

Ark Valley Electric Cooperative Assn., Inc.



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TO: Lineman Scholarship Applicant

FROM: Donna Alexander, Scholarship Coordinator

SUBJECT: Lineman Scholarship Application

Enclosed is the application for the Ark Valley Electric Lineman Scholarship.

Please return the required items to the Ark Valley Electric Cooperative office, at the above address, or email dalexander@arkvalley.com by the 5:00 p.m. deadline on Thursday, February 15, 2024.

Your participation is appreciated. If you have any questions, please call me at 620-662-6661.

Lineman Scholarship Application

General Information

Name _____ Age _____

Address _____ City: _____ Zip _____

E-Mail _____ Phone # _____

Parent's Name(s), if student _____

Parent's Phone #, if student _____ Parent's E-Mail _____

Member Account Information

Ark Valley Electric Membership Name _____

Account Number _____

Address on Account _____

School Information – If Student

Name of high school _____

Present grade in school _____

Employer Information – If Adult

Employer _____

Address _____

Kansas line school you will be attending _____

I agree all information provided in this application has been executed accurately.

Applicant Signature _____ Date: _____

Lineman Scholarship Qualifications & Deadline

Qualifications for Scholarship

1. Any applicant entering the lineman program at a line school in Kansas.
2. Applicant must be a member of Ark Valley Electric Cooperative or whose parent(s) are members.
3. Applicant must complete the application and enclose an essay that includes the following:
 1. A short biography (including info about activities in and out of school, memberships, etc.)
 2. A short explanation of the reason(s) for your interest in an electric lineman career.
4. Applicant must also attach two references to the application. The references should indicate applicant's scholarship capabilities and work ethic. The references should be from the following people:
 1. School Administrator or Teacher (if applicant is an adult, use an employer)
 2. Non-Relative of Applicant's Choice
5. Applicant must complete an open book test over information in a booklet provided by the cooperative.
6. The winner will receive the scholarship when he or she provides proof of full-time enrollment (minimum 12 credit hours) in a Kansas line school (Dodge City Community College, Manhattan Area Technical College or Pratt Community College). Payment will be made in two \$500.00 installments – one each semester during the first year.

Required Items Checklist

- ✓ Completed Application
- ✓ Written Essay
- ✓ Two letters of reference
- ✓ Completed Test
- ✓ Submitted to Ark Valley Electric by 5:00 p.m. February 15, 2024 via e-mail dalexander@arkvalley.com or mail to PO Box 1246, Hutchinson, KS 67504-1246



The Cooperative Difference

What It Means to Be a Member Of An Electric Cooperative

Being part of a cooperative means being part of something special. Cooperatives power over 21 million businesses, homes, schools and farms in 48 states.

No matter where Americans choose to live today, most can get electric service—and at a price close to the cost of providing it to them.

But that wasn't always the case. Prior to 1935, life in rural America generally started at sunrise and ended at sunset. That's because nine out of 10 rural homes had no electric service.

While it was technically possible to deliver electricity to rural areas, it was not deemed necessary or economically feasible by the investor-owned utilities (IOUs) of that day. The bottom line is that it was not profitable to the power companies to extend service to sparsely populated country homes.

Rural residents close to a power company's line were required to pay the full cost of connecting their homes to the system. In many cases, that fee was nearly twice the annual farm income.

Once that initial investment was made, rural consumers discovered they would have to pay double the rate of urban customers. In some cases, the charge was as high as 40 cents per kilowatt-hour.

Given such exorbitant prices, the IOUs ensured rural America remained in the dark.

In 1935, President Franklin D. Roosevelt's rural electrification program began to change that practice, transforming the country through federal low-interest Rural Electrification Administration loans designed to electrify all of America.

But electrifying the country wasn't easy. For years, power companies ignored all but a few heavily populated, easy-to-reach and economically well-off rural areas. That strategy ensured they would maximize their profits.

Ironically, even with access to federal money, most IOUs still were not interested in extending service to rural areas. If rural America was to have access to electricity, rural residents discovered they would have to make it happen themselves.

Hungry for electricity, rural residents journeyed up and down country roads, seeking support for development of electric cooperatives. Most of the loan recipients were newly formed rural electric cooperatives.

By the end of 1948, more than 40,000 consumers a month were being connected to co-op lines. In 1949, REA- financed co-ops energized 184,000 miles of electric line—nearly 700 miles each working day.

As the lights came on across rural America, farm life was transformed. Farm chores previously done by hand— with the light of a lantern—became easier with electricity. So did household activities such as washing, ironing, cooking and cleaning.

Today, electricity is available to more than 99 percent of the nation's rural residents— mostly through electric co-ops. To perform their mission, electric cooperatives own and maintain 2.5 million miles—42 percent—of the nation's electric distribution lines, covering 56% of the nation's land mass. Their assets top \$150 billion.

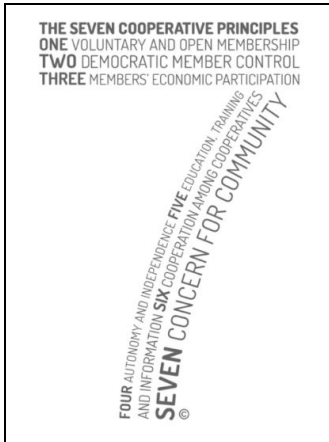
Electric cooperatives provide service in a different way than IOUs. Unlike profit-motivated companies, rural electric systems are not-for-profit energy providers that are owned and controlled by the people they serve. Every home or business receiving energy from a cooperative owns a portion of the utility and are consumer-members, not just a customer.

Members each have one vote to elect members to serve on the board of trustees. Rates and policies are set by member-elected boards. Customer service and billing questions are handled locally, and money paid to co-ops stays in the community.

Electric co-ops provide at-cost electric service to their consumer-members and excess revenue is returned to them in the form of capital credits.

Compared to other utilities, electric cooperatives often serve areas with lower population density lower median income, and higher costs to deliver electricity per capita. In fact, co-ops serve 92% of the nation's persistent poverty counties.

Thanks to the formation of electric co-ops, at-cost access to electricity is now possible in rural America. Today, nearly 1,000 locally owned co-ops provide power to more than 12 percent of the nation.



The Seven Cooperative Principles

The seven core principles and values that guide cooperatives were adopted by the International Cooperative Alliance in 1995. These principles are key reasons why electric co-ops function differently than other electric utilities. As opposed to being for-profit and benefiting shareholders, cooperatives are designed to benefit their members.

Principle 1: Voluntary and Open Membership

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

Principle 2: Democratic Member Control

Cooperatives are democratic organizations owned and controlled by their members—those who buy the goods or use the services of the cooperative— who actively participate in setting policies and making decisions. Members elect a board of trustees who represent their interests in making oversight decisions for the co-op.

Principle 3: Members' Economic Participation

Members contribute equally to, and democratically control, the capital of the cooperative. This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested. Surpluses are allocated to the benefit of members in proportion to their transactions with the cooperative.

Principle 4: Autonomy and Independence

Cooperatives are autonomous, self- help organizations controlled by their members. If the co-op enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative's autonomy.

Principle 5: Education, Training and Information

Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. They also inform the general public about the nature and benefits of cooperatives.

Principle 6: Cooperation Among Cooperatives

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

Principle 7: Concern for Community

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

Capital Credits

What exactly are capital credits? Who gets them, and how are they calculated?

What are capital credits?

Capital credits are the money, or margin, that is left over after all bills associated with doing business have been paid. Each member is entitled to these capital credits, or a share of the refund, based on electricity purchased. Before returning capital credits, cooperatives use the capital to offset the cost of debt for the construction and maintenance of the electric distribution system.

At the end of each year, cooperatives determine if there are any excess margins, to be allocated or assigned back to the members in the form of capital credits.

How are capital credits calculated?

The amount of the member's capital credit allocation is based on electric purchases during that year.

Who gets them? How are they distributed?

Per the cooperative's bylaws, AVEC's member-elected board determines the dollar value of the margins to be retired based on the cooperative's financial condition and other considerations each year. AVEC is currently on a 20-year rotation cycle. Members of AVEC who purchased electricity during the years being retired are eligible for capital credit refunds.

What's the difference between "allocated" and "retired" capital credits?

Allocated capital credits appear as an entry on the permanent financial records of the cooperative for each member of AVEC. When the Board of Trustees approves retiring capital credits, money is given back to those who were members during the time frame being retired.

Electric Cooperative Electricity Basics

For the most part, distribution co-ops have come together to form various generation and transmission (G & T) co-ops to provide power to their members. Although, there are some distribution cooperatives that buy power from electricity markets, from other utilities, or federal hydropower facilities.

The G & T's provide wholesale power to their distribution cooperative members through their own generation or by purchasing power for their members. Electricity provided by electric co-ops is generated from a variety of energy sources – including natural gas, coal, nuclear energy, and renewables such as hydropower, wind, and solar.

While the use of renewables is increasing, there is a need to continue to incorporate traditional forms of energy in the mix to ensure service reliability. After all, solar and wind are referred to as “intermittent” power, since the sun does not always shine, and the wind does not always blow. That’s why there is real value in having different forms of energy sources to help meet the need for uninterrupted energy and the growing demand for electricity.

Generators or power plants convert energy obtained from diverse energy sources into electric energy. This electric energy is then boosted by transformers, from about 20,000 volts to up to 245,000 volts, enabling it to travel long distances.

Electricity is carried over transmission lines from power plants to cooperative substations. The local substations use transformers to reduce the high transmission voltage to a lower level suitable for distribution lines, so the electricity can ultimately be delivered by distribution cooperatives to the members within their service area.

The electricity is delivered to a small transformer mounted on the power pole near the member’s service location. Here, the electricity’s voltage is further reduced to match the need of the home, farm, or business. The electric meter installed on the meter pole is used to measure the amount of electricity consumed by the home, farm, or business. The electric meter readings are used to bill members based on their electricity usage.



The Cooperative Difference TEST

NAME: _____ DATE: _____

For the following statements, circle "T" for true statements, and "F" for false.

1. T F Approximately 600 million consumer-members in the United States depend on cooperative services for their electric power.
2. T F Electric cooperatives are "not-for-profit" businesses.
3. T F In a cooperative, each consumer-member has one vote.
4. T F Electric cooperatives are owned by their stockholders.
5. T F The President most frequently associated with rural electrification is Franklin D. Roosevelt.
6. T F America has less than 900 not-for-profit, consumer-member-owned electric cooperative systems.
7. T F Cooperatives supply 25% of electric customers in the U.S.
8. T F Any margins at an electric cooperative are returned to members as capital credits.
9. T F An example of a "renewable resource" is natural gas.
10. T F It is important to rely on one type of energy source for reliability.

Multiple Choice: Circle the letter of the best answer for each of the following questions.

11. For electric cooperatives, the consumer of the service is best known as:
a) the consumer-member b) the stockholder c) customer

12. Electric cooperative consumer-members exercise control of their cooperative through:
a) the manager b) withholding bill payments c) board of trustees

13. The Rural Electrification Administration was formed in:
a) 1935 b) 1945 c) 1948

14. Which of the following energy resources is considered non-renewable:
a) hydropower b) nuclear c) wind

15. All cooperatives are guided by the same set of:
a) by-laws b) principles c) guidelines