



**LEAVENWORTH-JEFFERSON  
 ELECTRIC COOPERATIVE**

# The Powerline

**Leavenworth-Jefferson  
 Electric Cooperative, Inc.**

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 General Manager

**Chris Parr**  
 Assistant Manager

## 75th Anniversary Dinner at Annual Meeting

1940 was an extraordinary year... the first McDonald's in the United States opened in San Bernardino, CA; the U.S. imposed a total embargo on all scrap metal shipments to Japan (associated with World War II); and in our little corner of the world—Leavenworth-Jefferson Electric Cooperative (LJEC)—was formed.

That makes 2015 an important year in the life of LJEC. It's our 75th anniversary!

We'll be marking this important milestone during a few events through the year and the first celebration will occur at the LJEC Annual Meeting on Tuesday, April 28, 2015. Join us at the McLouth Elementary School Purple Gymnasium (adjacent to the cafeteria) located at 217 Summit Street in McLouth for a full BBQ meal will be served including brisket, pulled pork, baked beans and so much more! Please RSVP for the meal count no later than April 21 by calling

888-796-6111 or email [jenniferf@ljec.coop](mailto:jenniferf@ljec.coop).

For members that attend the Annual Meeting, we'll be giving you a \$10 credit on your electric bill along with chances to win great door prizes including things like a flat screen TV, a GPS, tools and cold hard cash!

Registration and dinner will open at 5:30 p.m.; the meeting will start at 7 p.m.

### Board Election

During the annual meeting, we'll elect three board members. LJEC is divided into nine districts and, each year, three of our nine districts elect a board member. This year Districts 1, 4 and 6 will be electing a board member (see District Map on page 16-C).

We are governed by the policies set by our Board, who are also cooperative members. Our Board provides a vital connection with our member-

*Continued on page 16-C ▶*

## Watch for Your Mail Ballot

Mail ballots for the upcoming board election will be mailed late this month. Your vote is your voice and as a democratically run organization it is important that you participate in the election. Candidate information will be included with the mail ballot, as well as the April issue of Kansas Country Living magazine.

Whether you decide to vote by mail or during LJEC's Annual Meeting (see page 16-C for details), we're encouraging all LJEC members to attend the Annual Meeting. 2015 is LJEC's 75th Anniversary and we've got a few things planned throughout the year—the first being a celebratory dinner at the annual meeting!

Mark your calendar... Tuesday, April 28, 2015, at the McLouth Elementary School Purple Gymnasium located at 217 Summit Street, McLouth. Registration and dinner will open at 5:30 p.m. and the meeting will begin at 7 p.m. Please RSVP for the meal count no later than April 21. 888-796-6111 or [jenniferf@ljec.coop](mailto:jenniferf@ljec.coop).

April 2015						
S	M	T	W	U	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

LJEC & KAW VALLEY ALLIANCE UPDATE

# LJEC & Kaw Valley Cooperative Alliance Savings to Date

While the vote to consolidate Leavenworth-Jefferson Electric (LJEC) and Kaw Valley Electric doesn't happen for another 13 months, both cooperatives are already seeing substantial savings by moving forward with our working alliance.

The announcement of our alliance occurred in October 2014. During the short three months that remained in 2014, we captured unplanned savings of just over \$16,000 that was not part of the original forecast of \$13.5 million over 10 years. These unrealized savings were due to combining computer software licensing between both cooperatives and an early retirement at Kaw Valley.

As we move toward the end of the first quarter of 2015, we are seeing our savings continue to grow and be realized throughout the year. Savings at both cooperatives comes in two forms, actual reductions in spending and avoiding costs that would have been spent without combining both cooperatives business practices.

### How Are We Saving?

Savings comes in a variety of ways, but much of the savings we're seeing to this point comes through bulk pricing,

taking advantage of special offers, retirements, and sharing employees, resources and equipment.

- ▶ **\$298,105**—Attrition related to retirements.
- ▶ **\$48,000**—LJEC meter inventory transferred to Kaw Valley. This represents savings over what Kaw Valley would have had to pay on the retail market versus LJEC's inventory value.
- ▶ **\$27,810**—Elimination of Light Talk for Kaw Valley member communication.
- ▶ **\$24,734**—Bulk meter pricing. As Kaw Valley begins to install AMI meters, they took advantage of reduced pricing by purchasing all meters at once.
- ▶ **\$19,483**—Computer system integration. This includes savings on items such as fewer licensing fees, purchasing software, upgrades and maintenance of hardware.
- ▶ **\$15,000**—Utilizing Kaw Valley's existing communications shelter so that shared equipment can be located at one facility versus duplicating storage at two facilities. A microwave link between Kaw Valley and LJEC will be established. We are able to utilize the existing tower

at LJEC (and one at Kaw Valley) to establish this link.

- ▶ **\$10,800**—Upgrades to radio system. Upgrades had been planned, so we took advantage of a substantial per radio discount that allowed these savings.
- ▶ **\$7,480**—LJEC meter scrap avoidance. A certain percentage of used meters never make it back into the field and are scrapped. Kaw Valley can take advantage of this used inventory to assist with the purchase of their new advanced metering infrastructure system (AMI).

### 2015 Savings Targets

Based on the original forecast, the net (after expenses) savings to members was projected to be \$157,296 with a savings target of \$414,578.

### Controllable Costs

As we look at various ways to save money, it is important that members understand what a small "piece of the pie" the cooperative can control.

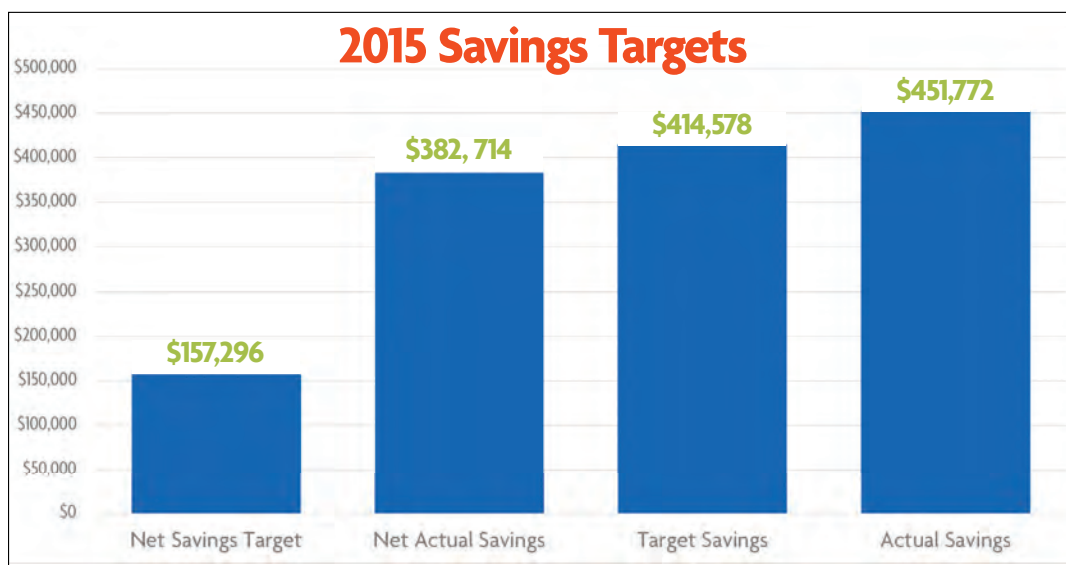
For every dollar you send to LJEC, approximately 65-70 cents is passed on directly to the power company. Another five cents of that dollar goes directly toward items such as interest,

depreciation and taxes; things that the cooperative cannot control.

That leaves approximately 25 cents of that original dollar that the cooperative works vigorously to control. The savings outlined here, and as we continue to move forward, will directly affect that 25 cents. And that has a direct effect on you—our members.

The savings we are

**Continued on page 16-D ▶**



# Annual Meeting

Continued from page 16-A ▶

ship and the community at large.

Candidate information will be included in the April issue of *Kansas Country Living* magazine and also with the mail ballots that will be mailed to each member at the end of this month.

## How Can I Vote?

We understand not every member has the opportunity to attend the Annual Meeting but we want to make sure you are given the opportunity to participate in the election. Every LJEC member has three options voting available to them:

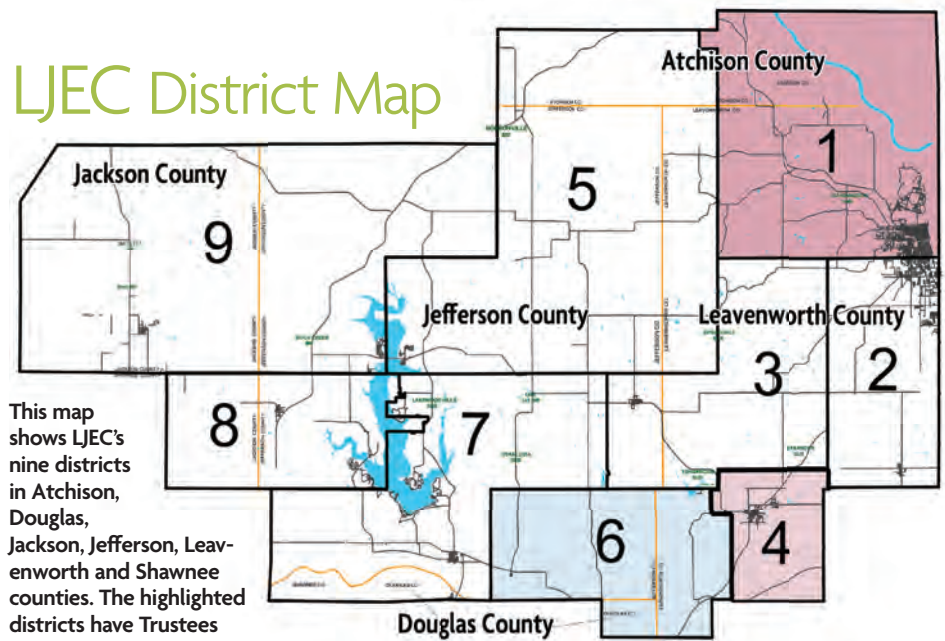
- ▶ Vote at the Annual Meeting
- ▶ Vote by Mail
- ▶ Vote by Proxy

## Vote at the Annual Meeting

The LJEC Annual Meeting is being held Tuesday, April 28, 2015; dinner and registration starting at 5:30 and the meeting beginning at 7 p.m. We'll meet in the McLouth Elementary School Purple Gymnasium (adjacent to the cafeteria) located at 217 Summit Street, McLouth.

Members will be issued a ballot when they register upon arrival at the

# LJEC District Map



This map shows LJEC's nine districts in Atchison, Douglas, Jackson, Jefferson, Leavenworth and Shawnee counties. The highlighted districts have Trustees with terms expiring.

meeting. If you have voted by mail prior to the meeting, you will be unable to cast another vote at the Annual Meeting. But you are encouraged to attend the meeting, enjoy free dinner, perhaps win a door prize and learn more about the cooperative.

Please RSVP for the meal count no later than April 21 by calling 888-796-6111 or email [jenniferf@ljec.coop](mailto:jenniferf@ljec.coop).

We'll be covering the 2014 business of the cooperative during the meeting but the main focus will be on the working alliance and potential consolidation of LJEC and Kaw Valley Electric Cooperative. There will be an in-depth discussion on what has happened to date as well as plans over the next 13 months prior to the consolidation vote in April 2016.

## Vote by Mail

If you're unable to attend the Annual Meeting, we offer mail ballots so that members are still able to participate in the election. Ballots will be mailed to every LJEC member at the end of this month. Simply complete

the ballot as directed and return it no later than April 27 in the postage paid envelope that will be provided.

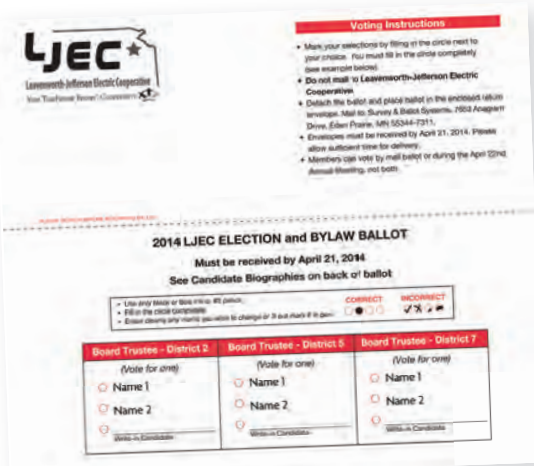
## Vote by Proxy

Perhaps you cannot attend the Annual Meeting and you forget to mail your ballot in time to be counted. We also offer you the opportunity to vote by proxy. Complete a proxy form and give it to another LJEC member or adult relative living in the same home and they will be allowed to cast a vote on your behalf during the Annual Meeting.

A blank proxy form can be mailed to you by calling LJEC (888-796-6111) or watch for the April issue of *Kansas Country Living* magazine. A blank proxy form will be included for your use, if needed.

We hope you'll join us at this year's Annual Meeting. There will be a great deal of information covered regarding last year's business and the business moving forward. It's a time of change at LJEC and with that change comes the opportunity for our cooperative to grow.

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



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

## Alliance Savings to Date *Continued from page 16-B*

seeing now and into the potential consolidation will help keep electric rates reasonable. You might ask if we are seeing all these savings, won't rates go down?

Unfortunately, the answer is no. Rates will not go down.

We are seeing increased costs across all aspects of the cooperative business with substantial increases related to production, distribution and Environmental Protection Agency (EPA) regulation. The savings we are achieving offsets only a portion of the increases we are experiencing.

That said, the savings we are achieving now (and in the future) will help to stabilize the eventual increase in rates that will have to occur to maintain operating margins for the cooperative. Without this working alliance (and without the savings we're seeing), rates for both cooperatives stood to jump dramatically.

### Future Savings

As our working alliance develops with Kaw Valley, watch for continued updates about savings both cooperatives are experiencing. We'll also be detailing additional information about long-term cost savings that we will realize by working together.

These are changing times in the life of LJEC. With that change comes a great deal of excitement about the future of our cooperative. We have a chance to make a substantial positive impact on future rate increases while also working together with another cooperative to expand our programs and services.

As we move forward, if you have any questions about the alliance or consolidation, we encourage you to contact LJEC's Chris Parr at 888-796-6111 or [chrisp@ljec.coop](mailto:chrisp@ljec.coop). We are here to serve you, our members.

## Attention High School Juniors Win an All-Expense-Paid Trip!

**Electric Cooperative Youth Tour**—June 11-18, 2015

**Cooperative Youth Leadership Camp**—July 11-17, 2015

LJEC is sponsoring two all-expense-paid trips for high school juniors whose parents or guardians are LJEC members.

LJEC will send one student to the Electric Cooperative Youth Tour in Washington, D.C., June 11-18 and two students to the Cooperative Youth Leadership Camp in Steamboat Springs, CO, July 11-17.

Complete and return the application below **by March 16**. Applicants will be mailed a contest packet and will need to complete a quiz and a personal interview at the LJEC offices on Sunday, March 22, 2015.



Above: Leah Parsons poses in front of the U.S. Capitol during the 2014 Electric Cooperative Youth Tour. This year's tour is June 11-18, 2015.



Left: Tamara Drinkard (left) and Madison Erzen enjoy the view of the Elk River during the 2014 Cooperative Youth Leadership Camp. This year's camp is July 11-17, 2015.

### 2015 LJEC Youth Tour Application

Return applications by **March 16** to LJEC, P.O. Box 70, McLouth, KS 66054 or [jenniferf@ljec.coop](mailto:jenniferf@ljec.coop)

Student Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_

E-mail \_\_\_\_\_

High School \_\_\_\_\_

Date of Birth \_\_\_\_\_

I hereby grant permission for the above named applicant (must be a current high school junior) to enter the 2015 Youth Tour competition sponsored by LJEC.

Signature of Parent/Guardian (Must be an LJEC Member) \_\_\_\_\_