



FREESTATE ELECTRIC COOPERATIVE, INC.

#### **FreeState Electric** Cooperative, Inc.

Mark Gratny

**Don Montgomery** 

Jeanine Murphy

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Berryton

#### **Board of Trustees**

Larry Butel

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**Bill Conley** 

**Rob Sage** Maple Hill

Matthew Turecek Valley Falls

Harlan Hunt

**Steve Foss** Chief Executive Officer

**Christopher Parr** Assistant General Manager

Randy Richards Assistant General Manager

#### **District Offices**

**McLouth Office** P.O. Box 70

McLouth, KS 66054-0070

Topeka Office 1100 SW Auburn Rd Topeka, KS 66615

Office Hours: Monday-Friday, 7:30 a.m.-4 p.m.

#### Tip of the Month

Cooler temps are just around the corner! Is your home's heating system ready? Replace furnace filters once a month or as recommended. If you heat your home with warm-air registers, baseboard heaters or radiators, remember to clean them regularly to increase efficiency.

#### FROM THE CEO

## You Own Your Cooperative

October is cooperative month, and I wanted to take this opportunity to talk about how special it is to be part of a cooperative.

The generations before were a part of something extraordinary and ground-breaking. More than 75 years ago folks gathered to form a distribution cooperative that would empower them to better their lives and make living in rural Kansas just a little bit easier. They solved the problem of getting electricity to places investor-owned utilities weren't interested in serving. Being a member of FreeState is an investment.

FreeState is not-for-profit. When we make more money than we need to serve our purpose, it goes right back to our members in the form of capital credits. Instead of profits in shareholders pockets, we return that money to our members because we are a rural electric cooperative and profit does not drive us. Members drive us. We exist to provide you with safe, reliable, and affordable electricity and we accomplish this in a way that is beneficial and improves the quality of life in our territory.

A board of trustees you elect locally controls FreeState. Also, the staff that works here at the co-op are the same friends and neighbors you've known for years. We all take pride in serving you. Many of our employees are also members. They live and work and serve their communities right alongside you.

We understand that you don't have a choice when it comes to who powers your home, but you do have a choice in how you engage with the cooperative. You are a member-owner. You aren't just a customer. You aren't only an account number.

You own a portion of the utility that powers your home. Your neighbors who are powered by municipal entities or investor-owned utilities can't say that.

We invite you to have a conversation with the board, and the staff behind the scenes – because we all work for you. Your membership matters to us because we are not just providing you with power, we are providing you with a better quality of life. As always, if you have questions about this content, we encourage you to contact us at 800-794-1989 or email customerservice@freestate.coop.



**Steve Foss** 

You are a member-owner. You aren't just a customer. You aren't only an account number. You own a portion of the utility that powers your home.

# October Co-op Month

#### Celebrating how your rural electric cooperative is working for you.

Where a need arises, a community comes together to solve that need and it often results in a cooperative.

In fact, electric cooperatives began out of need and have served member-owners in this area for more than 75 years.

What makes a cooperative unique?

Ownership is controlled by all. Members equally own the cooperative from which they purchase services. As organizations, cooperatives maximize benefits. This means whatever profits are made are returned to members in the form of

capital credits.

This makes cooperatives unique. We work for members, and are member-driven, not profit driven. Our purpose is serving our member-owners and providing a necessary service that improves quality of life.

FreeState Electric Cooperative operates on the same core set of principles that helps guide co-ops all over the world. These seven principles are what set FreeState apart from other utilities and maintain a member-centric focus.



# The Seven Guiding Cooperative **Principles**

#### **Voluntary and Open Membership**

Cooperatives are formed by people looking for solutions to shared problems. They are open to all who use or provide their services and are willing to accept the responsibilities of membership.

#### **Democratic Member Control**

Cooperatives are controlled by those who use or provide the co-op's goods and services. Each member gets one vote to help make the organization's policies and decisions.

#### **Member Economic Participation**

Members equally "buy in" and democratically control the cooperative's capital based on the amount of business they conduct rather than the dollars they invest.

#### **Autonomy and Independence**

Cooperatives are independent, self-help organizations. If a co-op enters into an outside agreement or raises external capital, it still retains autonomy and democratic control.

#### **Education, Training and Information**

Cooperatives train their members, directors, and employees so they can best contribute to the co-op's development. They also educate the public about cooperatives.

#### **Cooperation Among Cooperatives**

Cooperatives work together through strong local, national, regional, and international structures to most effectively serve their members.

#### **Concern for Community**

Cooperatives focus on local development through policies and programs directed by their members.

For more information on how these guide FreeState and the mission, vision, and values of the co-op visit www.freestate.coop.

# Leading the way: Cooperative Governance

The boardroom of a cooperative is not full of stakeholders or beneficiaries making decisions that will impact the bottom line and in turn, their share of profits.

Rather, FreeState Electric Cooperative boardroom holds 11 memberowners who are local veterinarians, teachers at your child's school, farmers, ranchers, local insurance agents, and community champions. They are committed to the communities in which they live and serve, and every decision they make impacts them the same way it affects you.

The strength of FreeState is that members lead it. It's one of the principles that guide cooperatives across the county – democratic member control. The leadership is also what makes cooperative's different. You can select the people that govern you and make decisions on your behalf by voting at the annual meeting in the spring.

The board of trustees works to be as open and transparent as they can be. Each board member plays a vital role as their input is key to how FreeState evolves and faces the challenges of meeting the energy needs of tomorrow.

The board you have elected spends a significant amount of time serving and learning in this complex and rapidly changing industry. Trustees have a fiduciary duty to the electric co-op and face potential personal liability for breaching that duty.

Electric co-op boards may be compensated for their leadership role in guiding the direction of the cooperative. That compensation is paid to board members who fulfill the role and accept the risk and responsibilities of being a board member.

FreeState has adopted its bylaws and policies that are consistent with Kansas law. The local control FreeState can exercise is unique to the needs of members. FreeState's board implements policies and practices that reflect transparency, ethics and accountability, and communication.

#### Are you interested in serving the cooperative?

Are you interested in assisting the selection process of co-op trustees? The FreeState nominating committee is one way to serve your cooperative.

The nominating committee is responsible for determining the slate for member elections. They will determine qualifications, and review potential candidates with other members of the committee.

It is the goal of the nominating committee to identify and select the best board candidates that are presented to the members for voting.

Qualifications of nominating committee members are:

- Member in good standing.
- ▶ Committed to the time needed to select the leadership.
- ▶ Basic competencies of the process and leadership qualifications. If you're interested in serving your cooperative and would like more information, contact FreeState at 800-794-1989 or talk to a current trustee listed on page 16A.

The nominating committee is selected in November, and trustee nominations will be taken in early 2019 with elections held at the 2019 annual meeting.



Seven Cooperative Principles guide FreeState Electric Cooperative—from how we run the co-op, to how we engage with our local communities. Concern for community is the seventh principle, and one that FreeState values year-round.

FreeState members who round-up their monthly electric bill help us give back through the community foundation.

When we give back, it strengthens our communities. It only takes a few coins to add up to a significant change for our local communities and volunteer-driven organizations across the FreeState Electric Cooperative service territory.

Operation-Round-Up has been assisting organizations

throughout our area for more than a year, and the contributions we've made with our change has been significant.

To-date the member volunteer committee has granted \$46,980 to organizations who are working to make a difference for our friends and neighbors across the area.

If you know of an organization that may benefit from an Operation Round-Up grant, visit www.freestate.coop to find application materials and more information on the application

Applications are due and reviewed quarterly by our volunteer member committee.

#### Awarded May 2017

- Mayetta Spray Park, \$6,000
- Delaware Township Library,

#### Awarded June 2017

- Topeka YMCA, \$2,500
- Catholic Charities of NEK, \$2,500
- God's Storehouse Meriden.
- ► Valley Falls Food Pantry, \$1,000
- ► Jefferson County Historical Committee, \$2,500

#### Awarded April 2018

- DoorStep Inc., \$2,500
- Silver Lake Fire Department, \$500

- ► Valley Falls Community Trust, \$6.000
- ► McLouth Public Library, \$3,000
- ► Integrated Behavior Services, \$3.000
- ► Let's Help, \$1,000
- ▶ Jefferson County 4-H Archery,

#### **Awarded June 2018**

- ► Silver Lake Public Library, \$3.000
- ► Silver Lake Public Library Foundation, \$3,120
- ▶ Delia Fire District No. 5, \$2,500
- ► Leavenworth Animal Welfare Society, \$860
- ► Hope, Inc., \$4,500

#### **Volunteer Committee Meetings**

Following each volunteer committee meeting, information is posted regarding grants awarded. This summary can be found on the website at www.freestate.coop/ORUawards.

If you are interested in serving the committee, please fill out an application and send to sarah.farlee@freestate.coop.

Members of FreeState Electric Cooperative have graciously given their time and talents to assist the cooperative with its Operation Round-Up program.

The committee meets quarterly (March, June, September, December) to distribute funding collected from the Operation Round-Up program.

# FREQUENTLY ASKED QUESTIONS Operation Round-Up

#### What is Operation Round-Up®?

A nationwide program FreeState adopted to generate and collect voluntary donations used to benefit organizations in our service area to improve the quality of life of our members and their communities. The concept is an extension of the principle on which electric co-ops were built more than 75 years ago - neighbors helping neighbors to benefit the community in which they work and live.

#### How does it work?

Your monthly bill is rounded up to the nearest dollar amount. Members can opt out of the program by calling our office at 800-794-1989. Pre-Pay Program participants are not enrolled in the program.

#### How much can I expect to contribute each year?

The average annual donation is \$6 per member, but the most any account can give each month is 99 cents - or a maximum of \$11.88 per year. The monthly billing statement will indicate how much is being donated, and you will get an annual total, as your contributions are tax deductible.

#### What is FreeState's goal for this program?

Our goal is to improve the quality of life for the communities we serve. Operation Round-Up® provides FreeState with a tremendous opportunity to demonstrate and extend its commitment to members and their communities. It's an example of people coming together to accomplish a greater good. Now local residents can come together to create change and provide assistance in their communities through a foundation – something they couldn't do individually on this scale.

#### How are requests for funding handled?

Organizations that seek funding from the foundation must complete a thorough application. Those applications will be reviewed by the volunteer member committee. The committee then votes on all requests. Organizations may receive only one grant award from the foundation each year.

#### What is the FreeState Community Foundation?

The FreeState Community Foundation is a 501(c)3 organization set up to represent the members of FreeState and the funds collected through Operation Round-Up® for charitable purposes. The mission of the foundation is to distribute money raised to worthwhile, charitable and educational projects or programs that will improve lives and respond to immediate needs within the counties where the cooperative provides electric service.

#### Who can apply for funding from the Foundation?

Any organization in any of the counties served by FreeState – Atchison, Osage, Shawnee, Wabaunsee, Jackson, Jefferson, Douglas, Leavenworth, Pottawatomie. Based on foundation guidelines, nonprofits, communitybased or volunteer organizations, educational, civic organizations, shelters, and hospitals, may apply for grants.

#### What are the limitations on grant applications?

Applications from organizations should be targeted to a specific project or program support. Key focus areas covered by these grants can include education and youth, community need, or medical or disaster-related emergencies. Organizations may receive only one grant

award from Operation Round-Up® each year. The following will NOT be eligible for Operation Round-Up® money: individuals; political groups; and organizations that discriminate.

#### Will schools and churches qualify to apply?

Programs at schools qualify if they are outside the scope of traditional education and the institution's regular budget. Church programs will be considered when there is a direct community impact involved in one of the focus areas.

#### How is the committee governed?

The committee is governed by volunteers - FreeState members. The committee reviews applications and makes decisions regarding approval and funding levels within the guidelines of the foundation bylaws.

Members of FreeState have graciously given their time and talents to assist the cooperative with its Operation Round-Up® program.

The committee meets quarterly (March, June, September, December) to distribute funds collected from Operation Round-Up®.

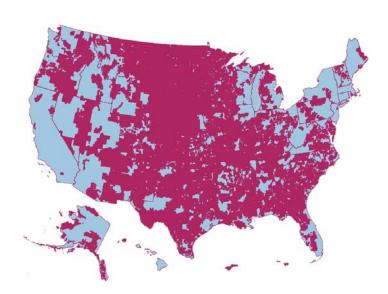
If you are interested in serving on the committee, please fill out an application and send to sarah.farlee@freestate.coop.

#### What are the volunteer guidelines?

Guidelines are meant to enhance the volunteers' understanding of their obligations under the general bylaws, and policies of FreeState.

- Avoiding Conflict of Interests.
- Conducting themselves professionally.
- Understanding and maintaining confidentiality.
- Willing to make decisions.
- ▶ Being a member in good standing.
- Willing to commit time.

# Did you



833 distribution and 62 generation & transmission cooperatives power 56% of the nation's landmass.

Own and Maintain **42%** 

(2.6 million miles)

of U.S. electric

distribution lines.

Serve

42 million

people across

of U.S. counties.

Across the country, cooperatives are committed to serving the last mile and provide an economic impact for local communities they serve!

Co-ops average

# 8 members per mile

collecting approximately \$19,000 in revenue.

All other utilities average

# 32 customers per mile

collecting approximately \$79,000 in revenue.

The entire electric power sector generates

## \$880 billion

in economic impact annually.

Roughly 5% of America's GDP

# Kansa Prairie Quilters Host Cold Weather **Fourth Annual Quilt Show**

The KANSA PRAIRIE QUILTERS of Oskaloosa are set to host their fourth annual Quilt Show on Sat., Dec. 1 from 9 a.m. to 2 p.m. at the Oskaloosa School Library.

A group of 10 to 15 women started meeting in 1997 and formed the group with the goal of making a difference in Jefferson County. The quilters meet monthly at the Presbyterian Church in Oskaloosa. The group plan community service events and create homemade items like potholders, quilts, pillows, and more that are donated to a variety of organizations.

Jan Shirey says the group has fun working together. "It makes us feel good to know we are making a difference in others' lives," she said.

The annual quilt show is a showcase event for the group that brings locals together to raffle off a handmade quilt from the group. This year two "Garden Party" quilts will be raffled off.

All proceeds of the raffle ticket sales will be used to support the numerous nonprofit organizations in Jefferson County.

Raffle tickets are \$5 for six tickets or \$1 for one ticket and can be purchased from one of the group members, or at the show on Dec. 1. Other boutique and homemade items will also be available for purchase from local vendors.

For more information, email amongpals@aol.com.





Kansas Prairie Quilters show will feature a raffle of these two Garden Party quilts. Raffle tickets are available from group members or at the show.



### Save the Date

Wednesday, Oct. 24 4 to 6 p.m. Topeka office 1100 S.W. Auburn Rd.

Free to attend. Meal provided

# Rule Reminder

FreeState Electric Cooperative does not participate in the Cold Weather Rule established by the Kansas Corporation Commission (KCC) that restricted electric disconnects from Nov. 1 through March 31, when temperature forecasts are for 35 degrees or below.

Electric cooperatives are not regulated by the KCC and therefore not mandated to participate in this

Temperatures are not a governing factor in disconnection for non-payment.

All accounts are subject to disconnection for non-payment.

If you have questions please contact us at customerservice@ freestate.coop or 800-794-1989.

### Three Farm Bill **Priorities**

America's Electric Cooperative's are asking lawmakers to consider three priorities when discussing the Farm Bill.

- ▶ 1. Remove Senate changes to Rural Electrification Act loan program. Why? Because cooperatives depend on the USDA loan program to assist in funding the building of infrastructure.
- ▶ 2. Promote true high-speed broadband for rural areas. Why? While FreeState does not offer broadband services, some cooperatives across the country are exploring this service for member-owners.
- 3. Include funds for rural economic development and innovation. Why? Rural revitalization and economic development benefits FreeState members.

# 2nd Annual & Member Appreciation

FreeState Electric Cooperative is hosting its second energy fair and member appreciation event on Wednesday, October 24 from 4 to 6 p.m. in Topeka. The event will also include a community soap drive to assist food pantries across the area.

The Energy Fair is open to FreeState members, and area community members. Local businesses will be on hand to distribute information regarding solar energy, home efficiency, and energy conservation. A meal will be provided, and there is no charge to attend this event, but members are encouraged to bring new soap items to donate or make a cash donation.

The FreeState offices in Topeka and McLouth will be accepting soap items or cash donations until Oct. 31. Donations can be dropped off from 7:30 a.m. to 4 p.m. Monday through Friday at either office.

Area food pantries function as direct community outreach to serve those who need assistance. The pantries rely on donors, volunteers, and drives like this to stock their shelves and operate. Families or individuals can stop in and get food to eat, but often are also in need of personal care items.

We're asking our employees, and co-op members to help us collect unused soap or personal care products to stock up area food pantries.

#### Items to collect:

- Liquid Soap (hand and body)
- ► Bar Soap
- Shampoo
- Laundry detergent
- Dish soap
- Toothbrushes and toothpaste
- Other personal care items

Community involvement is the cooperative difference at work. Your co-op needs your help. No donation is too small.

The Energy Fair opens at 4 p.m. on Wednesday, Oct. 24, 2018, and will conclude at 6 p.m., at the FreeState office at 1100 S.W. Auburn Road in Topeka.





Above: Trustee, Don Montgomery (left) talks about the electric car on display with members. Ed Bozarth will be bringing another car to this event.

Below: Vendors share information about energy efficiency, and renewable options with members. Vendors are available to answer questions throughout the event.

P.O. Box 758, 410 S. High Street, Dighton, KS 67839 620-397-5327 www.lanescott.coop

> LANE-SCOTT **ELECTRIC COOPERATIVE**

Connections

#### **Lane-Scott Electric** Co-op Assn., Inc.

#### **Board of Trustees**

**Dick Jennison** 

**Electric Cooperative** 

**Craig Ramsey** 

**Paul Seib** 

Secretary **Eric Doll** 

**Ed Gough** 

**Chad Griffith** 

Harold Hoss

Rad Roehl

**Richard Sorem** Trustee

#### Staff

Ed Wiltse General Manager

**Nate Burns** Manager of Electrical Operations

**Katherine Lewis** 

Manager of Financial Services

**Bob Venters** Resale Manager

#### In Case of an Outage

If your electricity is off for more than a few minutes, call 800-407-2217. Office hours are 8 a.m. to 5 p.m. After-hours calls will be answered by the dispatch and standby personnel.

#### 24-Hour Electrician Service

If you are without electricity or have an electrical emergency on your side of the meter, we have a master electrician on staff available 24 hours a day.

#### FROM THE MANAGER

# **Cooperatives See the Future**



Ed Wiltse

Dramatic changes are transforming all aspects of the energy industry. Interest in renewable energy is at an all-time high, and ultimately consumers want greater control

over their energy use and payment methods. The prevalence of smartphone apps and "smart" technology for the home is increasing, and consumers and businesses are showing greater interest in electric vehicles. There's no denying it: electric utilities will have to make changes to the way they provide energy to accommodate these trends. Luckily, Lane-Scott Electric is uniquely positioned to meet these changing energy needs because we are a cooperative.

#### Co-ops are community-led

October is National Co-op Month, which is the perfect time to highlight the many ways electric cooperatives are unique.

Cooperatives are locally governed, looking out for the long-term needs of their consumer-members.

Electric cooperatives belong to the communities they serve. This heightened community focus allows us to quickly adapt to evolving consumer

expectations. Our closeness to the community ensures a better response to these needs because we are led by the people we serve.

#### Co-ops are a catalyst for good

Electric co-ops, like Lane-Scott, are a catalyst for good in their communities. Co-ops engage their consumer-members to do things that might otherwise be impossible or difficult, like more than 75 years ago when electric co-ops brought power to areas where other utilities did not find it economically feasible.

Cooperatives exist to meet a need that was previously unmet in the community, and they are ever striving to anticipate and plan for the future needs of their consumer-members.

Electric cooperatives often partner with local groups to bring economic opportunity to their local community. It is this facilitation role that is often the most valuable strength of the co-op.

The co-op business model is unique. It is pragmatic, mission-oriented and puts people first. Co-ops strive to be a trusted voice in their communities. Co-ops have earned that trust because, while not perfect, they always have their members' best interest at heart and are determined to enrich the lives of those living and working in the communities they serve—now and in the future.

### **Cold Weather Rule**—*Effective Nov. 15-March 15*

The Cold Weather Rule (CWR) ensures you will have electric and gas service during the winter. The guidelines below have been established to protect not only you, the electric member, but your member-owned cooperative.

#### Member responsibilities

- Agree to pay one-twelfth of the overdue amount of their bill, plus one-twelfth of their current bill, all disconnection and reconnection fees, and applicable deposit (deposit to be spread evenly over the length of plan), and agree to pay the remainder in equal payments over the next 11 months; or
- Other payment plan as negotiated with the cooperative (can be less than 12 months).
- Must pay future bills in full while paying off the overdue amount.

#### Member must not

- 1. Violate any rule that affects the safety of the member, other persons, or the utility's delivery system;
- 2. Bypass meter;
- 3. Misrepresent identity to obtain or retain service:
- 4. Tender non-sufficient funds (NSF) check as initial or installment payment and not cure the insufficient payment within 10 days after NSF letter is mailed.
- ► Under 1, co-op can disconnect customer immediately.
- ► Under 2 and 3, co-op can disconnect, regardless of temperature, 48 hours after notification by telephone call or electronic messaging to the member.
- ▶ Under 4, co-op must send NSF letter giving 10 days to cure NSF check, and then disconnect is allowed regardless of temperature.

The CWR ensures you will have electricity for your home if you make pay arrangements with Lane-Scott Electric.

#### Co-op responsibilities

- ▶ 48-hour window required where temperature will remain above 35 degrees Fahrenheit.
- In first 24 hours, the co-op must call member notifying them of disconnect next day.
- On the second day (day of disconnect), company must receive forecast that temperature will remain above 35 degrees for 24 hours before disconnect can be worked. If forecast indicates temperature will fall below 35 degrees, disconnect must be canceled and co-op must wait for new 48-hour window.
- ▶ The co-op must inform member they have the right to enter a level payment plan for arrearages paid through an initial payment and equal installments over 11 months. If member still wants plan with fewer months, document that 12 months was offered to and refused by member. Plans with fewer than 12 months are considered to be CWR plans.

#### Default of plan

- 1. Member must pay cash, money order, or credit card to cure a NSF check within 10 days of NSF letter issued or will be in default of payment plan.
- 2. Outside of the CWR plan (March 16 through Nov. 14), a member who defaults on a CWR plan is not eligible for another payment plan until he/she pays all arrearages from prior CWR plan.
- 3. Inside of the CWR period, a member who defaults on a CWR plan is eligible for a new CWR plan after making initial payment of at least one-twelfth, as explained above under Member Responsibilities.

#### Renegotiation of CWR payments

If member receives lump sum assistance (i.e. LIEAP), the member is encouraged to renegotiate their CWR payments.

If you have any questions or concerns regarding the cold weather rule, please call 620-397-5327.

## Statement of **Nondiscrimination**

This institution is an equal opportunity provider and employer.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).

Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audio tape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at 202-720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at 800-877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at www.ascr.usda.gov/ad-3027-usda-programdiscrimination-complaint-form and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call 866-632-9992. Submit your completed form or letter to USDA by:

- ► MAIL: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20250-9410;
- **FAX:** 202-690-7442; or
- ► **EMAIL:** program.intake@usda.gov USDA is an equal opportunity provider, employer, and lender.