill.

Shannon Crouse spoke about LJEC programs that members can utilize, such as home energy audits, attic report cards, and Exede Internet satellite broadband services. He also announced that the LJEC Health Fair and Member Appreciation Day will be September 22, 2015, in McLouth.

Youth Trip winners **TAMARA DRINKARD**, winner of the 2014 Cooperative Youth Leadership Camp in Steamboat Springs, CO, and **LEAH PARSONS**, winner of the 2014 Electric Cooperative Youth Tour to Washington, D.C., gave reports and presentations about their trips. This year's trip winners were also recognized including **MAD-ELYN BROXTERMAN**, Jeff West High School, and **CARISSA MCAFFEE**, Jefferson County North High School who will attend Cooperative Youth Leadership Camp, as well as **EMMA DEMARANVILLE**, Tonganoxie High School, who will travel to Washington, D.C.

LJEC members are encouraged to contact the cooperative if they have any questions regarding the programs, services, or opportunities offered. LJEC is owned by the members and, therefore, here to serve the members.

2015 Board of Trustees Election Results

Bill Pohl, Larry Meadows and Margaret Saunders* were elected to the LJEC Board at the Annual Meeting. *District seat determined by coin toss. Saunders resigned the seat, so Martha Shaw will retain the seat.



Larry Meadows



Bill Pohl



Marty Shaw

2015 Annual Meeting Prize Winners

Prize	Donated By	Winner(s)
39" Led TV	Kriz-Davis	Jerry Coppinger
\$200 Cash	Desota Treated Materials	Ronald Henneberg
Garmin	Electricom	David Detjen
15-piece Tool Set	Wesco	Jerry Ireland
Cannon Power Shot Camera	KEPCo	Ken Ottensmeier
\$100 Home Depot Card	GDS Associates	Jeff Stevens
Drill	Solomon	Rick Shaw
\$75 Cash	Scobee Powerline Construction	Karen Barney, Ed Meyers, Kay Noll, Audrey Rush, Dennis Tryon, Betty Wagner, and Elaine Wagner
\$75 Gift Card for our 75th Anniversary	Bank of McLouth	Art Miller and Robert Hubach
\$50 Home Depot Gift Card and residential energy efficiency kit	KEC	Denise Spainhower
\$50 Credit to Electric Bill	KEPCo	Duane Thiry
Keurig Coffee Maker	Altec	Ron Scott
Masey Ferguson Toy Tractor	Schuck Implement	Larry Smith
Mazey Ferguson Pillow Pal	Schuck Implement	Ronald Smith
\$25 American Express Card	Lee's Inspection & Consulting	Doris Nottingham
Gallon Cooler and Flashlight	Forestry Suppliers Inc.	Jeff Franssen
LJEC Large Duffel Bag	LJEC	Janet Hund Bigley and Bill Cole
LJEC Blanket	LJEC	Inge White
LJEC Lawn Chair	LJEC	Gary Rader
Umbrella	LJEC	Carol Smith
Shirt	Anonymous Donor	Richard Wright
Duffel Bag	Capitol City Oil	Mercedes Glor

LJEC Hires Farlee as PR/Marketing Specialist



Sarah Farlee

LJEC has hired **SARAH FARLEE** as the public relations and marketing specialist.

Farlee has spent the past five years with *High Plains Journal* in Dodge City as the agriculture publication's marketing director and has multiple years of experience in public relations and marketing roles.

"Sarah comes from a strong agriculture background, which will be a terrific fit for both LJEC and Kaw Valley Electric," said Chris Parr, LJEC Assistant Manager. "She brings a diverse background in public relations, marketing and communications."

A native of Republic County, Farlee is a recent Kansas Agriculture and Rural Leadership (KARL) graduate, as well as former president of the Great Plains Chapter of the National Agrimarketing Association.

Kaw Valley Hires Goss as Staking Engineer



Loren Goss

Kaw Valley Electric Cooperative has hired **LOREN GOSS** as a staking engineer.

Goss has spent the past 16 years as a staking engineer with Wheatland Electric Cooperative in Garden City.

"We are excited to have Loren join the team at Kaw Valley Electric," said Eric Wylie, Engineering Manager. "Loren brings a wealth of experience with him, and will be a valuable asset as Kaw Valley Electric continues to grow and plan for the future. Loren strongly desired to remain employed at an electric cooperative because he believes in the Cooperative Mission."

Goss is a native of Garden City and holds a bachelor's degree in Animal Science from Fort Hays State University. He and his wife, Ashley, have four children, Lucas, Hunter, Kourtney and Abby.

LJEC Stresses Safety at Army Earth Day

Army Earth and Environmental Awareness Day on May 7 provided an excellent opportunity to emphasize training, focusing on environmental issues in the home, workplace and community.

LJEC participated in this year's event at Fort Leavenworth to provide electrical safety demonstrations to over 400 children. The demonstration included discussion about looking up to identify potential dangers when using a ladder, downed wires, and dispelled myths about cars being safe when driving through or around areas with downed wires.

Journeyman Lineman **GREG KRAMER**, Energy Use Supervisor **SHANNON CROUSE**, and Compliance and Resource Manager **RANDY**



Greg Kramer demonstrates power line safety at Army Earth and Environmental Awareness Day.

RICHARDS represented LJEC and Kaw Valley Electric at the event.

2014 Highlights & 2015 Outlook *Continued from page 20-A*

members. We have over 500 members participating in our Time of Use program and saving money just by limiting their consumption habits during peak hours. We have also had a number of members partake of heat pump rebates, electric hot water heater rebates as well as a new online bill-pay program, SmartHub.

This program allows members to compare daily, monthly and even yearly usage. This is valuable information so you can see exactly what your consumption habits are.

Currently, 20 percent of members are paying their bill with SmartHub. This is a quick and secure way to pay your bill—saving time and money!

Fort Leavenworth

Our contract with Fort Leavenworth keeps our Fort crews busy, while additional capital improvements at the fort offers LJEC the opportunity to increase our margins which help all of our members.

Safety First

LJEC is dedicated to the safety of our members and our employees.

We are assisted in this effort by an internal safety committee made up of both field and office employees. We are also helped by Kansas Electric Cooperatives, Inc., our statewide organization, that visits LJEC on a monthly basis to conduct safety seminars on various topics related to our business. We strive for zero lost-time accidents.

Community Involvement

Community involvement remains one of our core principles. We receive hundreds of donation requests for events, but focus only on those that benefit our local community. We are owned by you, our members, and we want to be sure we are re-investing in the local community. We support events and organizations such as the Jefferson County Service Organizations, Good Shepherd, Friends of Hospice and many more.

We are here to serve our members and encourage members to contact us at 888-796-6111 or info@ljec.coop with any questions.