

**W**ESTERN  
**C**OOPERATIVE  
**E**LECTRIC

## WESTERN COOPERATIVE ELECTRIC **NEWS**

### Western Celebrates “National Cooperative Month”

October is “National Cooperative Month.” Western Cooperative Electric joins thousands of other cooperatives across the country to celebrate their identity. Yes, identity... cooperatives are owned by their members and driven by services, rather than profit, making them a unique form of business ownership.

The first U.S. cooperative was a town mutual insurance company organized in 1752 by Benjamin Franklin. Like Franklin’s company, many got their start when neighbors joined together to insure their farms and homes—primarily because big insurers ignored them or charged exorbitant

prices. Today, town mutual companies primarily serve farmers, rural homeowners, and some small main-street businesses.

In 1936, Franklin D. Roosevelt signed the Rural Electrification Act establishing the Rural Electrification Administration (REA), as a lending agency to finance the extension of electrical systems to rural areas. Rural electric, telephone, and cable cooperatives were formed when the cost of expanding service to rural areas discouraged for-profit utilities from serving them.

Today, the REA has been renamed the Rural Utilities Service, with broad

responsibilities for rural infrastructure and services. With an emphasis on providing service rather than reaping large profits, cooperatives have brought electric, telephone, and cable services to the countryside, vastly improving the quality of life in rural areas.

Today’s 838 electric distribu-



tion and 67 generation and transmission cooperatives serve more than 42 million people in 47 states. These electric cooperatives employ 70,000 people, serving 19 million businesses, homes, schools, churches, farms, irrigation systems, and other establishments in 2,500 of 3,141 counties in the United States. Electric cooperatives deliver 11 percent of the total electricity sold in the United States each year and pay \$1.4 billion in state and local taxes.

Since 1945, Western Cooperative Electric has been providing electric service, now to 12,180 meters using 3,942 miles of electric distribution lines spread across 13 counties in west central Kansas. Western employs 57 and pays more than \$1.1 million in property taxes annually.

Founded in Rochdale, England in 1884, seven basic cooperative principles continue to guide the operations, values, and success enjoyed by cooperatives today. Operating under these seven cooperative principles at right, Western is committed to YOU, the member-owner.

#### Why Western Cooperative Electric not Electric Cooperative?

Twenty-six of the 28 Kansas electric distribution cooperatives have the words “electric cooperative” as part of their name. Western also has the words “electric” and “cooperative” in its name, but in reverse order. Since May 10, 1945, the name on the original corporation papers reads: The Western Cooperative Electric Association, Inc.

The founders of this organization deemed it necessary to place the word “cooperative” in front of “electric” given that this, your Western Cooperative Electric, was built on the strong foundational principles that distinguish a cooperative from other forms of business ownership.

During October, as we observe National Cooperative Month, we hope to acquire a new appreciation for the dedication and tenacity our founders exhibited 69 years ago as we place special emphasis on the word “cooperative” in Western Cooperative Electric Association, Inc.

# Western's Future is in the Palm of Your Hand

Once again we continue our focus on what Western really is and why. For folks new to Western Cooperative Electric, and for those old hands who might need reminding, let's review the second of the Seven Cooperative Principles, "Democratic Member Control."

That means you, a member-owner of Western, ultimately selects who represents your voice on Western's Board of Directors and determines the strategic direction of your local, not-for-profit electric provider.

One of the many duties of directors involves hiring a General Manager. The General Manager position is responsible for overseeing the day-to-day affairs of running Western and ensuring that you receive a safe, reliable, and affordable supply of power.

Hiring a General Manager is certainly not where the Directors' duties end. Western's Directors must constantly consider policies affecting your cooperative. For example, how much will be spent on maintaining existing infrastructure? If Western is in need of a new substation, who will build it? How will it be financed? How often does Western update technologies and facilities to continue delivering economical and efficient electricity? It's not an easy task. Responsibilities stack up, and time commitments are considerable.

Besides attending meetings every month, Directors must continuously educate themselves about the complex business of electricity production and distribution. Directors also spend a considerable amount of time on strategic

planning and financial decision making. Most of Western's Directors have taken a series of courses and received official certification through electric cooperatives' national organization, NRECA, while serving on the Board.

But the learning doesn't end there. Numerous other classes and seminars cover topics that must be part of each Director's pool of knowledge. And after all of that education, sorting through difficult choices remain.

Like any successful democracy, this decision-making process does not operate in the dark. We strive to keep you informed about the financial condition of Western, tell you when situations arise that could affect your bill or service, and educate you about the issues involved. We do this through these pages in *Kansas Country Living*, our website, Facebook, letters, and/or other communication included with your bills. We also engage in face-to-face conversations, whether at Western's annual meeting or other events, or even just a conversation downtown.

In a democracy, member participation is crucial. That's why it is important for you to contact us here at your cooperative, alerting us about issues that need attention. Cooperatives, like Western, are different than other forms of businesses because you are both the owner and the customer... pretty cool, huh? Western encourages your involvement at all levels. YOU, the owner, have the power and control so don't hesitate to exercise it at every turn! After all, Western Cooperative Electric is YOUR cooperative.

## Seven Cooperative Principles

### VOLUNTARY AND OPEN MEMBERSHIP

Cooperatives are voluntary organizations open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

1

### AUTONOMY AND INDEPENDENCE

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

4

### DEMOCRATIC MEMBER CONTROL

Cooperatives are democratic organizations controlled by their members who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

2

### EDUCATION, TRAINING AND INFORMATION

Cooperatives provide education and training for their members, elected representatives, managers, and employees so that they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

5

### MEMBERS' ECONOMIC PARTICIPATION

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefitting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

3

### COOPERATION AMONG COOPERATIVES

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

6

### CONCERN FOR COMMUNITY

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

7