



*Wired for  
Success*  
**79<sup>th</sup> Annual  
Meeting**

WEDNESDAY, MAY 8, 2024

Lunch at Noon | Meeting to follow

*Join us for*  
**Door Prizes | Cooperative Updates | Trustee Election Results**

*Can't Make it in Person?*  
**LIVE STREAMING IS AVAILABLE!**

**LOCATION WESTERN HEADQUARTERS | 635 S. 13TH STREET | WAKEENEY, KANSAS 67672**

## Board President's REPORT



Nick Zerr

As a cooperative member and a lifelong resident of rural Kansas, I've witnessed first-hand the dedication required to provide our members with safe, reliable and affordable power. Over the past couple of years as a trustee, I've learned about the complexity of an ever-changing industry while maintaining the focus and commitment to serving you, our members.

At Western Cooperative Electric, we prioritize active listening, transparency and accessibility to earn your trust. Our nine

trustees stay informed about industry trends, and the community needs in order to make decisions that ensure stability and sustainability for future generations.

We represent not only our families and neighbors but also rural Kansas, fostering prosperity and supporting local industry and agriculture. A shared goal drives our co-op, to improve our way of life and connect with members, making it our responsibility to serve the members first and foremost.

## Manager's Message WIRED FOR SUCCESS

### FACTS & FIGURES

2022 2023

METERS	12,117	12,101
IDLE SERVICES	594	626
MILES OF LINE	4,020	4,023
CONSUMERS PER MILE	3.01	3.01
AVERAGE kWh USED — RESIDENTIAL	901	858
AVERAGE BILL — RESIDENTIAL	\$131.84	\$121.93
AVERAGE BILL — COMMERCIAL, SMALL	\$174.82	\$160.27
AVERAGE BILL — COMMERCIAL, MEDIUM	\$1,848.74	\$2,220.09
AVERAGE BILL — COMMERCIAL, LARGE	\$42,393.62	\$37,583.17
GROSS REVENUE PER MILE	\$10,326.04	\$8,955.29
RUS, CFC AND COBANK PRINCIPAL PAYMENTS	\$2,461,874.00	\$3,368,063.00
RUS, CFC AND COBANK INTEREST PAYMENTS	\$1,515,945.00	\$1,488,244.00

On behalf of Western's Board of Trustees, I would like to invite you to the Western Cooperative Electric 79th Annual Meeting on May 8 at Western's headquarters in WaKeeney, Kansas. During the meeting, you will have the opportunity to share a meal, hear a business update, and engage with our employees, board of trustees, and other Western members.

It's been nearly eight decades since people in our rural area formed Western Cooperative to supply their energy needs, and a lot has occurred since then. When we gather on May 8, we will acknowledge our past successes and recognize shifts in technology and member expectations.

The annual meeting theme, "Wired for Success," was selected because Western Cooperative is more than just a power supplier. We see ourselves as a crucial partner in the prosperity and well-being of our members and the communities we serve. Our commitment to your success demonstrates that we are ready to tackle future challenges and seize opportunities, ensuring ongoing prosperity for our members.

Looking ahead, we will embrace a forward-thinking approach to meet our members' evolving needs and the electric industry's dynamic landscape while focusing on the continued delivery of safe, affordable and reliable energy.

None of our achievements would have been possible without the expertise, dedication and hard work of

our employees, who tirelessly serve Western's members, rain or shine. Our unwavering commitment to public and employee safety is central to our service philosophy and one of our core values. Because we adhere to rigorous safety standards each and every day, members can trust the cooperative to provide electricity safely and securely, minimizing risks and ensuring the community's well-being.

As we reflect on the successes and challenges of 2023, we remain steadfast in our commitment to serving you, our valued members. With a focus on innovation, resilience and community collaboration, we are confident in our ability to overcome any obstacles that may arise in the future. Together, we are "Wired for Success," and with your continued support and partnership, we will continue to thrive and build a brighter future for generations to come.

Thank you for your trust and confidence in Western Cooperative Electric. We look forward to continuing our journey together in the years ahead.



Tom Ruth

SINCERELY,  
TOM RUTH, GENERAL MANAGER,  
WESTERN COOPERATIVE ELECTRIC

# Financial REPORTS

## OPERATING REPORT FOR THE YEAR ENDING DEC. 31, 2023

### REVENUE

We sold electric service amounting to	\$35,332,478.77
Miscellaneous revenue	\$694,648.35
<b>TOTAL REVENUE</b>	<b>\$36,027,127.12</b>

### EXPENSES

Electric power cost us	\$20,490,001.24
Expenses operating and maintaining plant	\$8,764,568.61
Estimated depreciation on our system	\$2,923,006.27
Interest charged to operations	\$1,513,068.62
<b>TOTAL EXPENSES</b>	<b>\$33,690,644.74</b>
Operating margin & patronage capital	\$2,336,482.38

### NON-OPERATING ACTIVITY

Income/loss from investments	\$67,777.46
Merchandising, gain/loss on general plant sales and other	(\$9,720.19)
Power supplier equity and patronage capital (non-cash)	\$1,468,779.62
<b>NON-OPERATING MARGIN &amp; PATRONAGE CAPITAL</b>	<b>\$1,526,836.89</b>

### TOTAL MARGINS & PATRONAGE CAPITAL

**\$3,863,319.27**

## BALANCE SHEET

AS OF DEC. 31, 2023

### ASSETS (What We Own)

Original cost of our plant	\$111,538,377.22
Estimated depreciation	(\$31,326,217.46)
<b>NET COST OF OUR PLANT</b>	<b>\$80,212,159.76</b>
Cash in the bank	\$847,346.98
Temporary cash investments	\$961.77
Net value of accounts receivable	\$3,910,160.14
The value of our materials and supplies	\$3,991,768.79
Advance payments of insurance, etc.	\$155,324.78
Other current and accrued assets	\$859,442.32
Miscellaneous debits	\$482,096.47
Investments in associated organizations	\$26,637,257.03
Investments in EcoDevo projects	\$487,090.50
Interest and dividends receivable	\$5,817.96
<b>TOTAL ASSETS</b>	<b>\$117,589,426.50</b>

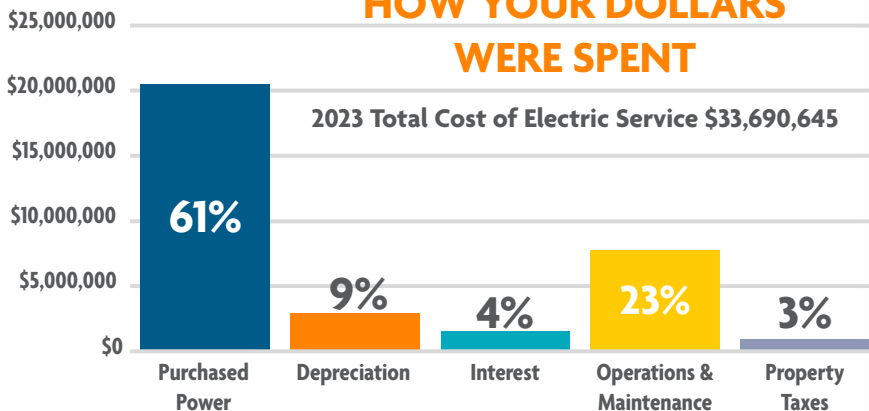
### LIABILITIES (What We Owe)

We have borrowed from the RUS/CFC/CoBank	\$107,434,145.64
We have paid back	\$(51,725,907.94)
We still owe RUS/CFC/CoBank	\$55,708,237.70
Capital leases payable	\$0.00
Accumulated retirement obligations	\$486,495.95
Other current and accrued liabilities	\$1,022,893.95
Deferred credits	\$169,954.68
Consumer deposits	\$548,757.87
Accounts payable	\$1,655,310.07
Notes payable	\$1,735,157.53
<b>TOTAL LIABILITIES</b>	<b>\$61,326,807.75</b>

### EQUITY (Net Worth)

Patronage capital assigned	\$82,143,793.27
Special refunds	(\$3,478,255.41)
Patronage capital refunds 1952-2005	(\$26,727,830.69)
<b>NET PATRONAGE CAPITAL ASSIGNED</b>	<b>\$51,937,707.17</b>
Operating margin this year	\$2,336,482.38
Non-operating margin cumulative	\$1,424,619.21
Other margins and equities	\$563,809.99
<b>TOTAL EQUITY</b>	<b>\$56,262,618.75</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$117,589,426.50</b>

## HOW YOUR DOLLARS WERE SPENT



WESTERN  
COOPERATIVE  
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79<sup>th</sup> Annual  
Meeting  
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Success



# Community INVOLVEMENT

In the heartland of America, Western Cooperative Electric stands as an example of community involvement and cooperation. We are not just a company that provides electricity; we are a not-for-profit organization where our members have a voice as owners of the cooperative, not just consumers of the electricity it provides.

Western is an excellent example of how working together can lead to success. It shows that communities can create a better, more sustainable future when they come together. The success of the cooperative and the community are linked — when one does well, so does the other.

Western's commitment to community involvement is evident in the variety of programs it offers. 2023 was a fantastic year filled with partnership and support for the communities we serve.

## SHARING SUCCESS

The Sharing Success community grants program provides financial support to local projects, showing how the cooperative reinvests in the community. Last year, we disbursed \$20,000 to four recipients.

- ▶ **PROJECT DREAM INC** — Playground Improvements, \$5,000
- ▶ **RUSH COUNTY FIRE DISTRICT 8** — Radio Upgrades, \$5,300



## WESTERN CARES

YEAR	# ASSISTED	AMOUNT	YEAR	# ASSISTED	AMOUNT
2016	41	\$6,315.00	2020	36	\$6,020.16
2017	29	\$4,409.28	2021	48	\$8,488.15
2018	26	\$3,621.31	2022	59	\$11,427.21
2019	16	\$2,498.79	2023	53	\$8,598.00

*Totals*

*308 Members Assisted  
\$51,377.90 Given*



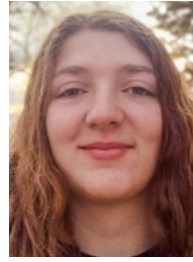
**Austin Carroll**  
*Washington, D.C., Trip & Scholarship Winner*



**Kaydence Grebowiec**  
*Leadership Camp & Scholarship Winner*



**Jaiden Pfannenstiel**  
*Washington, D.C., Trip & Scholarship Winner*



**Marissa Reever**  
*Leadership Camp Trip Winner*



**Madison Zerr**  
*Scholarship Winner*



**Peyton Coonrod**  
*Scholarship Winner*

# Youth WINNERS

- ▶ **CITY OF BUNKER HILL** — New Welcome Signs, \$5,000
- ▶ **PLAINVILLE MEMORIAL LIBRARY** — Outdoor Facility Improvements, \$4,700

## COOPERATIVE FOOD DRIVE

The annual cooperative food drive is another initiative demonstrating our commitment to those we serve. By collecting and distributing over 1,000 items from co-op employees, Western helps ensure that everyone in the community has enough to eat.

## WESTERN CARES PAYMENT ASSISTANCE PROGRAM

The Western Cares Payment Assistance program offers help to those struggling to pay their electricity bills. We need members' help to sustain the program.

"We are proud to have a means of payment assistance for families who are experiencing difficulties," said Nolan Numrich, assistant general manager and member services manager. "The popularity of the program in the last few years has lowered the balance of that account. If you haven't already, we ask that you sign up for 'Operation Round-Up' to round your electric bill up to the next dollar. 100% of the money goes toward Western Cares Payment Assistance."

## YOUTH TRIPS AND SCHOLARSHIPS

The Youth Trips and Scholarships

program invests in the future of the community by providing educational opportunities for young people. These programs show how Western Cooperative goes beyond providing electricity to actively participating in and supporting the community.

## YOUTH TRIP RECIPIENTS

- ▶ **AUSTIN CARROLL** — Ellis High School
- ▶ **KAYDENCE GREBOWIEC** — Plainville High School
- ▶ **JAIDEN PFANNENSTIEL** — Hays High School
- ▶ **MARISSA REEVER** — Otis-Bison High School

## SCHOLARSHIP RECIPIENTS

- ▶ **AUSTIN CARROLL** — Ellis High School
- ▶ **KAYDENCE GREBOWIEC** — Plainville High School
- ▶ **JAIDEN PFANNENSTIEL** — Hays High School
- ▶ **MADISON ZERR** — Wheatland High School

## DARRELL BROWN MEMORIAL \$250 SCHOLARSHIP

- ▶ **PEYTON COONROD** — Ellsworth High School



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# Evolving GRID



The well-being of Western Cooperative's members is paramount, and you can count on us to continue learning from past experiences and pursuing future opportunities to strengthen our system and improve our service to you, our members.

As we navigate the evolving electric grid, we are committed to investing in diverse generating assets and technologies that ensure a reliable and resilient power supply. Our portfolio includes traditional and renewable energy sources that will help keep electricity prices as low as possible.

New for Western Co-op in 2024 is the opportunity to invest in community solar. Solar projects such as the Russell

Solar Project can benefit our members in many ways, including offsetting costly transmission upgrades and offering our members a chance to participate directly in the energy market with the benefit of economies of scale.

In addition to diversifying our energy sources, Sunflower Electric, our power supplier, is actively engaged in energy hedging. This allows Western to mitigate risks associated with fluctuating energy





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prices, ensuring stable and affordable rates for our members.

Western is also making significant system improvements to enhance service reliability and efficiency. From upgrading infrastructure to implementing advanced technologies, these improvements are designed to meet the energy needs of our communities while maintaining the highest standards of service.

Western Cooperative Electric remains steadfast in its commitment to serve you, our members, by embracing change, pursuing opportunities, and striving for excellence in all we do. Together, we are powering a brighter and more sustainable future.



ASK US ABOUT

Western Cooperative Electric  
**COMMUNITY SOLAR**

WESTERNCOOP.COM 1-800-456-6720

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# Cooperative DIFFERENCE

## SEVEN CO-OP Principles

### 1 VOLUNTARY AND OPEN MEMBERSHIP

Co-ops 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.

### 2 DEMOCRATIC MEMBER CONTROL

Co-ops are organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-ops, members have equal voting rights (one member, one vote).

### 3 MEMBER ECONOMIC PARTICIPATION

Members contribute equitably to, and democratically control, the capital of their co-op. They 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 co-op, setting up reserves, benefiting members in proportion to their transactions with the co-op and supporting other activities approved by the membership.

### 4 AUTONOMY AND INDEPENDENCE

Co-ops are 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 co-op autonomy.

### 5 EDUCATION, TRAINING AND INFORMATION

Co-ops provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-ops.

### 6 COOPERATION AMONG CO-OPS

Co-ops serve their members most effectively and strengthen the co-op movement by working together through local, national, regional and international structures.

### 7 CONCERN FOR COMMUNITY

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

At Western Cooperative Electric, we take immense pride in embodying the cooperative difference each day as we serve you, our members. You are not only a consumer but a member and an integral stakeholder in our cooperative family.

As a member-owned organization, Western stands apart from traditional utilities by placing decision-making power directly into your hands. Your voice matters, and our democratic nature ensures that each member has an equal say in shaping our cooperative's direction and priorities. Together, we chart the course for our cooperative's future, ensuring that it remains steadfastly aligned with the needs and aspirations of our communities.

The cooperative difference also underscores our unwavering commitment to local empowerment and community development. Unlike investor-owned utilities driven solely by profit motives, Western is guided by the Seven Cooperative Principles. These principles emphasize member ownership, democratic control, and community involvement. Adherence to these principles ensures our members' and communities' economic and social well-being. Whether through infrastructure enhancements, economic development initiatives, or support for local organizations, your cooperative is dedicated to making a meaningful and lasting impact locally.

Capital credits are another unique benefit of being a member of Western Cooperative Electric. They represent your share of the cooperative's margins allocated back to you based on your electricity usage. Essentially, as a member-owner, you're entitled to a portion of the cooperative's financial success. These credits are typically allocated annually and can be returned to you as a check or a credit on your bill. It's a tangible way to demonstrate our commitment to you and reinvest in our cooperative community. By receiving capital credits, you not only benefit from affordable and reliable electricity but also share in the cooperative's



# HOW CAPITAL CREDITS WORK

Capital credits are a big part of Western's business model and are just one of the things that makes the cooperative different than many other utilities.

 <p>When a person establishes service with us, they become a member and are eligible for capital credits.</p>	 <p>Capital credits represent a member's share of the co-op's margins during the time they have membership.</p>	 <p>Capital credits are earned by every member based on the amount of their electric use.</p>
 <p>At the end of the fiscal year, any funds (margins) remaining after expenses have been paid are allocated to the member's account.</p>	 <p>The allocated funds are used as operating capital for system improvements and maintenance.</p>	 <p>Every year in March, the board evaluates the financial condition of the co-op to determine if we can retire capital credits.</p>
 <p>When the board decides to retire capital credits, we calculate the amount owed to each member.</p>	 <p>Current members who received electricity during the time period being retired will receive a percentage of capital credits retirements via a bill credit or check.</p>	 <p>Former members who received electricity during the time period being retired will be mailed a check.</p>
<p><b>ALLOCATION</b></p> <p>An allocation is made annually for each member, based on the amount of electricity purchased. An allocation is the member's share of the net margins. The co-op sets this money aside to be used as operating capital for improvements and maintenance over a period of years.</p>		<p><b>RETIREMENT</b></p> <p>A retirement is the amount a member receives as a refund. It is a portion of the total allocation. When capital is no longer needed for operating expenses, it is retired. The amount paid is decided annually by the board of trustees on the financial needs of the co-op.</p>

financial prosperity. It's just one more way we prioritize your well-being and ensure that our cooperative operates in your best interests.

As members of Western Cooperative Electric, you are not just customers but partners in progress. Your active participation, feedback, and support are the lifeblood of our cooperative, driving us to strive for excellence in service delivery and community engagement continually.

Thank you for entrusting us with the privilege of serving you. Together, we will continue to uphold the cooperative difference and build a brighter tomorrow for all.

79<sup>th</sup> Annual Meeting  
*Wired for Success*

## WESTERN'S Board of TRUSTEES



**Nick Zerr**  
President  
District 3



**Terry Hobbs**  
Vice President  
District 1



**Richard Schaus**  
Secretary/Treasurer  
District 2



**Craig Crossland**  
Trustee  
District 2

### Our MANAGEMENT TEAM



**Tom Ruth**  
General Manager



**Nolan Numrich**  
Asst. General Manager &  
Member Services Manager



**Stacey Malsam**  
Chief Financial Officer



**Ron Aschenbrenner**  
Line Superintendent



**Jay Scott**  
Safety Manager



**Craig Cramer**  
Manager of Information  
Systems



**Val Schneider**  
Human Resources Manager

## Retirements

### KELLER, FLAX RETIRE AFTER NEARLY 60 COMBINED YEARS OF SERVICE

**TONYA KELLER**, corporate services administrator, retired on March 31 after a 27-year career with Western Cooperative.

Although Keller wore many hats and held many different titles over the years, she got her start as a member service representative.

"I knew I wanted to work at the electric co-op, but they never had openings," recalled Keller. "I earned a few computer certifications and learned Excel in order to improve my resume in case there was an opportunity." When a job opened, Keller was hired in February 1996.

Keller always believed that customer service should be a priority for Western members. "I miss taking calls and dispatching the crews," said Keller. "Our members are family. If they were without power, it was our job to get them restored as quickly as possible. It was



**Tonya Keller**



**Kenny Flax**

always rewarding to serve our members."

After 32 years of serving as a lineman for Western Cooperative Electric, **KENNY FLAX** retired on Jan. 5. Flax's career

began in 1990 as a lineman apprentice. He earned his journeyman credentials in 1994 and was promoted to crew foreman in 1997.

During his time at Western, there have been many changes in the electric distribution industry. "Besides the big improvements in trucks and tools, one of the biggest changes I have seen in my career as a lineman has been in electrical power metering," Flax said. "Over the last 12 years, metering has become much more complex, and I worked hard to keep up with all technological changes. As a lineman, there can be tough days, especially during storms, but that's part of it. It is our job to restore service."



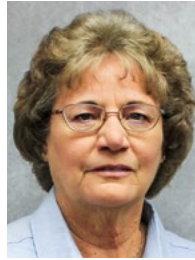
**Landon Heier**  
Trustee  
District 3



**Frank Joy**  
Trustee  
District 2



**Marvin Keller**  
Trustee  
District 1



**Susan Rohleder**  
Trustee  
District 1



**Dale Weinhold**  
Trustee  
District 3



## New Employees

### WESTERN WELCOMES KEITH, SOUKUP, LANG

On Aug. 1, Western Cooperative hired **DEREK KEITH** as a lineman apprentice in WaKeeney. Keith, a 2022 Hill City High School graduate, attended Northwest Lineman College in Denton, Texas, following high school, where he went through the electrical lineworker program.

Keith grew up helping his dad and grandfather on their Graham County family farm and is excited about the opportunity to work for his local electric cooperative.

“Western has a reputation as a place where you want to work,” he said. “I am happy that I get to stay close to my family and start my career at the co-op.”

On Oct. 16, Western Cooperative hired Wilson, Kansas, native **TRISTAN SOUKUP** as a third-year lineman apprentice in Ellsworth. Soukup attended Pratt Community College where he studied Electrical Power Technology and earned his associate degree in applied science.

The past two years, Soukup has worked for an electric cooperative based in Wamego but when an opportunity opened in Ellsworth, he was happy to get back closer to home.

“Western Co-op is close to family and friends,” Soukup said. “This was a great opportunity for me to get closer to home and continue working for another great co-op.”

On Nov. 1, **ALLIE LANG** joined Western Cooperative as a member service representative in WaKeeney. Chapman previously worked as an office patient coordinator.

“Whether consulting with patients or helping members of an electric cooperative pay their bills, it is important to have a positive attitude and treat people with respect,” Lang said.

She is a native of Dighton, but has lived in WaKeeney for the past couple of years. In her spare time, Lang likes to ride side-by-sides and spend time with family at Ceder Bluff Reservoir.

“Everyone at Western has been so friendly and helpful as I learn more about the electrical industry,” she said. “I look forward to building trust with Western’s members and providing the best service.”



**Derek Keith**



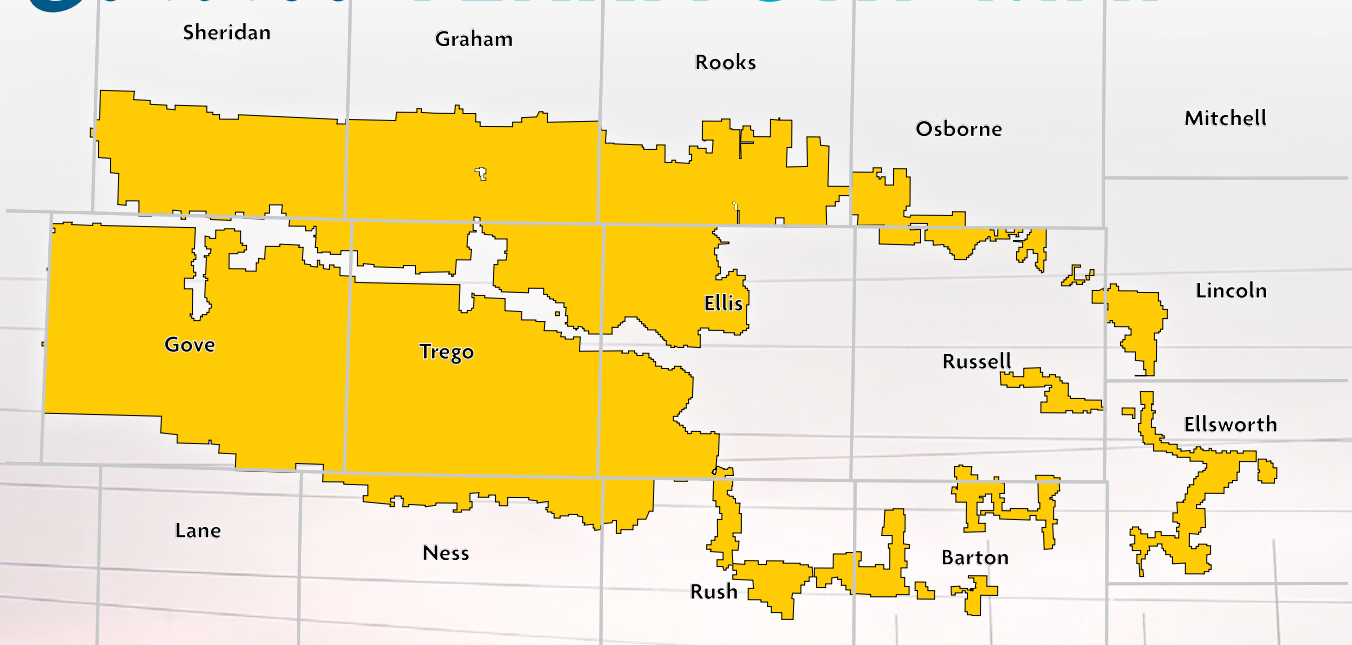
**Tristan Soukup**



**Allie Lang**

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*Wired for Success*

# Service TERRITORY MAP



**12,101**  
METERS SERVED



**4,023**  
MILES OF LINE



**13**  
COUNTIES SERVED

## Facts & FIGURES

2023 METRICS

REVENUE

**\$36,027,127**

PROPERTY TAXES PAID

**\$927,421**

COST OF POWER

**\$20,490,001**

RETURNED TO MEMBERS

**\$3,478,255**