

Disconnect Procedure

On June 1, 2016, Kaw Valley Electric and LJEC will use one procedure for delinquent account notification. Delinquent accounts will no longer receive separately mailed notifications of past due amounts. The cooperatives are implementing the following procedure:

- ▶ **Step 1** Your cooperative will notify a delinquent account on the monthly bill. The past due amount and pay-by date to avoid disconnection will be printed directly on the bill. Delinquent accounts will also receive a phone call at least 12 hours before service disruption.
- ▶ **Step 2** Account holders who comply with the notice and pay the amount due by the specified due date will remain connected. Account holders who fail to comply, and do not pay the past due amount may have their service disconnected until payment is received. Disconnected accounts are charged fees to disconnect and reconnect service.
- ▶ **Step 3** Accounts that fail to comply will be set up for collection. Any account that requires collection will have a disconnect collar placed on their meter. This collar allows remote disconnection and reconnect of service.
- ▶ **Step 4** Once an account is in good standing with the cooperative, service will be reconnected.

It is important that all members make certain their account information is current. Members can update their account information by calling their district office or using the SmartHub application.

East District (LJEC) members can also manage their account balance by signing up for the prepay program. This program allows account holders to make smaller payments, a \$30 minimum, to keep their service connected. This pay-as-you-go option requires a signed agreement. The prepay program will also be available to West District (Kaw Valley) members fall 2016.

If you have questions about the disconnect procedure, please call your district office: West District (Kaw Valley in Topeka) 785-478-3444 or East District (LJEC in McLouth) 913-796-6111.

Upcoming Changes in the Co-op



Jennifer Ping

"What kind of changes am I going to see?" "When am I going to see any changes happen?" These are generally the first questions everyone has

about the consolidation of Kaw Valley Electric and LJEC.

We are entering into a transition period. It is the time to collaborate and take an in-depth look at our policies, procedures, rules and regulations. We will seek out best practices and look at what makes sense for all of our members. We will carefully consider all options before making any changes to billing, fee structure, and administrative functions.

The changes we will be making will be incremental, and most will not affect how you do business with your cooperative. Our goal is to enhance customer service, and provide our members with beneficial programs and options.

Delinquent accounts

Some of the first delinquents you'll see are the procedures for delinquent accounts. Information on the new policy is in the sidebar on page 16-E. These are small changes that will make our processes easier to understand for members and will also reduce administrative costs.

Pay your bill

You may soon notice minor changes to how you pay your bill. To comply with federal regulations and provided you with security when making payments, members making payments by phone will be sent to a secure payment line.

If you bring your payment to the office and pay with using credit or debit, you will be prompted to

use our VeriFone system.

Prepay Program

In fall 2016, we will add a prepay program for the West District. This program allows account holders to make smaller payments, a \$30 minimum, to keep their service connected. This pay-as-you-go option requires a signed agreement. East District members can sign up for the prepay program now.

Billing

In the future, you will start seeing minor changes in billing. You will mail payments to our East District office in McLouth, and in January 2017, the new FreeState Electric Cooperative logo will be added to the billing documents.

Calling Center

Our calling center is moving to the West District office in Topeka, and the East District in McLouth will serve as a backup. We are making this change for efficiency, and implementation begins summer 2016.

SmartHub

We are also making it easier to report outages. SmartHub is now available at both cooperatives. With SmartHub, you can report an outage from your mobile phone. The ability to use this service will help call congestion during outages. SmartHub also allows us to communicate directly with our members.

As we begin the transition to FreeState Electric, rest assured that we have our members in mind. If you have any questions, we encourage you to call your district office: West District (Kaw Valley in Topeka) at 785-478-3444 or the East District (LJEC in McLouth) at 913-796-6111.

JENNIFER PING, ADMINISTRATIVE SERVICES MANAGER

NOTES FROM OPERATIONS

The Idea that Continues to Light the World



Curtis Havenstein

Our members' voices have been heard. On April 19, the new era for Kaw Valley Electric and LJEC was ushered in with the passing of the consolidation vote.

The name of our cooperative may be changing, but I know that the service and reliability our members have received over the past 75-plus years will not change. We have a

group of employees that are dedicated and committed to serving our members and will continue to work hard to maintain the cooperative values.

The alliance we have been operating in since October 2014 has seen benefits to both line departments. Since that time, we have been sharing equipment and vehicles.

At Kaw Valley, we were able to borrow a 70 foot bucket truck to change a transmission pole and used it to relocate a distribution line attached to a transmission pole at the Bob Billings interchange projected located west of Lawrence. Without the ability to use this equip-

ment, Kaw Valley would have been forced to hire a contractor or rent the vehicle to complete the projects.

LJEC is using the tugger and tensioner on a seven-mile three-phase line rebuild on Stranger Road that has increased the efficiency of pulling in the new conductor and decreased the amount of outage time by being able to pull the wire under tension. Also, they were able to borrow a tracked skid loader to dig holes and set poles in a marshy area that they were unable to navigate with their trucks.

These are just a few instances where gained efficiencies were made possible. As we progress through the transition and into the new cooperative era, we'll be able to find much more. That means saved dollars for our membership.

The line departments at both facilities are excited to begin the new chapter as FreeState Electric Cooperative, and we look forward to serving all of our members.

Welcome to FreeState Electric Cooperative.

CURTIS HAVENSTEIN, MANAGER OF OPERATIONS

Reflection on Retirement: All I Needed was a Job

Thirty years ago, I was a newly un-employed electrician, and I needed a job. I didn't know anything about Kaw Valley Electric, the cooperative system or the cooperative difference, but they had a job opening, and they hired me.

As an electrician, I was accustomed to working a job, completing a job and then moving on. So when I started my rounds at Kaw Valley I took some adjusting. As I trained for my new position with my predecessor I learned quite a bit. For starters, it wasn't just a job. It was about doing the work, but most of all, meeting people. It was about relationships.

The job at Kaw Valley turned into a career—of which I'm proud. I've met and worked with some of the best people around, and I take great pride in what I have been a part of here at Kaw Valley. I've reflected on the past with a great sense of accomplishment, and I also

see the opportunity that lies ahead.

I've been fortunate to be a part of some great teams in my day, and the folks at both Kaw Valley and LJEC are no exception. My decision to retire on May 2, was an easy one because of the people. This cooperative is in very capable hands.

As the cooperatives move forward as FreeState Electric Cooperative in January 2017, I have all the confidence in the world in CEO Steve Foss, the senior leadership and the employees of both cooperatives.

I've enjoyed the ride as a member of the Kaw Valley team, and I look forward to the future.

It's time for us to lose that mind set "well, we've always done it this way," and see the true potential of what lies ahead for us as FreeState Electric Cooperative.

All I needed was a job, but I got so much more. I thank each one of our members who have made serving this cooperative so easy. I would



Kaw Valley Electric recognizes Jerry Manning's, retired general manager, for 34 years of service to the cooperative.

like to also thank the staffs at both cooperatives for making the decision to retire a simple one.

As always, JERRY MANNING, RETIRED GENERAL MANAGER



LEAVENWORTH-JEFFERSON ELECTRIC COOPERATIVE EAST DISTRICT P.O. Box 70 McLouth, KS 66054-0070

KAW VALLEY ELECTRIC COOPERATIVE WEST DISTRICT 1100 SW Auburn Rd, Topeka, KS 66615

TheOutlet

Kaw Valley & LJEC Electric Cooperatives

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Chief Executive Officer | Christopher Parr
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| Randy Richards
West District Assistant Manager | |
| Office Hours | LJEC, East District Office |
| Kaw Valley, West District Office
7:30 a.m. - 4 p.m. | 7:30 a.m. - 4 p.m. |

FROM THE CEO

Welcome to FreeState Electric!



Steve Foss

It truly is an exciting time to be a cooperative member.

I want to thank each of our members for you support over the past 20 months as we have moved from the alliance to the consolidation. I appreciate every member who took the time to vote. Your ability to express your opinion is part of the cooperative difference.

I want to assure that as a member, you are our number one priority moving forward. So how do we begin to move forward? Over the next six months, you'll start to see a few transitions take shape.

The first change you'll see is how we communicate with you. You may notice that your centerspread newsletter looks a little different this month. Our monthly communication with you through *Kansas Country Living* will be published in **The Outlet** and will contain content for both Kaw Valley and LJEC. We'll be

utilizing **The Outlet** as a way to communicate any adjustments we implement to our policies, rules, regulations, and processes. This adjustment to the publication will be a great way for each of our cooperatives to familiarize with the other.

We will also continue to use social media to communicate with you. We hope you find the Kaw Valley and LJEC Facebook pages and Twitter feeds useful. Our websites are an additional resource to help you stay up to date as we move forward. In the coming months, we will launch a new FreeState Electric Cooperative website.

Our goals during this time of transition are to seek out the best practices and decide what makes sense for our members. We want your experience with the cooperative to be top-notch. We strive to help our members and will continue to do so in the future.

I want to be the first to welcome you to the new FreeState Electric Cooperative. We look forward to serving you for years to come.

As always, if you have questions, please call your district office: **West District (Kaw Valley in Topeka)** 785-478-3444 or **East District (LJEC in McLouth)** 913-796-6111.

Kaw Valley & LJEC Annual Meeting Highlights

Kaw Valley
More than 900 people attended Kaw Valley Electric's annual meeting on April 19 at the cooperative's headquarters in Topeka. The proposal to consolidate LJEC and Kaw Valley was approved by 86 percent of Kaw Valley member votes.

Special guests at the meeting included KEC's Vicki Estes, editor of *Kansas Country Living* magazine, Alex Orel, Manager of Government Relations, and Doug Shepherd, vice president of management consulting services, as well as Joe Badger from Senator Jerry Moran's office.

JERRY MANNING, who started at Kaw Valley in 1982 and had served as general manager since 2011, announced his retirement and was presented a plaque thanking him for his years of service.

Re-elected to the board were **ROBERT SAGE, BOB LYNCH,** and **LARRY BUTEL**.

Kaw Valley would like to thank the many vendors who graciously

donated door prizes at the annual meeting. The following door prizes were awarded:

- ▶ **Bill Credit** - James Little, Delbert Faulk, J.D. Sanders, Nick Cannon, Scot Clement, Herb Warren, Fred Diver, Shannon Weber, Ed Tucker, Ray Vincent, Jack Woodruff and Judy Welch;
- ▶ **Garmin GPS, Electricomm** - Chris Murray;
- ▶ **Tool set, White Star Machinery** - Jeanne Bronoski;
- ▶ **39-inch LED TV, Kriz Davis** - Dennis Flohrschutz;
- ▶ **\$50 Target gift card, Foley Rental** - Linda Farlow;
- ▶ **CAT camo prize pack, Foley Rental** - Linda Farlow;
- ▶ **Desktop weather alarm from TRM COMM Inc.** Robert Glenn;
- ▶ **Truck rug, Glen Clark Chevrolet** - John Atwood;
- ▶ **Yeti cooler, Wright's Tree Service** - Bobby Joe Walker, Sr.;
- ▶ **T-shirt and hat, Hoyt's Truck Center** - Leonard Kelly, Ralph McLeod, Kay Ellis and Carl Winans;

- ▶ **Garage door opener, Stoner Door and Dock Corp.** - Art Schellenberger
- ▶ **\$50 cash, Hayden Tower** - Steve Stumbaugh, Florence VanCleave and Anna Lee Farlow; and
- ▶ **\$25 Shell gift card, The Telephone Company** - Tommy Friedli.

LJEC

On April 19, a total of 315 people, including 124 members, attended LJEC's annual meeting at McLouth High School. The proposal to consolidate LJEC and Kaw Valley was approved by 87 percent of LJEC member votes.

Special guests included KEC's Carrie Kimberlin, manager of creative solutions, KEPCo's Marcus Harris, Representative Connie O'Brien, and Michelle Payne representing Sen. Jerry Moran's office. Youth Tour participant and the current Kansas representative to the Youth Leadership Council, **EMMA DEMARANVILLE**, shared her experiences with the attendees.

AMBROSE DEMPSEY, former LJEC Board President, was recognized for being posthumously inducted into the 2016 Kansas Cooperative Council Hall of Fame.

JEANINE MURPHY, HARLAN HUNT, and **RALPH PHILLIPS** were re-elected to the board.

Kaw Valley Electric and LJEC are grateful to our vendors who graciously donated to our door prize drawings. Due to their generosity, several members were able to take home great gifts!

Thank you to our local vendors, who awarded door prizes following members.

- ▶ **Rolling travel bag** - Marty Eisler;
- ▶ **Umbrella** - Anke Wells and Tony Bechard;
- ▶ **Rachel Ray bag cooler** - Heather DeMaranville and Harvey Reynolds;
- ▶ **\$20 Starbucks gift card, ISG** Chris Murray;
- ▶ **Bill Credit** - Ronald Smith, Audrey Rush, Cheri Sharkey, Dennis Tryon, Jerry Ireland, Greg Kramer, Cleta Henak, Chester Perkins, Roger Perkins, Cheryl Thrasher, and David

and Deniece Detjen;

- ▶ **Plush tractor Pillow Pet, Schuck Implement** - John Davito,
- ▶ **SpecCast scale truck replica, Schuck Implement** - Carol Smith;
- ▶ **MF 9565 toy combine, Schuck Implement** - Margie Kramer.
- ▶ **Garmin NUVI55LM, ElectriComm** - Miles Hutchinson;
- ▶ **TopFlight golf balls, PreMax, LLC** - Duane Bunniss;
- ▶ **\$25 Bass Pro gift card, Tallman Equipment** - Virginia Richards;
- ▶ **HiLine pull-over, Hi-Line Utility Supply** - Richard Wright;
- ▶ **\$25 Visa gift card, Lee Inspection and Consulting Services** - Ed Hund;
- ▶ **39-inch LED TV, Kriz-Davis** - Harold Denholm;
- ▶ **Home Depot gift card, GDS Associates** - Roy Ottensmeier and Danny Noll;
- ▶ **Chevron prize pack, Capital City** - Oil Virginia Wright and Larry Ross;
- ▶ **\$50 bill credit, KSI & KEPCo** - Kenneth Gassel and Richard Bogenrife; and
- ▶ **Tablet, KEPCo** - Bob Cline.

LJEC Now Offers Secure Pay

East District members (LJEC) will have access to Secure Pay after the June 1, 2016, implementation of the Interactive Voice Response (IVR) System. The Secure Pay feature has been available to West District (Kaw Valley) members since 2012.

The East District office in McLouth must move to the automated system to be compliant with the Payment Card Industry (PCI) Data Security Standard. These common requirements are designed to help companies that process card payments to prevent credit card fraud through increased data controls. Moving to this system ensures continued ability to accept credit and debit card payments.

The upgrade allows the cooperative to keep member data safe and comply with regulations.

If members want to make payments over the phone using a credit or debit card or check the secure pay line can be directly accessed by calling 844-210-8258. Members can call their district cooperative line directly, but will be transferred to the secure pay line to complete the payment process. Credit or debit card payment can also be made in each district office using the Verifone system.

The Secure Pay system is automated, and members will be asked to enter personal information such as the card number and payment amount. The system will prompt members through a list of directions to complete payment.

Members should note that there is no additional fee to use the Secure Pay system and have the account number handy before making the call.

Members paying by personal or business check will need a PIN that will be set during the first call.

For questions regarding the new Secure Pay system, please call your district office. West District (Kaw Valley in Topeka) 785-478-3444 or East District (LJEC in McLouth) 913-796-6111 and a member service representative will assist you.

Cooperative Consolidation Vote Passes

Kaw Valley Electric Cooperative and Leavenworth-Jefferson Electric Cooperative (LJEC) will become FreeState Electric Cooperative, Inc., effective January 1, 2017.

Both electric cooperative memberships voted to accept the proposed Articles of Consolidation and Consolidation Agreement during both cooperative's annual meetings on Tuesday, April 19, 2016.

The co-ops will remain in the cooperative alliance for the remainder of 2016 and will work to transition the two cooperatives into FreeState Electric Cooperative. The consolidation is forecasted to save \$20 million over the next 10 years.

STEVE FOSS, CEO of the current cooperative alliance, says both staffs and Board of Directors are extremely pleased with the outcome of the vote. Foss has served as LJEC's general manager for the past eight years and brings 32 years of electric cooperative experience.

"This is a positive step in the right direction for all of our members," said Foss. "This is one way we can look toward the future."

"We see trends in the industry that point to this type of evolution, and this consolidation vote shows how forward-thinking, and progressive our members are," Foss said. "This puts us in a great position moving forward as we look to technology, growth, and development of the area we service."

"We are extremely excited about the potential moving forward and what opportunities lie ahead for our members, staff, and boards."

The McLouth office will remain open as the East District headquarters, and Topeka will continue to be open as the West District

headquarters. Both locations will continue to serve members in each district just as they have been for decades.

"Membership is at the top of our list," said **RANDY RICHARDS**, West District interim assistant manager. "By keeping both offices,

we will continue the same level of customer service to which our members have become accustomed." "It's business as usual

at both locations," Richards added. "Our goal is to make changes so subtle that most members will not notice. Changes we see coming in the future relate to the day-to-day business of the co-op."

Although the official consolidation to FreeState Electric Cooperative will not be official until January 1, 2017, staff at both locations have been working to keep the transition a smooth one.

"Our staffs have done a phenomenal job of working together, identifying best practices, and keeping the members the number one priority," said **CHRIS PARR**, East District assistant manager. "We have been able to make adjustments to policies and procedures that will benefit everyone across the board."

Parr added that policies and procedures will be carefully examined before any changes are proposed to the board.

"Our next steps include reviewing all policies, procedures, and operations to ensure everyone benefits moving forward and that the board of directors has all the information they need to make decisions that build the foundation for FreeState Electric Cooperative."

FreeState Electric Cooperative will be the largest rural electric cooperative in eastern Kansas, with 14,691 member-owners.



1. Kaw Valley member Bobby Walker with the Yeti cooler he won, a door prize donated by Wright's Tree Service.
2. The Veterans of Foreign Wars Post 9271 leads the pledge of allegiance at the LJEC annual meeting.
3. Emma DeMaranville, LJEC Youth Tour Delegate and Youth Leadership Council representative, thanks the membership for an experience of a lifetime.
4. Young members participate in activities like spin art and face painting at Kaw Valley's annual meeting.
5. LJEC Board members Marty Shaw, secretary, (right) and Mark Gratzky, vice president, (left) catch up before the annual meeting at McLouth High School.
6. LJEC served dinner to 315 members and guests, catered by Ross's Catering, Bonner Springs.

Call us to report an outage.
Kaw Valley customers: 800-794-2011
LJEC customers: 888-796-6111
SmartHub members can report from their mobile device!

New Office Hours
Starting June 1, the West District (Kaw Valley in Topeka) and the East District (LJEC in McLouth) will be open from 7:30 a.m. to 4 p.m.

OPEN