



LEAVENWORTH-JEFFERSON ELECTRIC COOPERATIVE

The Powerline

Leavenworth-Jefferson Electric Cooperative, Inc.

Board of Trustees

Jeanine Murphy
President

Mark Gratny
Vice President

Marty Shaw
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Trustee

Larry Meadows
Trustee

Ralph Phillips
Trustee

Bill Pohl
Trustee

Larry Stevens
Trustee

Staff

Steve Foss
General Manager

Chris Parr
Assistant Manager

Energy Efficiency Tip of the Month

On Earth Day, April 22, give back to the environment by planting a deciduous tree near your home. Deciduous trees lose their leaves during the fall, allowing sunlight to warm your home. The extra shade during summer months will keep your home cooler.

Transitioning Toward the Future

On April 19, the Leavenworth-Jefferson Electric Cooperative Annual Meeting will be held in the Purple Gymnasium (adjacent to the cafeteria) at McLouth Elementary School. Registration and the meal will begin at 5:30 p.m., with the business meeting following at 6:30 p.m. Attendees will receive a \$10 credit on their electric bill and will have the chance to win door prizes.

Board Election and Consolidation

During the Annual Meeting, members will elect three Board members and vote on the Articles of Consolidation and the Consolidation Agreement (with Kaw Valley Electric Cooperative). Each year, three of our nine districts elect a Board member (see

LJEC District Map on page 16-B).

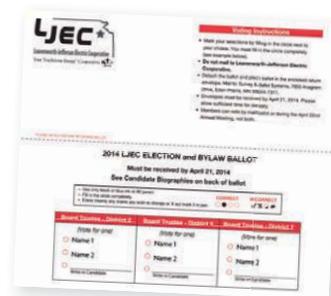
LJEC is governed by the policies set by our Board of Trustees, who are also cooperative members. Our Board provides a vital connection with our membership and the community at large.

Beginning March 28, candidate information and ballots will be mailed to each member.

How can I Vote?

As a member, you have one vote,

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Members can cast their votes at Annual Meeting or on the mail-in ballot, similar to this one, prior to the meeting.

Official Notice of Annual Meeting

To the attention of all members of Leavenworth-Jefferson Electric Cooperative, Inc., organized and existing under and by virtue of Chapter 17, Article 46, of the laws and the State of Kansas.

You and each of you are hereby notified that on the 19th day of April 2016, the Annual Meeting of said Leavenworth-Jefferson Electric Cooperative, Inc., referred to above, will be held at 6:30 p.m. at McLouth High School's purple gymnasium, 217 Summit Street, McLouth, Jefferson County Kansas, to take action upon the following matters:

1. The report of officers, trustees and committees.
2. The election of three trustees of the cooperative.
3. The election of the Articles of Consolidation.
4. The election of the Consolidation Agreement.
5. All other business which may come before the meeting or any adjournment or adjournments thereof.

Transitioning Toward the Future

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and it is important to make your voice heard! We understand not every member can attend the Annual Meeting, but we want to make sure you have the opportunity to participate in the election.

Please participate in the election using one of the following options:

- ▶ Vote at the Annual Meeting
- ▶ Vote by mail
- ▶ Vote by proxy (see form on 16-C)

Vote at the Annual Meeting

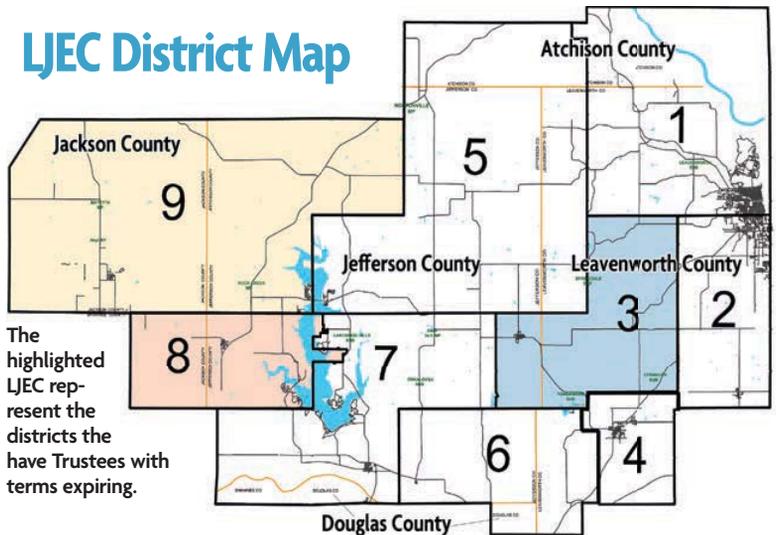
Attend LJEC's Annual Meeting on April 19 at the McLouth Elementary School Purple Gymnasium. Members will be issued a ballot at registration. Registration and the meal will begin at 5:30 p.m. The business meeting will follow at 6:30 p.m.

Vote by Mail

Beginning March 28, ballots and voting instructions will be mailed to LJEC members. Follow the instructions to complete your ballot and use the prepaid envelope to return your ballot. To ensure your vote is counted, your completed ballot must be mailed no later than April 13.

If you are unable to mail your ballot by April 13, please bring it with you and cast your vote at the Annual Meeting.

LJEC District Map



The highlighted LJEC represent the districts the have Trustees with terms expiring.

Vote by Proxy

If you are unable to cast your vote at the Annual Meeting or by mail, you can vote by proxy. Complete the proxy form available below. After completion, give the proxy form to a LJEC member or an adult relative living at your residence, and they can cast your vote on your behalf at the Annual Meeting.

We hope you will join us at this year's Annual Meeting. There will be information covered regarding last year's business and the business moving forward. It's an exciting time at LJEC!

If you have any questions about the Annual Meeting and/or the voting process, please contact us toll-free at 888-796-6111.

Unable to Attend the Annual Meeting? Cast Your Vote by Proxy

If you are unable to attend this year's Annual Meeting, but would like to cast your vote in matters coming before the membership, please complete the proxy form below.

The proxy form must be completed in its entirety and given

to another LJEC member or to an adult relative living in the same household to present at the Annual Meeting.

Please keep in mind that each LJEC member may only hold one proxy and one vote is allowed per membership.

LJEC Proxy Voting Form

I, _____, being a member of Leavenworth-Jefferson Electric Cooperative, Inc., an association, organized and existing under the laws of the State of Kansas, do hereby appoint _____ to vote in my stead upon the following propositions:

- ▶ The reports of officers, Trustees and committees.
- ▶ The election of three Trustees of the cooperative.
- ▶ All other business which may come before the meeting or any adjournment of adjournments thereof.

At the Annual Business Meeting of members of said cooperative to be held in the McLouth School Purple Gymnasium, McLouth, Kansas at 5:30 p.m. on April 19, 2016, or any adjournment thereof, with full power of substitution shall be limited to persons who are also members of said cooperative or as provided in the bylaws of the cooperative.

Witnessed my hand this _____ day of _____, 2016.

Signature of Witness

Signature of LJEC Member

BOARD PERSPECTIVE

Benefits of Consolidation BY JEANINE MURPHY



Jeanine Murphy

The Leavenworth-Jefferson Electric Cooperative Board of Directors is tasked with decisions that will affect the cooperative's ability to provide our members with safe,

reliable and affordable power. It is our responsibility to make sound decisions that will not only benefit members now but also in the future. It is also our responsibility to look at all avenues and possibilities when it comes to saving money, and we have been doing just that in recent years. Now is the time to look at the bigger picture, and consolidation with Kaw Valley Electric Cooperative in Topeka.

I wanted to take a moment to let each of our members know that these decisions to form the cooperative alliance and the proposed consolidation were carefully and thoughtfully evaluated by both boards, who did their

due diligence to determine if this step was the right one for our members.

Both boards unanimously determined that this was the next step toward cost savings, stabilization of rates and the future of our cooperatives.

The proposed consolidation you'll be voting on would provide us with not only significant savings over the next 10 years, it would also provide additional opportunities, resources and elevated service for both cooperatives.

It is important to note that the level of service you have come to expect from LJEC will continue. The office in McLouth will remain open, as will the Kaw Valley office in Topeka, so that we can maintain our level of customer service you all deserve. The alliance we have been working under since October 2014 has allowed us to become more efficient and specialized. The billing functions have begun to transition to the McLouth office, which will provide a boost in business for the Bank of McLouth and

the U.S. Post Office. The decision to move billing to McLouth was made as a commitment to the community. While billing transitions to McLouth, the calling center will transition to Topeka.

Although your electric bill will not decrease as a result of the consolidation, it will help ensure that your rate will not increase in the immediate future. The proposed consolidation will allow us to delay cost of service studies that could lead to rate increases. We are confident that we can keep rates stabilized for the next three, possibly five, years.

I am supporting the proposed consolidation vote by voting "yes" on April 19 because it means stabilizing rates and improving the foundation of our future electric cooperative.

Thank you for your time. I look forward to seeing you at our Annual Meeting on April 19.

**JEANINE MURPHY, BOARD
PRESIDENT**

Vote YES



Your Touchstone Energy® Cooperative 

Consolidate for stable rates

www.voteYesApril19.com

Patriots' Day Event

Join the community of McLouth for the Patriots' Day Parade on Saturday, April 16 at 1 p.m.

Celebrate this big day in a small town with the UMC Pancake Feed from 8 to 10 a.m. at the Fire Station, followed by the Children's Parade at 11 a.m. There will be military memorabilia displayed on the east side of the Fire Station, and special guest Medal of Honor Recipient Col. Roger Donlon will be speaking on the east side of the Fire Station at 11:30 a.m.

Patriots' Day is sponsored by the City of McLouth, McLouth Recreation Commission, McLouth Kiwanis, and the McLouth Fire Department.

TREASURER'S REPORT

LJEC Audit Summary BY HARLAN HUNT



Harlan Hunt

As Treasurer of Leavenworth-Jefferson Electric Cooperative, it is my responsibility to oversee all funds, securities and financial activity of the cooperative.

The Board of Trustees commissioned the services of Kevin S. Kelso, CPA, P.C., P.A., Mission, to make a full and complete audit of the accounts, books and financial condition of the

cooperative.

The audit covered the cooperative's 2015 fiscal year, which began on the first day of January and ended on the 31st day of December. The audit examined the cooperative's accounting records and procedures to verify that they are accurate and in compliance with accepted standards. The auditors also examined the cooperative's system of internal control including segregation of functional responsibilities, system of authorizations and procedures that

provide control over the assets and liabilities.

Comparative balance sheets for 2014 and 2015, together with a five-year comparative operating statement, will be available in the annual meeting booklet for your information and review.

In conclusion, I am pleased to report that 2015 was another successful year for the cooperative. LJEC continues to maintain a strong and viable financial position.

HARLAN HUNT, LJEC TREASURER



Property Taxes for 2015

County	First Half Due 12/20/15	Second Half Due 5/10/16	Total
Atchison	\$5,311.36	\$5,307.00	\$10,618.36
Douglas	\$514.40	\$514.40	\$1,028.80
Jackson	\$20,251.64	\$20,256.68	\$40,508.32
Jefferson	\$177,578.26	\$177,568.50	\$355,146.76
Fort Leavenworth	\$76,383.92	\$76,383.92	\$152,767.84
Leavenworth	\$102,517.38	\$102,507.24	\$205,024.62
Totals	\$382,556.96	\$382,537.74	\$765,094.70

Important Annual Meeting Notices

Items Up for Vote

Leavenworth-Jefferson Electric Cooperative members will vote on April 19 for three district trustees, as well as the Articles of Consolidation and the Consolidation Agreement.

If you have any questions about the slate of nominees, you can contact Nominating Committee Chairman Joe Heinen at 785-945-3826.

Documents regarding the Consolidation Agreement can be found at <http://bit.ly/ConsolidationArticles>. If you have questions about the voting ballot, please feel free to contact LJEC at 913-796-6111.

Billing Credit

Members who attend the annual meeting will receive a \$10 bill credit. Members must register at the annual meeting to be eligible to receive the credit.

Annual Meeting Program

The 2016 Annual Meeting Program can be accessed online at www.ljec.coop. Members can access and print the program at any time.

If you are unable to access the book online, call the office at 913-796-6111.