



LEAVENWORTH-JEFFERSON ELECTRIC COOPERATIVE

The Powerline

Leavenworth-Jefferson Electric Cooperative, Inc.

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Steve Foss
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Happy Father's Day

I ♥
DAD

Don't forget to celebrate with your dad this Father's Day on Sunday, June 15.

Holiday Office Closing

In observance of Independence Day the LJEC offices will be closed on Friday, July 4.

Have a Safe Holiday!

Annual Meeting Highlights

The 70th Annual Meeting of Leavenworth Jefferson Electric Cooperative (LJEC) was held April 22, at the McLouth Elementary Purple Gymnasium.

Manager's Report

2013 saw another refund from our power supplier, Kansas Electric Power Cooperative (KEPCo).

LJEC received just over \$577,000 and that money was distributed to our

members in February. This represents excess operating margins for 2013 being returned to KEPCo's member cooperatives.

The LJEC Board also approved a capital credit payout; retiring allocations from 1975-1978 (approximately \$148,000) and a partial retirement of 2013 allocations (approximately \$148,000). For those with active accounts, a credit should have shown on the bill you received in May for these payouts.

Elizabeth Patton from Senator Jerry Moran's office was in attendance. She reiterated the Senator's support of electric cooperative's throughout the state and encouraged anyone with questions about any issue to contact the Senator's office at www.moran.senate.gov.

Foss reported that there are two main issues that co-ops throughout



Members and guests gathered to hear cooperative news at the 2013 LJEC Annual Meeting on April 22.

the country are trying to manage that could have a substantial impact on future electric rates; the Environmental Protection Agency (EPA) and rising costs.

Environmental Protection Agency (EPA)

The EPA continues to pass regulations not approved by Congress and the impact of those regulations are being felt nationwide and industry-wide.

Specifically, the EPA is targeting carbon dioxide emissions which directly impacts generation costs; having particular impact on electricity generated from coal, natural gas and oil. The continued push for such strict regulation will only drive the cost of power up.

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Annual Meeting Prize Winners

Prize	Donated By	Winner
Shirt, Water Dispenser, Koozie, Cap	Exceptional Advertising	John Moses
Cap, Water Dispenser, Koozie	Exceptional Advertising	Ashley Williams
Shirt, Tote, Blanket, Water Dispenser	Exceptional Advertising	Charles Coppinger
Shirt, Tote, Blanket	Exceptional Advertising	Rita Hughes
Shirt, Cooler, Blanket	Exceptional Advertising	Larry Caber
LJEC Cap, 2 glasses, first aid kit	LJEC and Cintas	Robert Hubach
LJEC Cap, 2 glasses, first aid kit	LJEC and Cintas	Roger Perkins
LJEC Cap, 2 glasses, first aid kit	LJEC and Cintas	Rodney Herrs
LJEC Cap, 2 glasses, first aid kit	LJEC and Cintas	Alice Blaser
LJEC Blanket, First Aid Kit	LJEC and Cintas	Janet Hund
LJEC Duffel Bag, 2 glasses	LJEC and Cintas	Jerry Coppinger
\$50 Mastercard Gift Card	Bank of McLouth	Myron Hund
\$50 Mastercard Gift Card	Bank of McLouth	Wilbur Wagner
170 piece crescent set	WESCO	Paulette Schrick
Black & Decker Cordless Drill	Solomon	Melinda Lang
Large First Aid Kit	Cintas	Tom Tish
Large First Aid Kit	Cintas	Virgil Wright
Toy Tractor	Schuck Implement	George Kather
Thermos & Bag	Hi-Line	Jonna Shoemaker
Coffee Maker	ALTEC	Susan Kramer
\$50 Credit on Electric Bill	KEPCo	Nancy Reed
Energy Efficiency Kit	KEC	Sherry Manley
\$25 Visa Gift Card	Lee's Inspection	Traci DePriest
\$100 Home Depot Gift Card	GDS Associates	Joan Seely
\$100 Cash	Desoto Treated Materials	Margaret Liebeno
Digital Camera	KEPCo	John Fisher
Garmin GPS	Electricomm	Betty Alexander
32" Flat Screen TV	Kriz Davis	Alberta June Hagenbuch

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Our power supplier's, current mix of power comes from 15 percent hydro, 25 percent nuclear, 50 percent coal and 10 percent other renewable.

Foss also addressed rising material costs. He outlined the percentage of costs that the co-op can actually control.

He told members that 72 cents of each dollar LJEC members sends to the cooperative goes toward costs the cooperative cannot control.

▶ **Controllable: 28%**

- ▶ Transmission = <1%
- ▶ Distribution (O&M) = 10.5%
- ▶ Collections = 1.5%
- ▶ Informational Expense = 2%
- ▶ Admin/General = 13%
- ▶ Other = 1%

▶ **Uncontrollable: 72%**

- ▶ Purchased Power = 58%
- ▶ Depreciation = 8%
- ▶ Interest = 6%

LJEC is constantly evaluating staffing, workload, scheduling, material costs and any other item(s) that the cooperative can control to save when and where we can.

One other issue that is already affecting LJEC is retirements. The cooperative had two board members not run for re-election; two employees with a combined 84 years of knowledge retired at the end of April; and almost 10 percent of LJEC's workforce is within five-years of retirement age.

The transfer of knowledge and finding qualified replacements will be a major undertaking by the current staff.

Election Results

Three board members were elected during the Annual Meeting. The LJEC Board of Trustees provides open lines of communication with those in the District they serve. We look to our board to work with other Trustees to ensure equitable treatment to all members across co-op territory and be knowledgeable about trends and circumstances that may affect LJEC members and the communities the co-op serves.

For the first time, LJEC offered a mail ballot option. Instead of requiring attendance at the Annual Meeting in order to vote, LJEC members could cast their vote for issues presented to the membership by mail. Mail ballot results were combined with votes cast at the meeting wherein three Board Members were elected and miscellaneous bylaw changes were approved.

Mail balloting was very popular; with almost 1,000 votes being cast. Combined with the votes cast at the Annual Meeting, results were as follows:

▶ **District 2—MARK GRATNY**

Gratny is the owner-operator of Gratny Quarter Horses in Leavenworth. He is no stranger to the LJEC board, having previously served from 2002-2011.

2014 Board of Trustees Election Results



Mark Gratny
District 2



Larry Stevens
District 5



Nancy Reed
District 7

Rules & Regulations Meeting Notice—June 24

The Board of Trustees of LJEC will meet on Tuesday, June 24, 2014, beginning at 7 p.m. at the cooperative's headquarters located at 507 N. Union, McLouth, to discuss and vote on modifications to the cooperative's Rules and Regulations. Specifically, the Board will be discussing changes to Section 7—Line Extensions.

The proposed changes to the Rules & Regulations will address the inequality that exists in the rules as they currently stand.

Under the proposed change, any new service in LJEC's territory will be required to pay estimated construction costs up front. Starting with the billing that occurs in the 7th month following construction, LJEC will reimburse the member 1/40th of a set aid-in-construction amount, provided monthly energy consumption charges meet or exceed 1/40th of the total aid-in-construction amount. If monthly energy consumption charges are below 1/40th of the aid-in-con-

struction amount the member will forfeit the difference. Reimbursement continues on a monthly basis for 40 months until said aid-in-construction amount is reached.

This meeting is open to the LJEC membership. If you are unable to attend but have questions about this proposed change, you are encouraged to call LJEC prior to June 24 during regular business hours (7:30 a.m. to 4 p.m., Monday-Friday) at 888-796-6111.

► District 5—LARRY STEVENS (incumbent)

Stevens has been a member of LJEC since 1969 and has served on the LJEC Board for the last 15 years, including serving as Board President from 2001–2004.

► District 7—NANCY REED

Reed is a retired self-employed business owner that specialized in accounting and bookkeeping. She has been an LJEC member since 1968.

If you have questions about your cooperative, you are encouraged to either contact the board member representing your district or you can call the LJEC office.

Bylaw Changes

The proposed changes to the cooperative's bylaws also passed. There were changes described as "general bylaw cleanup", including grammatical corrections, gender neutrality issues and outdated language. The other bylaw changes approved were those needed to allow for electronic voting in the future.

A copy of the bylaw changes can be found on the co-op's website www.ljec.coop.

Youth Trips

JOHN COURTNEY from McLouth High School and **CODY KOCH** from Tonganoxie High School made presentations for their respective trips.

Courtney attended the Electric Cooperative Youth Tour last summer in Washington, D.C., and Koch attended the Cooperative Youth Leadership Camp in Steamboat Springs, CO. Both thanked the membership and the board for the opportunity to attend. Both said it was an opportunity they would not have had otherwise.



Joe Heinen, retired assistant manager, proudly displays a plaque with the names of the over 80 Youth Tour and Camp participants LJEC has sponsored.

The 2014 trip winners were also announced:

- **DC—LEAH PARSONS**, Valley Christian/Pleasant Ridge High School
- **CO—TAMARA DRINKARD**, Valley Falls High School
- **CO—MADISON ERNZEN**, Lansing High School

Longtime employee and tireless Youth Trip supporter, **JOE HEINEN**, made a special presentation during the Annual Meeting. In honor of his retirement, he presented the cooperative with a plaque listing every Youth Trip win-

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ner that LJEC has ever had. More than 80 youth have benefitted from these trips and Heinen said he was proud to be supporting such a positive program. The plaque is now displayed proudly in the main entry at the cooperative's office.

Member Engagement

Foss reminded those in attendance that as times change, the co-op needs to continue to change and grow with the needs of the membership.

Not all members have the opportunity to attend the Annual Meeting. It is then necessary for the co-op to offer other ways to engage members in the business of LJEC. Mail ballots are one such way we can easily engage more members (almost 1,000 mail ballots cast). In the future, electronic voting will boost member engagement as well.

Additional programs and services that LJEC has implemented to increase member engagement include:

▶ **SmartHub (online bill payment):** members can not only pay their bill online, they can see daily, monthly and yearly usage. Having the knowledge of what you're consuming can lead to making changes to your habits that can lead to a lower bill!

▶ **PrePaid Program:** LJEC's pay-as-you-go program offers



members the opportunity to pay their bill in smaller increments versus paying one larger monthly bill. Disconnect and reconnect fees are waived when enrolled in the prepaid program and prepaid requires a much smaller deposit (\$85 versus \$320). Members with an existing deposit can have the majority of their deposit transferred to their active account when enrolling in prepay.

▶ **Time of Use Rate:** By adjusting consumption habits to lower use during peak hours, members can save on their bill when enrolled in LJEC's Time of Use Rate

Foss outlined numerous other ways members can engage themselves with not only the cooperative, but their bill.

- ▶ High Efficiency Water Heaters (available for sale at LJEC)
- ▶ Home Efficiency Testing
- ▶ Heat Pump Rebates
- ▶ Exede Internet Service (855-797-7856)
- ▶ Cooperative Action Network (www.action.coop)
- ▶ LJEC Events

As always, if you ever have questions about any of the LJEC programs and services you are encouraged to either speak to the elected board member in your district or call the LJEC office at 888-796-6111.



Denise Aranoff-Brown, Touchstone Energy COO/CMO, presents Jennifer Fisher, LJEC's PR/Marketing Specialist, with the 2014 Brand Champion Award.

Fisher Receives Brand Champion Award

JENNIFER FISHER, LJEC's PR / Marketing Specialist, was awarded the 2014 Brand Champion Award May 15 at CONNECT '14, a national conference for electric cooperative marketing, communication and member services professionals.

Along with 10 other dedicated co-op employees from across the nation, Fisher was recognized for her exceptional efforts in making the Touchstone Energy® Cooperatives brand come alive with our members and delivering real value.

"Touchstone Energy Cooperatives are about innovation, integrity, accountability and commitment to community. Our Brand Champions personally embody these four principles as they serve our members," said Denise Aranoff-Brown, Touchstone Energy chief operating officer and chief marketing officer.

Fisher stated that she enjoys spreading the cooperative message.

"Working for LJEC offers me the opportunity to work for an organization that is owned by its local members instead of outside investors," she said. "Spreading the message about what makes co-ops different, why co-op membership matters and being involved with the community are all activities I enjoy."

"Jen has done a great job using the tools available to her to establish a communications plan that best serves our members," said Steve Foss, Manager. "Our improving member satisfaction scores validate the work she has done."

Touchstone Energy's success as the national brand for electric cooperatives is attributed to individuals such as these award winners who truly live the "power of human connections."