



**FREESTATE ELECTRIC
COOPERATIVE, INC.**

The **Outlet**

FreeState Electric Cooperative, Inc.

Board of Trustees

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Overbrook

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Matthew Turecek
Valley Falls

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Berryton

Harlan Hunt
Meriden

Betsy Baker
Legal Counsel

Staff

Steve Foss
Chief Executive Officer

Christopher Parr
Assistant General Manager

Randy Richards
Assistant General Manager

District Offices

East District
P.O. Box 70
McLouth, KS 66054-0070

West District
1100 SW Auburn Rd
Topeka, KS 66615

East & West District Office Hours:
Monday-Friday, 7:30 a.m.-4 p.m.

Tip of the Month

When doing laundry, use rubber or wool dryer balls. These will help separate clothing in the cycle, providing better airflow and a shorter drying time. Wool dryer balls can help reduce drying time by absorbing moisture.

FROM THE CEO

Behind the Scenes of Safety



Steve Foss

FreeState Electric Cooperative is committed to safety. We deploy protocols to ensure the safety of our members. While cybersecurity is not as visible

as other safety measures, it is critical to our co-op and members' information. FreeState has built a solid foundation of cybersecurity and it's important our members know how we keep your information secure.

The technology supporting operations at FreeState is complex. We depend on our information technology (IT) department to ensure strong cybersecurity standards. Our technology professionals use IT industry standards to maintain the security and reliability of our systems.

Securing our technology network is not just protecting the hardware and equipment, it also includes protecting our payment and billing systems and our communications with financial institutions. FreeState works with several agencies to stay informed and keep your information secure.

Why is Cybersecurity so Critical?

► **FINANCIAL RISK** – hackers may be able to transfer funds out of co-op accounts.

► **IDENTITY THEFT RISK** – theft of members' personal information can put members' identity at risk and harm our reputation as your trusted energy partner.

► **OPERATION RISK** – a network risk could lead to service disruption or damage to equipment.

► **REGULATORY RISK** – co-ops working to protect assets demonstrate the industry can improve without burdensome regulations.

According to the National Cyber Security Alliance, one in five small businesses is a victim of a cybercrime each year. To protect against cyberattacks, FreeState has implemented defensive strategies to help minimize risks, providing annual cybersecurity awareness training for employees and trustees, and keeping the board of trustees current on cybersecurity matters.

The co-op board of directors and management are briefed on cybersecurity matters and how investments in security can help minimize risks. Taking a companywide approach provides helpful tips to recognize and avoid common threats.

FreeState takes a proactive approach to security and the safety of members' information. It is as important to us as powering your homes.

If you have questions, email customerservice@freestate.coop or call 800-794-1989.

We Are FreeState Board Of Trustees

As a member-owner of FreeState Electric Cooperative, your knowledge of and engagement with our co-op is our priority. In addition to help you understand the services we offer, we believe it's important to introduce you to those who provide you with safe, reliable, and efficient power. To that end, FreeState will be publishing a year-long monthly series that focuses on our departments and the employees who serve our members. Look for the articles in The Outlet, on our social media channels, and on our website www.freestate.coop, where we will feature exclusive web content. Our goal is to help you put faces and names behind those who work on the other end of the line because we are your neighbors who work for you every day.

FreeState Electric Cooperative is founded on the cooperative business model. Unlike many businesses in today's world, cooperatives were formed by their members and to this day, it is still the members who govern their local cooperatives through the democratically elected board of trustees.

Your board includes members living in the FreeState service territory. Board members must make decisions that are in the best interest of the members, community, and the cooperative.

"Serving on the board has been a rewarding experience as it allows me to get involved in my cooperative and community," said Mark Wulfschuhle, board vice president. "I am here serving as the voice of my neighbors, family, and other FreeState members throughout the service territory."

Board members are elected by the membership for three-year terms and will represent the cooperative as a whole as an at-large trustee.

Board members handle all business affairs of FreeState and exercise the power of the cooperative. To do this, their primary functions are planning and policy oversight, establishing long-term objectives of the cooperative, providing the cooperative with resources to meet those objectives, giving direction and oversight of the cooperative's assets and resources, and approving the cooperative's strategic level plans and budgets while working closely with FreeState's CEO Steve Foss and senior management.

"As a Board, we meet once a month to discuss any cooperative business that needs to be addressed and working with Steve Foss (CEO), Randy Richards (Assistant General Manager), and Chris Parr (Assistant General Manager)," said Jeanine Murphy, board president. "We also have opportunities to expand our education on the cooperative business model through conferences we can attend."

FreeState's board of trustees governs the cooperative to ensure FreeState upholds the seven cooperative principles and gives a voice to FreeState members, emphasizing the cooperative difference and providing safe, reliable, and affordable service to our members.

FreeState's board of trustees include **JEANINE MURPHY**, President; **MARK WULFSCHUHLE**, Vice President; **DON MONTGOMERY**, Secretary; **LARRY BUTEL**, Treasurer; and Trustees **DALLAS CASTER**, **BILL CONLEY**, **MATTHEW TURECEK**, **HARLAN HUNT**, **RALPH PHILLIPS**, **LARRY MEADOWS**, and **ROBERT SAGE**.

To learn more about how you can get involved and run for a position on FreeState's board of trustees, contact us at 800-794-1989 or visit our website at www.freestate.coop.



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FreeState
Electric Cooperative, Inc.
Your Tasteless Energy Cooperative



GVW 36000

BUSINESS CLASS

FreeState staff worked together to build education solar panels in both districts.

A Year in Review

For the first time in history, FreeState Electric Cooperative had the opportunity to share our success and updates from the consolidation of Kaw Valley Electric and Leavenworth-Jefferson Electric Cooperatives in 2017. On April 24, 2018, FreeState held our inaugural annual meeting in Perry at Perry-Lecompton High School's Theater.

The annual meeting provides a great opportunity for our cooperative staff to get to know our members and offer information and updates on the activities and success of the cooperative throughout the previous year and a look into the future of FreeState.

The FreeState staff and board of trustees welcomed 132 attendees with 83 registered members voting and 1,788 members voting by mail-in ballot. Board President Jeanine Murphy welcomed attendees and led in

the Pledge of Allegiance following the presentation of colors by Perry American Legion Post 142, Kansas.

Candidates running for a position on the board of trustees were given the option of a two-minute introduction prior to voting. Running for position one in the East District was Mark Gratny, Leavenworth; Thomas Fousek, McLouth; and Matthew Turecek, Valley Falls. Turecek was elected. Robert Sage, Maple Hill, and Steven Crane, Lawrence, ran for position two in the West District, and Sage was re-elected. Bill Conley, Delia, ran unopposed and was re-elected for position one in the West District.

This year's meeting consisted of a business meeting followed by refreshments that were provided by First State Bank and Trust and Ronda Turner with Gravel Road Goodies in Valley Falls.

FreeState Members Elect Board Members for the Board of Trustees

William (Bill) Conley, Delia



CONLEY has served the cooperative for the past three years as a second-generation trustee.

As a farmer and stockman, Conley believes it is important to stay involved to

advocate for members. As a trustee, Conley's goals are to promote reliable, safe, and economical service to all by striving to implement new and cutting-edge technology and continued education to the cooperative membership.

Conley is involved with the Jackson County Soil Conservation Board, as well as the Rossville United Methodist Church. He has also served on the Kaw Valley USD 321 strategic planning committee.

Robert L. Sage, Maple Hill



SAGE has served the cooperative for the past 13 years as a second-generation trustee. He has been a member-owner of the co-op for 28 years.

As a farmer and Farm Bureau insurance

agent, Sage is involved within the communities of FreeState's West District. He is also involved in the Dover Community Foundation, was a past USD 330 school board president and has served as a volunteer fireman for Shawnee County, District No. 4.

Being accessible to all members is vital to the success of the board and being involved within the community to work together for a common goal are important to Sage.

Matthew Turecek, Valley Falls



TURECEK has been a member of the co-op for four years.

As a farmer and rancher, he understands business ventures and how co-ops are the lifeblood of rural Kansas. He knows

first-hand the role co-ops play in agriculture and rural Northeast Kansas.

As a former vice-president of a rural fire district board in Colorado, Turecek understands the needs of rural communities and the resources it takes to thrive. As a board member, Turecek will work to educate member-owners on the inner workings of the cooperative at a higher level that will lead to better engagement for all.



FreeState Journeyman Lineman David Gechter helps build FreeState's solar panels.



FreeState staff, Sarah Farlee (right) and Brent Edgecomb (left) chaperoned at the 2017 Youth Tour.



Former East District Line Superintendent Tom Mitchell retired after a 41-year career with cooperatives.

If you were unable to attend, you can visit our Facebook page to view a live video taken of the meeting.

Each member in attendance was given a \$10 bill credit and an entry into a drawing for prizes donated to FreeState by local businesses, which are listed below.

If you have any questions or want an update on the information presented at the meeting, call us at 800-794-1989.



Right-of-Way Superintendent Randy Wager was featured in the February issue of *Kansas Country Living*.

FreeState Members Win Big at the Inaugural Annual Meeting April 24, 2018

Bill Credits Donated by FreeState

VIVA C. WITZEL, SCOTT CLEMENT, CHARLES BRYANT, WILBUR HENSON, GEORGE SOMMERS, LESLIE GARMON, DELBERT FAULK, JOE HEINEN, HAROLD SAGE, DWIGHT SANDAHL, and DARRIN GARRETT

Bill Credit Donated by KEPCo

MICHAEL MITCHELL

Bill Credit Donated by KSI

WILBUR WAGNER

Garmin GPS by Electricomm

CHERI SHARKEY

Lenovo Tab 4 Tablet by KEPCo

RANDOL WALLER

Gift Card by Solomon Corp.

GAROLD SMITH

\$10 Starbucks Gift Cards by KEC

JOHN R. TROUT, MYRON REED, AUDREY RUSH, and CHALMERS SMITH

Gift Cards by GDS Associates

WILLIAM SMITH and ED HUND

Gift Card by Baldwin Pole

HAROLD HICKOCK and SY NYHART

Cooler/Tumblers by HiLine

CARL WELCH, LORI KLOEPPER, FLOYD TROUT JR., and ROGER PERKINS

Wood Owls by HiLine

ROSALIE BANKS and SHARON REYNOLDS

Toy Tractors by Shuck Implement

RICHARD WRIGHT and JOAN SEELY

Bundles by Shuck Implement

ROBERT LYNCH and CLETA HENAK

Leather Gloves by Wesco

JOYCE HARDEN, MELANIE EICHMAN, JOHN R. WHITE, CHARLENE WINTER, ALICE WREN, MARY JO SWOYER, and RALPH MCLEOD

Nest Thermostat by Altec

VIRGINIA RICHARDS

Jacket by Bridgewell Resources

LINDA CUMMINGS

Hats/Shirts by Hoyt Truck Center

MERCEDES GLOR and JO EMERSON

Toy Trucks by Hoyt Truck Center

BECKY FOUSEK, FRANCES ANTLE, SCOTT BARTH, CHARLOTTE MILROY, CHESTER PERKINS, DENNIS TRYON, ROBERT HUBACH and VIRGINIA A. WULFKUHLE

Residential Battery Storage is the Trend to Watch

In many cases, “battery storage” refers to the drawer where you put the extra AA batteries for your flashlight. In the electric co-op world, however, it refers to an emerging energy trend. Batteries and battery storage are evolving in ways similar to how LED bulbs and lumens have transformed how we light our homes.

What’s Driving Battery Storage?

Rooftop solar costs are dropping, and community solar options are increasing in popularity. In 2017, wind and solar electricity generation set a record by exceeding 10 percent of U.S. energy generation, according to the Energy Information Agency (EIA). News in the automotive world was dominated by announcements of major automakers stepping up production of electric vehicles (EVs), or in some cases, phasing out gas-powered engines altogether. As EVs gain popularity, charging stations are popping up in places of business and in other public spaces.

So, what does this all mean? Consumers are clearly looking for more renewable energy options, but intermittent power from wind and solar sources creates a need for energy storage. This

is where batteries come into play. An increase in research and development in this energy sector is being driven by EVs and renewable energy trends. While the current focus is primarily on commercial applications, the impact on residential use will eventually follow. We can see improvements in the energy efficiency of lithium-ion batteries. For example, phone, computer, and other types of batteries/charging stations are holding their charge longer and powering more energy-intensive devices. There are hundreds of lithium-ion batteries, all of which have different capabilities and voltages.

Does Better Battery Storage Mean You Can Go “Off the Grid” Now?

While consumers using rooftop solar panels or other renewable energy sources have the most to gain, it’s not as easy as you would think to go off the grid completely. Powering the average consumer’s home, including air conditioning systems, lights, appliances, and electronics, requires a tremendous amount of energy.

Significant weather variation is another complicating factor. Going off the grid would require a solar array coupled with battery storage that is properly sized

based on your energy consumption. Because battery storage technology is evolving and battery banks are not widely available, it is still not yet cost-effective for the average consumer to purchase.

The energy advisers at FreeState Electric Cooperative are knowledgeable when it comes to energy efficiency and energy choices. Our advisers can discuss your options, like solar panels, schedule an energy efficiency inspection, or other programs that can help you save energy and money.

If you decide to purchase an EV, let us know. Your current electric service was designed and sized to meet consumers’ demands when the power lines were originally established and connected. We can also help keep you informed on the most ideal charging times, typically during peak hours, that can help conserve energy, and in turn, money on your monthly bill.

As our energy needs and interests evolve, look to FreeState for more information about energy trends and how to become more energy efficient. Visit us on our website at www.freestate.coop or call 800-794-1989 and speak with our Energy Use Coordinator Matt Lambert.



Solar Panel displays are located at each FreeState office to help educate members on the benefits of solar energy.

Capital Credits At-a-Glance

A member-owned co-op does not technically earn profits. Any revenues above the cost of doing business are considered margins.

These margins represent an interest-free loan of operating capital by the membership to the co-op. This capital allows FreeState to finance operations with the intent that this capital will be repaid to you in later years.

Retiring Capital Credits

The FreeState board has determined the method for returning capital credits will be a hybrid method called Last-in-First-Out/First-in-First-Out, or LIFO-FIFO. This hybrid method manages equity by retiring a combination of the oldest and newest years and provides value to new and long-time members of the cooperative.

Special Retirements

Special retirements are specific events that occur and are paid at a discounted rate. Discounting special retirements reflects the time value of money and provides a fair way to recognize special circumstances while continuing to treat members equitably. The board reviews and approves the discount rate on an annual basis to ensure it is fair and equitable to members.

When Do We Use Special Retirements?

Current members leaving the system, death of one member of a joint account, or settling estates.

Allocation vs. Retirement

Allocation

An allocation by FreeState determines each member's share of the co-op's margin for a given year. Margins are what is left after expenses are paid.

Margins are allocated, or assigned, to members who purchased electricity from FreeState during the year in which the margin was generated in proportion to the electrical sales for that year.

Each member's allocation is determined by kilowatt-hour consumption for that year. The co-op keeps a permanent record of each capital credit account, which is where the allocated amount remains until it is paid, or "retired."

Retirement

After reviewing the financial health of the co-op, the board may declare a retirement, at which time all or part of each member's allocated amount is paid.

Environmentally Beneficial Electrification

If you are like many Americans, when given the choice, you would prefer your energy to come from renewable sources, such as solar or wind power, rather than fossil fuels. As electric utilities shift to more options that include renewable energy sources and make existing generation technologies cleaner, electricity uses less fossil fuel per kilowatt-hour of energy produced. This idea of "environmentally beneficial electrification" means that innovations in energy technology are creating new ways to use electricity.

In addition to the utility industry, environmental groups such as the Natural Resources Defense Council (NRDC) recognize the value of this concept.

"Beneficial electrification will continue to play a big role in accelerating this transition in an effective and economic way to benefit consumers, energy resilience, and the environment," said Sheryl Carter, NRDC Energy Program Co-Trustee.

Electric Appliances Can Become Greener Over Time

Beneficial electrification means electric appliances have the potential to become greener. When your co-op takes advantage of advances in technology and the market at the generation point, those efficiencies are passed to the member.

Because large appliances have a typical lifespan of 15 to 20 years, you are able to benefit from the flexibility of the grid in addition to the increased efficiency of the appliance, meaning the high-efficiency electric oven you have today could be powered by renewable sources three years from now. This would not be the case with gas appliances where you are locked into the appliance for its 15 to 20-year lifespan. As co-ops tap into more renewable options, the only way you would benefit is through electric appliances.

Small Steps to Reducing Carbon Footprint

For consumers and homeowners looking for more environmentally-friendly energy options, choosing electric appliances over those powered by fossil fuels is an easy solution. Whether through electric lawn mowers, blowers, and weedwackers (plug-in or rechargeable) or through electric water heaters and other appliances, beneficial electrification is a means to reducing greenhouse gases and helping the environment.

At the national level, electric co-ops are purchasing and generating more renewable resources, bringing wind, solar and geothermal energy into the electric power system, which means electricity is becoming greener. As the overall energy

sector continues to evolve, FreeState Electric Cooperative is striving to take advantage of the advances in technology and the opportunities of the market as they become available. This means we can leverage the flexibility of the grid to offer a wider range of renewable power choices as we continue to deliver reliable and affordable power to our community.

"The successful transition to a clean energy future will require substantial reliance on efficient electric technologies like electric vehicles and advanced electric water heating, including heat pump or grid-interactive resistance water heaters, powered by an increasingly cleaner and more flexible electric system," Carter said.

In the future, look to choose beneficial electrification in your daily activities.

To discuss available renewable energy options and to learn about ways to save energy, contact our Energy Use Coordinator, Matt Lambert, at 785-478-3444 or visit www.freestate.coop.

Beneficial electrification will continue to play a big role in accelerating this transition in an effective and economic way.

SHERYL CARTER

SUMMER FUN WORD SEARCH



Summer is the best time of the year! Can you find all the words associated with summer fun in the puzzle below? Use the word bank for help.

T	U	O	K	O	O	C	P	V	R	I	K	P	G	N
X	G	H	M	C	W	Y	E	H	C	U	A	S	K	F
S	E	T	G	I	C	X	L	E	J	P	S	A	S	Q
Y	A	E	E	Q	D	I	C	G	F	I	J	F	H	Q
N	B	O	H	F	I	R	Q	N	M	V	O	I	C	Y
V	Z	P	J	S	E	H	W	O	W	T	T	R	A	I
L	R	K	P	A	U	O	X	D	W	D	Z	E	E	U
S	W	I	M	M	I	N	G	P	O	O	L	F	B	V
C	W	F	D	T	L	R	S	H	G	O	U	L	T	K
O	I	T	H	X	W	Q	N	C	R	H	H	I	C	P
V	B	N	A	M	O	Z	F	K	R	W	E	E	H	D
X	O	U	C	Z	I	N	K	V	D	E	J	S	M	H
Z	J	Z	I	I	P	U	M	Y	L	J	E	P	G	T
U	K	T	R	X	P	K	U	U	L	O	H	N	R	W
O	Y	Z	L	N	G	Q	U	S	G	G	K	R	C	V

WORD BANK

BEACH
COOKOUT
FIREFLIES

ICE CREAM
PICNIC

SUNSCREEN
SWIMMING POOL

