

# 76<sup>TH</sup> ANNUAL MEETING

Wednesday, May 12

2020  
ANNUAL  
REPORT



**WESTERN  
COOPERATIVE  
ELECTRIC**

**POWER ON**

# ANNUAL MEETING SCHEDULE

**11a.m. | REGISTRATION OPENS**

**Noon | LUNCH SERVED**

Lunch is optional for those members who feel comfortable sharing a meal. Additional COVID-19 precautions will be taken.

**1 p.m. | MEETING BEGINS**

Call to Order

**CRAIG CROSSLAND,  
PRESIDENT**

Introduction of  
Board Members

Determination  
of Quorum and  
Notice of Mailing

**E. JAY DEINES  
CORPORATE ATTORNEY**

Manager's Report

**TOM RUTH  
GENERAL MANAGER**

Treasurer's Report

**RICHARD SCHAUS  
SECRETARY/TREASURER**

Report of Election Results

New Business

**ICE CREAM SOCIAL**

Individually packaged servings will be available for those who wish to come and go.

## FROM THE MANAGER

# A Year of Unprecedented Challenges



Tom Ruth

On behalf of the Board of Trustees for Western Cooperative Electric, I would like to invite you to attend this year's annual meeting. By staying informed and en-

gaging in the business of your electric cooperative, together we can navigate through these challenging times and "power on," steadfastly committed to becoming the best we can be.

Even as the pandemic continues to improve, we understand some members' hesitancy to gather with others, so we will be taking several precautions at the meeting. However, if you feel uneasy about attending in person, you will still be able to view the program at [westerncoop.com](http://westerncoop.com).

2020 was a year of unprecedented changes. Despite the challenges presented by a worldwide pandemic, we continued forward with an optimistic attitude. Protecting our employees' and members' health and safety was paramount to ensuring that we could maintain our high level of service. Throughout the year, our employees remained positive and performed admirably, often under adverse conditions. They are the foundation of everything we do to serve you, our consumer-members.

Many businesses and communities were financially devastated due to scaling back operations or shutting down completely. The pain felt in our communities was echoed in Western's revenues. At one point, revenues were 34% below the budgeted forecast. As the year progressed and the economy improved, our load increased, but revenues remained well below 2019.

Despite the financial challenges of the past year, Western remains fis-

cally strong. In December, we retired \$914,738 in capital credits to our consumer-members. Since its inception, Western has refunded \$26,944,796 in capital credits.

One of Western's most important goals is to provide reliable electricity at an affordable cost. Following a cost-of-service study in 2019, Western implemented a new rate structure in 2020. Despite the changes in rates, Western remains near the state's lowest residential rates, ranking fifth out of 28 electric distribution cooperatives in Kansas.

Western invested approximately \$6 million in our construction work plan (CWP) to enhance reliability. The CWP consists of projects that include rebuilding aging infrastructure, upgrading old substations and equipment, reconductoring lines, replacing poles and extending lines.

Western has several programs that are aimed at improving the lives of our members. Sharing Success grants, Western Cares and the Revolving Loan Fund helps to achieve our communities' sustainable development. Caring for the communities we serve, efficiently delivering affordable, reliable and safe energy while maintaining our service levels are just some of the ways Western powered on in 2020. Western has a long history of working together in both good times and challenging times to ensure that you have the electric service necessary, both now and in the future, to flourish in this place we call home.

Again, we encourage you to attend your annual meeting. It is an excellent opportunity for Western Cooperative Electric consumer-members to learn more about the cooperative and visit with employees, trustees and fellow consumer-members. We hope to see you there.

# 2021 Board of Trustees Candidates

## DISTRICT 1

Sheridan, Graham, Rooks, and Osborne counties



**MARVIN KELLER** graduated from Palco High School and attended Fort Hays State University. He worked at Schult Homes Manufacturing for five years and then helped start Quality Collision Repair/PetroPlus in Palco. He was hired by the City of Palco and he is currently the city superintendent and he also continues to help on the family farm. Keller and his wife, Becky, have three children. During his first term as a trustee, Keller has made significant progress toward his Credentialed Cooperative Director (CCD) and Board Leadership credentials through the National Rural Electric Cooperative Association.



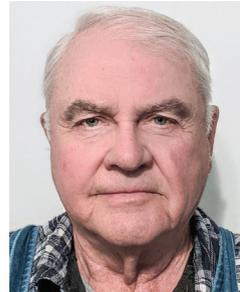
**CHARLIE ALLPHIN** grew up in Palco. After earning his degree in agriculture from Fort Hays State University, Allphin moved back to Palco to farm. In the past, he served as a Palco city commissioner and Rooks County commissioner and on the Palco school board, and 1st National Bank board. Currently, he serves on the Rooks County Health Center board. "I believe my experience and knowledge of board operations would serve as an asset for Western Cooperative," Allphin says.

## DISTRICT 2

Trego, Ellis, Russell, Lincoln counties



**CRAIG CROSSLAND** farms and ranches in Trego County. He graduated from Wichita ATI in 1976. In 1984, Crossland began farming and ranching full time. He has served on Western's board for 17 plus years. He also served on the Trego County Co-op Board, Midwest Co-op board and WaKeeney FFA Alumni board. Crossland has achieved his Credentialed Cooperative Director and Board Leadership certificates and the board Director's Gold credential from the National Rural Electric Co-op Association. "I have appreciated your support in the past and I welcome the opportunity to serve our members for another term." Crossland says.



**DARYL NORTH** grew up in the McCracken area and currently lives in southern Ellis County near the Rush County line. After attending Fort Hays State University, North moved back where he eventually took over the family farm. North now farms in Ellis, Ness and Trego counties and runs a small herd of cattle. In the past, he served on the Golden Belt Co-op board and the rural water district board.

## DISTRICT 3

Gove, Ness, Rush, Barton, Ellsworth counties



**LANDON HEIER** lives in Grainfield and graduated from Wheatland High School. After studying farm and ranch management at Dodge City Community College, Heier moved back to the farm, where he runs livestock and farms alongside his dad and twin brother. Heier has served as a Hi-Plains Co-op board member, a church council member for St. Agnes Catholic Church in Grainfield, and a council member for Grainfield Knights of Columbus.

"It would be a privilege to serve another term as a Western Co-op trustee for District 3," Heier says.

# Western's 2020 Financial Reports

## OPERATING REPORT

FOR THE YEAR ENDING DEC. 31, 2020

### REVENUE

We sold electric service amounting to	\$31,829,965.37
Miscellaneous revenue	\$575,211.16
<b>TOTAL REVENUE</b>	<b>\$32,405,176.53</b>

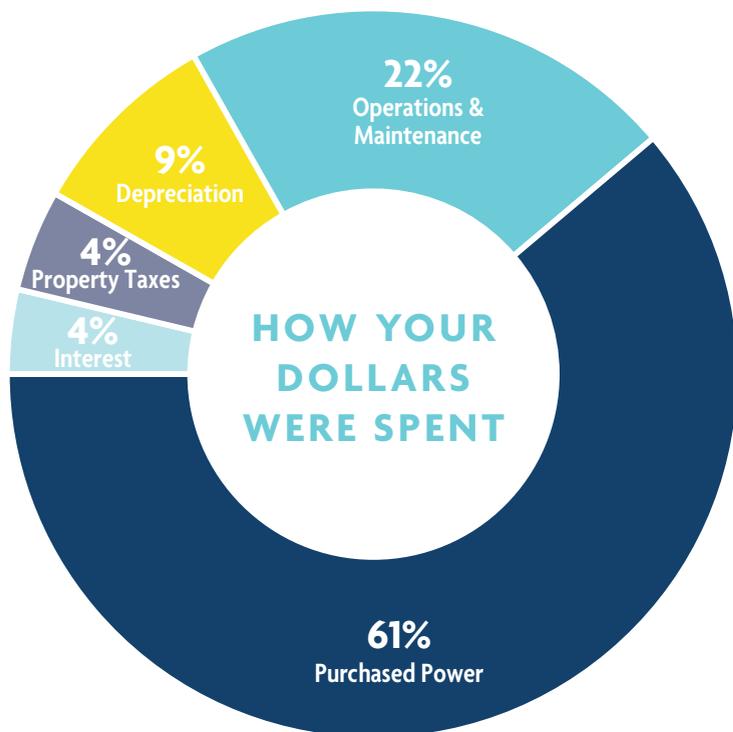
### EXPENSES

Electric power cost us	\$19,293,945.49
Expenses operating and maintaining plant	\$8,114,158.30
Estimated depreciation on our system	\$2,715,311.55
Interest charged to operations	\$1,415,530.45
<b>TOTAL EXPENSES</b>	<b>\$31,538,945.79</b>
Operating Margin & Patronage Capital	\$866,230.74

### NON-OPERATING ACTIVITY

Income/Loss from investments	\$27,784.17
Merchandising, electrician wiring services and other	(\$4,863.83)
Power supplier equity and patronage capital (non-cash)	\$2,302,655.49
<b>NON-OPERATING MARGIN &amp; PATRONAGE CAPITAL</b>	<b>\$2,325,575.83</b>

**TOTAL MARGINS & PATRONAGE CAPITAL** **\$3,191,806.57**



## BALANCE SHEET AS OF DEC. 31, 2020

### ASSETS (What We Own)

Original cost of our plant	\$102,297,868.27
Estimated depreciation	(\$30,618,852.65)
<b>NET COST OF OUR PLANT</b>	<b>\$71,679,015.62</b>
Cash in the bank	\$680,557.23
Temporary cash investments	\$2,145,645.74
Net value of accounts receivable	\$2,783,050.82
The value of our materials and supplies	\$1,409,391.89
Advance payments of insurance, etc	\$323,557.56
Current and accrued assets	\$607,497.19
Miscellaneous debits	\$614,918.75
Investments in associated organizations	\$23,739,012.58
Investments in EcoDevo projects	\$1,122,217.11
Interest and dividends receivable	\$5,817.96
<b>TOTAL ASSETS</b>	<b><u>\$105,110,682.45</u></b>

### LIABILITIES (What We Owe)

We have borrowed from the RUS/CFC/CoBank	\$90,294,145.64
We have paid back	(\$36,878,585.32)
We still owe RUS/CFC/CoBank	\$53,415,560.32
Capital leases payable	\$0.00
Accumulated retirement obligations	\$425,454.68
Taxes and insurance	\$1,092,819.06
Deferred credits	\$130,856.73
Consumer deposits	\$582,779.56
Accounts payable	\$1,657,500.89
<b>TOTAL LIABILITIES</b>	<b><u>\$57,304,971.24</u></b>

### EQUITY (Net Worth)

Patronage capital assigned	\$71,097,885.91
Refunded to deceased members	(\$3,007,599.00)
Patronage capital refunds 1952-2005	(\$23,937,197.17)
<b>NET PATRONAGE CAPITAL ASSIGNED</b>	<b>\$44,153,089.74</b>
Operating margin this year	\$866,230.74
Non-Operating margin this year	\$2,298,101.66
Other capital	\$1,625.93
Other margins and equities	\$486,663.14
<b>TOTAL EQUITY</b>	<b>\$47,805,711.21</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>\$105,110,682.45</u></b>

CO-OP STATISTICS	2019	2020
Average Bill – Commercial, Small	\$196.70	\$139.94
Average Bill – Commercial, Medium	N/A	\$1,166.58*
Average Bill – Commercial, Large	\$1,425.98	\$27,043.96
Gross Revenue per mile	\$8,788.53	\$8,083.11
RUS, CFC and CoBank Principal Payments	\$2,004,471.22	\$2,058,213.57
RUS, CFC and CoBank Interest Payments	\$1,360,843.03	\$1,399,502.04

# How Western Continues to #PowerON

The COVID-19 pandemic created an unprecedented situation that affected people across America.

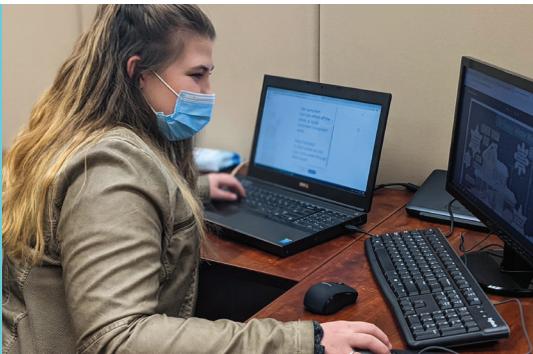
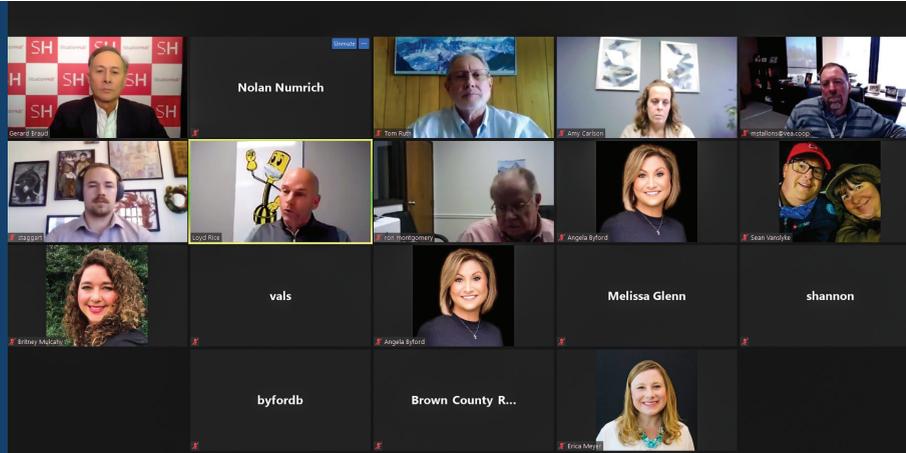
Despite dealing with an ever-changing situation, Western remained true to its mission of providing safe, reliable and affordably priced electricity to our members. Over the past year, Western employees maintained power lines, upgraded equipment, responded to outages, and maintained service levels. That is the cooperative's responsibility to you, and one that we did not waiver in upholding.

Internally, Western faced many challenges; reduced electricity demand led to reduced revenues, cooperative offices

limited or closed to the public; many employees worked from home; the 75th annual meeting was canceled; and many more challenges. In every action, Western's focus was on the health and safety of members, employees, and the communities we serve.

By PoweringOn, Western employees overcame the challenges presented by COVID-19 and continued our mission to serve our members. To view a short video on how Western employees were able to PowerOn through the challenges presented by a global pandemic, visit [westerncoop.com](http://westerncoop.com).

Western employees were able to adapt to the many challenges faced by a global pandemic. Virtual meetings became common, masks were worn, and the health and safety of our employees and members was always a high priority. To find out more about how Western employees were able to PowerOn visit [westerncoop.com](http://westerncoop.com).





**TOP:** The City of Otis used funds to establish a new city park.



**LEFT:** The Grainfield American Legion replaced their front doors, which hadn't been sealing correctly.



**RIGHT:** The Grainfield Community Development Committee was able to add an ADA-compliant bathroom to the city park.



**LEFT:** The Bunker Hill Historical society replaced a non-functioning bathroom with an ADA-compliant bathroom facility for their museum.

**BELOW:** The Natoma American Legion used the funds for their building restoration project, which included new insulation, an energy efficient furnace and siding.



# Sharing Success in the Communities We Serve

With one of our partner banks, CoBank, Western started the Sharing Success program in 2013. Each year, Western's funds are matched by CoBank to make grants available for community projects.

In 2020, Western funded \$5,000 in grants, which was matched by CoBank for a total of \$10,000. These grants were awarded to five recipients.

The 2020 Sharing Success grant recipients were Bunker Hill Historical Society, Grainfield Community Development Committee, City of Otis, Grainfield American Legion, Natoma American Legion. Each beneficiary demonstrated how the grant would benefit their community.

"Our Sharing Success Program exists to make a positive difference in the communities Western Cooperative serves," said Nolan Numrich member services manager. Charitable, educational and non-profit organizations can apply for Sharing Success grants."

Since 2013, the Sharing Success program has donated \$66,000 to local organizations bettering the communities we serve. Western's Sharing Success program is now accepting applications.

## CO-OP PRINCIPLE NO. 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.**

# Proud to Sponsor Local ElectroRally Programs

Each year, Western sponsors local ElectroRally teams. With the spring races canceled in 2020, many students are ready to get back on the track in the fall.

“The teams are always working hard to improve their cars and racing set-ups, so allowing them the opportunity to compete safely was essential to the Kansas ElectroRally Board of Directors,” said Nolan Numrich, member services manager.



# Western Awards Scholarships in Lieu of Youth Trips



In February 2020, we held our youth contest to select winners for our annual leadership trips and scholarships. The COVID-19 pandemic then forced the cancellation of the June/July trips that were scheduled, due to safety concerns. Western’s board voted to award the trip recipients \$500 scholarships for the 2021-2022 academic year in place of the youth trips.

**OUR 2020 WINNERS WERE:** **ETHAN REEVER**, Electric Co-operative Youth Tour; **JONATHAN SPACHEK**, Electric Co-operative Youth Tour; **ALICIA PHLIEGER**, Cooperative Youth

Leadership Camp; **SAMANTHA ROBBERN**, Cooperative Youth Leadership Camp; and **CARLEE FLAX**, Trip Alternate and Darrell Brown Memorial Scholarship.

“This is an amazing opportunity for our local students to meet students from all over the country, but with the health of our students in mind, canceling these trips was the right thing to do,” said Nolan Numrich, member services manager. “Hopefully, we can get back on track next year, these are two great programs, and we are looking forward to continuing them in 2022.”



## We Hold Safety as a Core Value

At Western Cooperative Electric, safety is a core value that is integrated into everything we do. “Lineworker” is consistently listed as one of the top 10 most dangerous jobs in the United States. This is understandable as they perform detailed tasks near high-voltage power lines in all types of weather.

When Western crews are replacing electric poles or maintaining the system, it is not uncommon for them to be miles away from the nearest first responders. If an emergency were to arise, it is vital crew members have the training to come to the injured person’s aid.

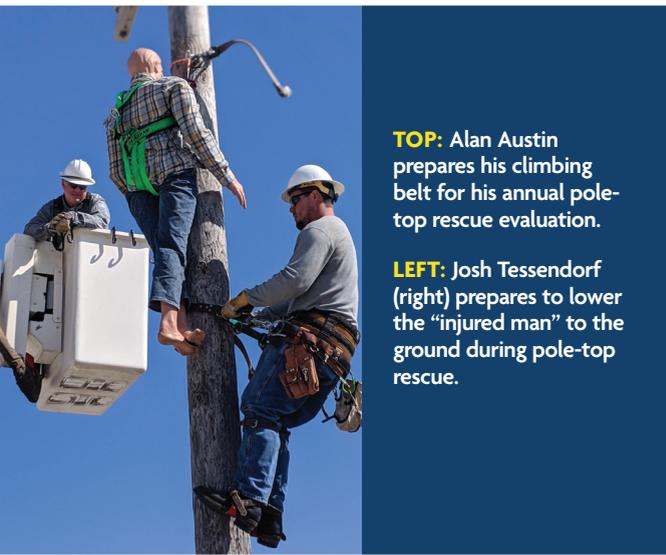
While working safely is the best way to avoid accidents or injuries, linemen must be prepared for the worst-case scenarios. As part of their safety training, linemen complete pole top and bucket rescue drills, CPR, AED, and first-aid training.

“When in an emergency, the most important thing is to remain calm and go through the proper steps,” said Jay Scott, Western’s safety manager. “Following safety procedures ensure no one else is harmed in a high-pressure situation.”

Being prepared for the worst-case scenarios is something all Western employees take seriously. Linemen must work at heights with high voltage making their jobs inherently dangerous. Relying on the quick thinking of your coworkers could mean the difference between life and death.

Through annual safety training, monthly safety meetings, and daily job briefings, a culture of safety has been established at Western.

“We strive to work as safely as possible every day, but if an accident does happen, we know our linemen will be able to react and help the hurt person,” Scott said.



**TOP:** Alan Austin prepares his climbing belt for his annual pole-top rescue evaluation.

**LEFT:** Josh Tessendorf (right) prepares to lower the “injured man” to the ground during pole-top rescue.



**RIGHT (FROM LEFT):** Journeyman Greg Stahl and Safety Manager Jay Scott show Apprentice Tap Penka climbing techniques.



**LEFT:** Bob McCoy demonstrates how a backhoe could accidentally dig into underground power lines.

**BELOW (FROM LEFT):** Gene Hedding, Jay Scott, and Dave Conness review skid-steer maintenance and safety procedures.



# Western Cooperative Assists With Oklahoma Power Restoration Efforts

Freezing rain combined with high winds led to large power outages for parts of southwest Oklahoma on Oct. 27, 2020. Following the extensive damage to power lines and poles, Kansas electric cooperative line crews deployed to assist five Oklahoma cooperatives who requested mutual aid assistance. Organized by Kansas Electric Cooperatives, Inc. (KEC), crews from 13 Kansas co-ops and one subsidiary responded to thousands of power outages caused by the storm.

In the case of a natural disaster or other extreme circumstances, electric utilities can request additional help from the surrounding cooperatives. By answering the call, Western Co-op lives up to our sixth cooperative principle — cooperation among cooperatives.

Six lineworkers and three bucket trucks left for Oklahoma the afternoon of October 30 and returned November 5. The linemen included Crew Foreman **KURT BROCK** and **TYLER LANG**, WaKeeney, **KALEB STEFEK** and **DUSTIN WACKER**, Ellsworth, and **ALAN AUSTIN** and **JAKE ARNOLD**, Plainville. In total, 68 lineworkers from 13 electric Cooperatives traveled to Oklahoma to help in the



Six Western linemen traveled to Oklahoma to provide mutual aid following a devastating ice storm on Oct. 27, 2020. Left to right Jake Arnold, Tyler Lang, Kurt Brock, Alan Austin, Kaleb Stefek, and Dustin Wacker.

power restoration efforts.

“Whenever we can spare a few linemen to help other cooperatives around the state or nation, we do it because it may be us who need the help the next time,” said, General Manager Tom Ruth. “Knowing there are organizations out there who will come to your aid gives our members the reassurance that if a disaster were to take place, they would be taken care of in a reasonable time frame.”

The Kansas crews who deployed worked seven days, with extended hour shifts until power was restored to all residential meters. At one time, Oklahoma was reporting more than 4,000 downed poles. However, the state’s largest problems were downed power lines due to ice-covered tree limbs and leaves and extensive mud, which slowed access to some of the downed poles and lines.

In total, the Kansas crews were equipped with 23 bucket trucks, 14 digger trucks, pole trailers, foreman pickup trucks, and additional equipment. With a favorable weather forecast, crews were able to make quick work restoring all those households without power.

“Whenever we can spare a few linemen to help other cooperatives around the state or nation, we do it because it may be us who need the help the next time.”

**TOM RUTH, GENERAL MANAGER**



Ice storms and freezing temperatures brought outages in southern Kansas and parts of Oklahoma.

# Western Employees

**JERRY CASEY**  
37 years

**KELLYE IRVIN**  
36 years

**KELLY OWENS**  
36 years

**KENNY FLAX**  
30 years

**MARK KLEIN**  
29 years

**DAVE CONNESS**  
27 years

**BRADY BITTEL**  
26 years

**TONYA KELLER**  
24 years

**CHAD SCHOENTHALER**  
24 years

**KURT BROCK**  
23 years

**ALFRED KATT**  
22 years

**JAY SCOTT**  
22 years

**CHRISTINA LOWRY**  
20 years

**TOM BAYUK**  
20 years

**RON ASCHENBRENNER**  
19 years

**JEFF MATTHEYER**  
19 years

**TYLER RENARD**  
18 years

**MELISSA SHERFICK**  
15 years

**NATHAN BUDIG**  
15 years

**SANDY SMITH**  
15 years

**ASHLEY GARRETT**  
15 years

**TERRY KUHN**  
14 years

**SHELLI NOWLIN**  
13 years

**GENE HEDDING**  
13 years

**JOHNNY HOWARD**  
13 years

**BOBBY ZEMAN**  
13 years

**DUSTIN WACKER**  
13 years

**STACEY MALSAM**  
13 years

**ANDREW SCHULTZ**  
13 years

**BOB MCCOY**  
12 years

**VIVIAN RUSS**  
12 years

**BRAD BARTA**  
11 years

**KALEB STEFEK**  
11 years

**DALTON NUTTLE**  
10 years

**COLLEEN KLEIN**  
9 years

**CRAIG CRAMER**  
9 years

**AARON FRIEB**  
8 years

**MATTHEW NEFF**  
7 years

**SETH BITTEL**  
7 years

**ALAN AUSTIN**  
7 years

**JAKE ARNOLD**  
6 years

**CHASE NEWELL**  
5 years

**NEIL MALSAM**  
4 years

**CHANCE DEMEL**  
3 years

**LEVI SCHNEIDER**  
2 years

**JOSH TESSENDORF**  
2 years

**TOM RUTH**  
2 years

**TYLER LANG**  
2 years

**DALTON HENSLEY**  
2 years

**NICHOLAS GEIST**  
2 years

**VALERIE SCHNEIDER**  
2 years

**BYRON SCHONTHALER**  
1 year

**HUNTER FOLSOM**  
< 1 year

**NOLAN NUMRICH**  
< 1 year

**GINA DEAVER**  
< 1 year

**TAP PENKA**  
< 1 year

**CHASE WERNER**  
< 1 year

# Western Cooperative Electric's Board of Trustees



Craig Crossland  
President  
District 2



Terry Hobbs  
Vice President  
District 1



Richard Schaus  
Secretary-Treasurer  
District 2



Landon Heier  
Trustee  
District 3



Frank Joy  
Trustee  
District 2



Marvin Keller  
Trustee  
District 1



Charles Luetters  
Trustee  
District 3

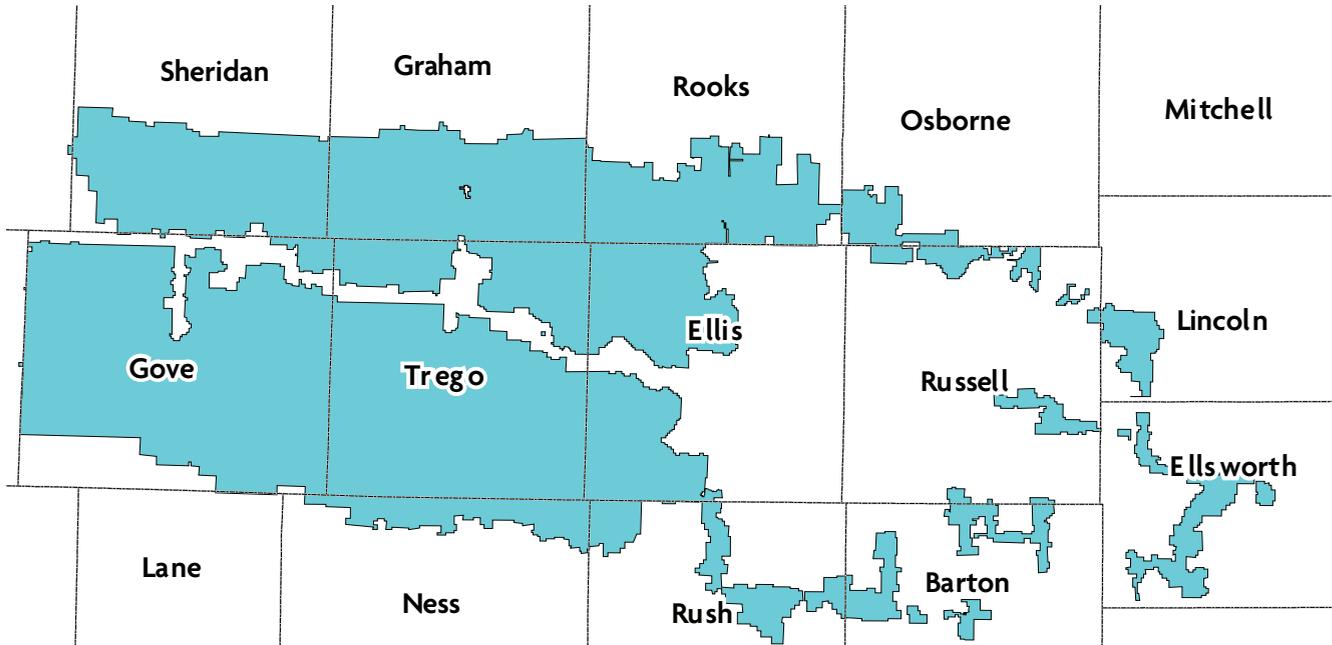


Susan Rohleder  
Trustee  
District 1



Dale Weinhold  
Trustee  
District 3

# Western's Service Territory Map



## Facts & Figures

12,216  
METERS

3.05  
CONSUMER-MEMBERS PER MILE

4,009  
MILES OF LINE

57  
EMPLOYEES

5<sup>TH</sup>  
LOWEST RESIDENTIAL RATES AMONG  
28 KANSAS COOPERATIVES

\$103.12  
RESIDENTIAL AVERAGE MONTHLY BILL



**WESTERN  
COOPERATIVE  
ELECTRIC**

**POWER ON**