

Kansas
COUNTRYLiving

2023
**ANNUAL
REPORT**
Inside



JOIN US FOR OUR
ANNUAL
Meeting



The Sedgwick County Electric
Cooperative Association, Inc.

Tuesday, April 9, 2024

DOORS OPEN AT 6:15 P.M.

THE COTILLION | 11120 W. KELLOGG, WICHITA, KANSAS



EMPLOYEES

The day-to-day operation of Sedgwick County Electric Cooperative is handled by the employees listed below.

Scott Ayres

CEO/General Manager

Kyle Pipkin

Line Superintendent

Lora Alloway

Office Manager

Jo Luehrs

Executive Assistant

Cindy Kill

Member Services Director

10-Year Service Award

Ashton Ryder

Accountant

Jennifer Krehbiel

Billing Specialist

Nikki Love

Billing/Accounting Assistant

Amy Dockers

Accounting Assistant

Rose Wright

Billing Specialist

Tim Rosenhagen

Staking Engineer

Scott Leis

Assistant Staking Engineer/Warehouseman

Andy Riggs

I.T. Manager

Mark Hansen

Foreman

15-Year Service Award

Tommy Hill

Foreman

Chris Fair

Journeyman Lineman

Victor Ayala

Journeyman Lineman

Ean Anders

Apprentice Lineman

Kade Wahlers

Apprentice Lineman

Josh Wood

Equipment Operator/Groundman

Tagen Kippes

Equipment Operator/Groundman

Robert Lacy

Serviceman

Board of Directors



PRESIDENT

CLINT DEVORE

2377 S.E. 170 Ave.
Cheney, KS 67025
Spouse: Stacy
C: 316-215-1044

devoreclint@gmail.com



VICE PRESIDENT

CINDY FOSTER

18823 W. 117th St. N.
Sedgwick, KS 67135
Spouse: Randy
C: 316-303-5559

cindy@learningcenter.org



SECRETARY/TREASURER

MARGIE CONYAC

7005 N 183rd St. W.
Colwich, KS 67030
C: 316-461-6138

conyacsec@gmail.com



DIRECTOR

JOSEPH BAALMANN

4300 S. 311th St. W.
Cheney, KS 67025
Spouse: Karen
C: 316-640-0056

kbaalmann@msn.com



DIRECTOR

DONALD METZEN

6115 S. 183rd St. W.
Viola, KS 67149
Spouse: Agnes
C: 316-641-7003

dpmetz21@gmail.com



DIRECTOR

EUGENE J. SCHEER

35-Year Service Award

145 S. 263rd St. W.
Garden Plain, KS 67050
Spouse: Joan
C: 316-323-7151

gscheer48@gmail.com



DIRECTOR

ALAN J. SMARSH

2009 N. 151st St. W.
Goddard, KS 67052
Spouse: Virginia
H: 316-214-5500

ajs5775ahs@yahoo.com



DIRECTOR

REX SMITH

30-Year Service Award

10100 W. 87th St. S.
Clearwater, KS 67026
Spouse: Marcia
C: 316-305-8912

kansassafety@gmail.com



DIRECTOR

STAN THEIS

11917 E. Parallel Road
Haven, KS 67543
Spouse: Janna
C: 316-640-0074

theisstan1@gmail.com



CEO/GENERAL MANAGER

SCOTT AYRES

Norwich, KS
O: 316-542-3131
C: 316-772-2664

sayres@sedgwickcountyelectric.coop



GENERAL COUNSEL

DANIELLE DAVEY

Attorney
Topeka, KS
O: 785-357-6311

ddavey@sloanlawfirm.com

ON THE COVER – SEDGWICK COUNTY ELECTRIC EMPLOYEES

BACK ROW (FROM LEFT): Kyle Pipkin, Line Superintendent; Tagen Kippes, Equipment Operator/Groundman; Ean Anders, Apprentice Lineman; Andy Riggs, I.T. Manager; Robert Lacy, Serviceman; Tim Rosenhagen, Staking Engineer; Chris Fair, Journeyman Lineman; Josh Wood, Equipment Operator/Groundman; Tommy Hill, Foreman; Scott Leis, Assistant Staking Engineer/Warehouseman; Kade Wahlers, Apprentice Lineman; and Scott Ayres, CEO/General Manager. **FRONT ROW (FROM LEFT):** Lora Alloway, Office Manager; Jo Luehrs, Executive Assistant; Amy Dockers, Accounting Assistant; Jennifer Krehbiel, Billing Specialist; Ashton Ryder, Accountant; Nikki Love, Billing/Accounting Assistant; Rose Wright, Billing Specialist; and Cindy Kill, Member Services Director. **NOT PICTURED:** Mark Hansen, Foreman; and Victor Ayala, Journeyman Lineman.



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Tuesday, April 9, 2024

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THE COTILLION | 11120 W. KELLOGG, WICHITA, KANSAS

FROM THE CEO/GENERAL MANAGER

2023 CEO Report



Scott Ayres

Please accept our invitation to attend the 86th Annual Meeting of The Sedgwick County Electric Cooperative Association, Inc. The meeting and meal are free for co-op members and will be held Tuesday, April 9, 2024, at The Cotillion in Wichita. Registration will begin at 6:15 p.m. and dinner will be served at 6:30 p.m. Our formal meeting will be short, and there will be plenty of door

prizes given away along with \$10 bill credits for those attending.

Your co-op completed 2023 in good financial standing and looks forward to serving your energy needs for many years to come. Your co-op finished 2023 with margins totaling \$1,732,977. This was below the \$2,006,858 margins in 2022, but enough to meet our mortgage requirements. This favorable financial position allowed the board of directors to approve the general retirement of 100% of the capital credits from the **2006 PATRONAGE TOTALING APPROXIMATELY \$551,326**. This is an increase in patronage of over \$100,072 from 2022. These capital credits were applied to your March electricity bill. We attribute this strong financial position to a supportive board of directors, committed and talented staff and loyal financial/business partners. We are blessed and privileged to serve you, our member-owners. As a member-owned co-op, Sedgwick County Electric Cooperative is committed to providing safe, reliable, innovative energy solutions for you, our member-owners.

Quality service to our members starts with the very infrastructure that carries electricity to the homes, farms and businesses vital to the success of our communities. Upgrading and maintaining infrastructure is important to the reliability of the system. Our current comprehensive construction work plan calls for more than \$8 million in infrastructure upgrades in the next five years. Upgrades include increasing the capacity of existing overhead and underground distribution lines, constructing new lines in areas with accelerated growth, and replacing older distribution poles and aging overhead and underground conductor.

YOU'RE A CO-OP MEMBER-OWNER

Being part of an electric cooperative is unique. Why? Because cooperatives are not typical businesses. There are more than 900 electric co-ops in the U.S., and each is slightly different because they are designed to serve the needs of the local community. Sedgwick County Electric was formed as a non-profit in 1937 by farmers and ranchers to serve the community. More than 85 years later we are still committed to serving and improving the communities we power.

Upgrading our advanced metering infrastructure (AMI) will allow integration with an outage management system (OMS), resulting in faster and more efficient outage detection and diagnosis. This system provides detailed reports on the type and potential cause of the outage, giving line crews an idea of what to expect.

The increased reliability and financial condition of our co-op are due in a large part to the dedication and hard work of the employees and management of Sedgwick County Electric Cooperative. On behalf of myself and the entire Sedgwick County Electric Board of Directors, I would like to thank all the employees and the members of Sedgwick County Electric Cooperative for your support and commitment to making our co-op one we can all be proud of.

While continuing our commitment to improved reliability, your co-op board and management remain committed to maintaining reasonable rates. We continually scrutinize our co-op operations to hold the line on costs, while closely monitoring issues and legislation at both the state and national levels that could adversely affect our ability to keep costs low for our members.

We continue to deal with the effects of inflation, fuel prices and supply chain issues. Sedgwick County Electric's cost to provide service has increased as a result. Materials to construct and maintain our infrastructure, repair our service vehicles, and run our daily operations come with much higher price tags and significantly longer lead times. In some cases prices have doubled, and we are seeing lead times in excess of one year. We continue to work with our suppliers to manage our inventory and ensure we use all resources to contain costs.

I would also like to thank you, our members, for your ongoing

Continued on page 12B ▶

2023 CEO Report

Continued from page 12A ►

support in the past year. Your support through letters, emails, social media posts and calls are appreciated by the employees who worked hard to bring you the best service possible. Co-op members — our member-owners — are the key to our success.

Sedgwick County Electric has much to be proud of as an electric provider. The co-op has a strong record for providing reliable power, consistently supporting the communities we serve, and exemplifying the co-op principles in its daily operations. Our service territory is in one of the fastest-growing areas in Kansas and is attractive to families and new businesses — providing the perfect framework for a powerful future.

Now is the time to set and execute new direction for the co-op. We are seeing significant changes in our industry including a growing interest in electric vehicles, smart household appliances, and increased renewable energy opportunities, all of which affect the reliability and affordability of electric service. It is critical that we continue to serve all members in our communities as this transition moves ahead.

At the same time, members want us to be better stewards of the environment and enterprising in our incorporation of new energy opportunities. Sedgwick County Electric is committed to promoting the efficient use of electricity to meet the growing energy requirements of members. Educating members about the efficient use of energy resources helps members manage energy costs and protect natural resources. Our goal is to help members save money without sacrificing comfort or convenience. I believe we need to be visionary as we build a co-op to serve our future members. We need to make smart investments and develop robust programs to serve our members in this changing future.

I look forward to working with the board of directors and staff to help lead our co-op into the future. Look for me in your community and reach out to share your questions and insights. Together, we will grow this co-op to continue powering your quality of life. If you have questions, please call or stop by. My door is always open.

Financial Report

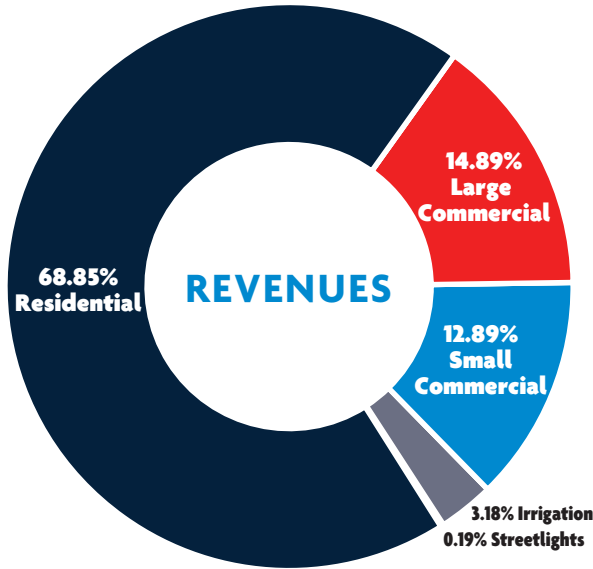
BALANCE SHEET AS OF DEC. 31, 2023

ASSETS	2023	2022	2021
Lines, Buildings and Operating Equipment	\$41,112,374	\$38,595,849	\$37,307,793
Less Accumulated Provision for Depreciation	\$18,547,779	\$17,187,060	\$15,969,474
Net Value of Plant	\$22,564,595	\$21,408,789	\$21,338,319
Cash	\$178,146	\$132,884	\$212,387
Investments	\$-	\$-	\$-
Long-Term Investments in Associated Organizations	\$391,153	\$391,153	\$391,153
Patronage Capital — KEPCo and Others	\$6,612,480	\$6,402,071	\$6,274,111
Accounts Receivable	\$1,731,426	\$1,942,233	\$1,981,060
Material and Supplies	\$2,154,389	\$1,818,172	\$710,825
Prepayments — Power Bill, Insurance and Others	\$2,493,458	\$3,497,194	\$4,733,531
Deferred Debits — Prepaid Pension and Others	\$1,043,480	\$1,141,659	\$767,410
Total Net Assets	\$37,169,127	\$36,734,155	\$36,408,796
LIABILITIES			
Long-Term Debt	\$12,378,546	\$12,849,924	\$13,942,185
Consumer Deposits and Accrued Liabilities	\$848,159	\$758,691	\$726,888
Accounts Payable	\$926,471	\$1,155,157	\$1,017,525
Deferred Credits	\$416,848	\$531,858	\$704,787
Total Liabilities	\$14,570,024	\$15,295,630	\$16,391,385
MEMBER EQUITY			
Patronage Capital and Other Equities	\$16,929,302	\$15,832,388	\$14,459,208
Patronage Capital from KEPCo	\$5,669,801	\$5,606,137	\$5,558,203
Total Member Equity	\$23,599,103	\$21,438,525	\$20,017,411
Total Liabilities and Member Equity	\$37,169,127	\$36,734,155	\$36,408,796

OPERATING STATEMENT FOR YEAR-ENDING DEC. 31, 2023

	2023	2022	2021
OPERATING REVENUE	\$19,698,746	\$20,834,098	\$18,746,568
Purchase Power Cost	\$12,684,766	\$13,805,040	\$12,703,619
Operation and Maintenance Expenses	\$1,833,040	\$1,695,270	\$1,708,786
Consumer Accounting, Sales, Administrative and General Expenses	\$1,926,273	\$1,758,113	\$1,613,597
Depreciation	\$1,422,162	\$1,259,932	\$1,192,774
Taxes (Inc in Operations and Maintenance)	\$-	\$-	\$-
Interest Expenses and Misc. Deductions	\$522,842	\$526,507	\$496,719
TOTAL COST OF SERVICE	\$18,389,083	\$19,044,862	\$17,715,495
OPERATING MARGINS	\$1,309,663	\$1,789,236	\$1,031,073
O-TIER (1.10 REQUIRED)	3.69	4.50	3.10
Non-Operating Margins	\$227,657	\$102,132	\$59,832
G&T Capital Credits	\$195,657	\$115,490	\$84,982
TOTAL MARGINS	\$1,732,977	\$2,006,858	\$1,175,887

2023 FACTS & FIGURES



\$155,955,469

TOTAL kWh SALES

\$13,689,200

TOTAL CAPITAL CREDITS PAID TO MEMBERS

\$41,112,374

PLANT INVESTMENT

\$551,326

CAPITAL CREDITS PAID TO MEMBERS THIS YEAR FROM 2006

\$479,043

PROPERTY TAXES EXPENSED

12.56¢

AVERAGE PRICE PER kWh SOLD

7.73¢

POWER COST PER kWh PURCHASED

7,753

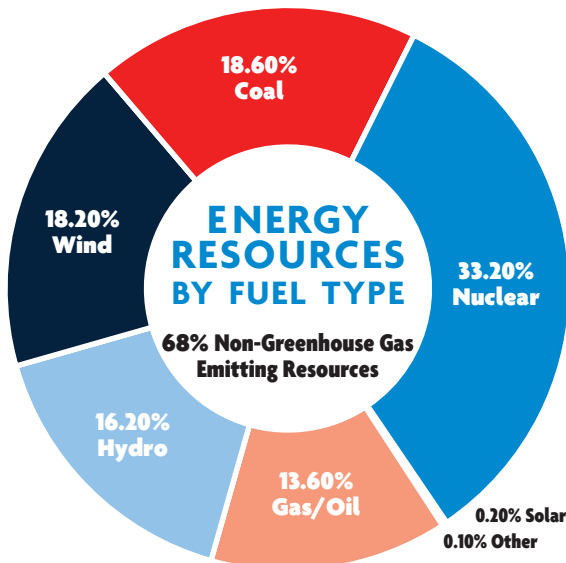
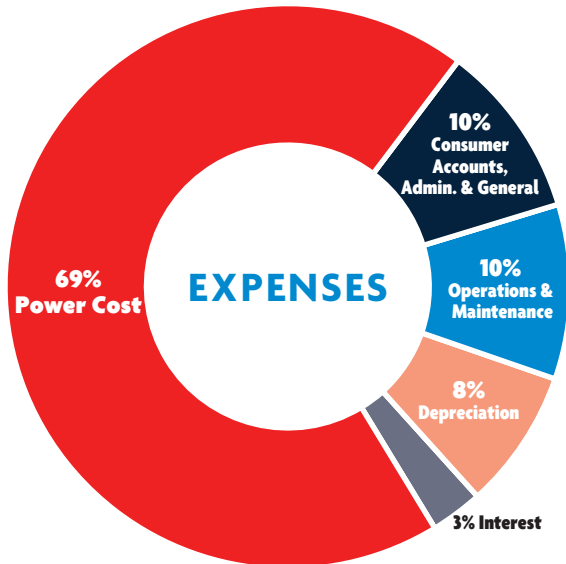
ENERGIZED METERS UP FROM 7,591 IN 2022

1,278

kWh/RESIDENTIAL MEMBER PER MONTH DOWN FROM 1,352 IN 2022

1.39

HOURS OF INTERRUPTION PER MEMBER DOWN FROM 3.12 IN 2022



APRIL 4, 2023

THE SEDGWICK COUNTY ELECTRIC COOPERATIVE ASSOCIATION, INC.

85th Annual Meeting Minutes

The 85th Annual Meeting of The Sedgwick County Electric Cooperative Association, Inc. was held at The Cotillion in Wichita, Kansas, on April 4, 2023. President Clint DeVore called the meeting to order at 7:02 p.m. Father Birket gave the invocation and President DeVore welcomed the directors, members and special guests.

There were 265 members registered (50 members constitute a quorum). A meal was served to 450 guests prior to the official meeting.

President DeVore recognized the men and women in the armed forces and first responders. He also introduced the Sedgwick County Electric Cooperative Board of Directors, General Counsel Greg Lee and General Manager/CEO Scott Ayres.

President DeVore reported that the Secretary had in her possession the official notice and proof of mailing of the notice. It was moved and seconded that these documents be accepted and omit reading. Motion carried.

President DeVore requested that the minutes of the 84th Annual Meeting be approved as printed in the notice and omit reading. A motion was made and seconded to omit reading and accept the 84th Annual Meeting minutes as printed in the notice. Motion carried.

Manager Ayres highlighted in his overview of the financial report the cooperative completed the year 2022 in a good financial position. He stated that 100% of capital credits from 2005 were returned to the membership, and that margins are adequate to meet the financial requirements of our lenders. He stated we have maintained some of the most competitive rates for

electric co-ops in Kansas, finishing the year with equity of 58%, and have a good financial position to fund our construction, maintenance and operational needs. He noted how much the industry has changed in the last five years with electric technology moving at an incredible pace (electric vehicles, EV charging, solar, battery storage and wind renewables).

Manager Ayres called on General Counsel Lee to read the names of those running for the position of director as follows: Territory 1 — Cindy Foster, Territory 2 — Alan Smarsh, and Territory 3 — Rex Smith. General Counsel Lee asked if any candidate would like to address the membership prior to the casting of ballots. Candidates declined to speak. General Counsel Lee addressed the rules of voting per the bylaws of the cooperative. Votes were cast by the membership and ballots were collected by the employees. The assigned tellers and employees were called upon to tally the ballots.

Manager Ayres announced the 2023 youth program winners. **LEVI SELF** of Cheney High School, son of Travis and Erin Self, will attend the Electric Cooperative Youth Tour to Washington, D.C., and receive a \$500 scholarship. **MESA BRADBURY** of Andale High School, daughter of Harvey and Megan Bradbury, will attend the Cooperative Youth Leadership Camp near Steamboat Springs, Colorado, and receive a \$500 scholarship. New this year, Sedgwick County Electric awarded two additional \$500 scholarships to **CHLOE YOUNG** of Cheney High School, daughter of Chad and Brooke Young,

and **LANDON KROUPA** of Bishop Carroll High School, son of Cory and Allison Kroupa.

Manager Ayres called upon the 2022 youth program winners Amelia Meng and Micah Goodman to speak about their cooperative sponsored trips.

Manager Ayres called upon General Counsel Lee to announce the director election results. Those elected for a three-year term were: Territory 1 — **CINDY FOSTER**; Territory 2 — **ALAN SMARSH**; and Territory 3 — **REX SMITH**.

President DeVore asked if there was any unfinished business; there was none. He then called for any new business. There being no new business, President DeVore declared the 85th Annual Meeting officially adjourned at 7:41 p.m.

Manager Ayres thanked all those who had taken time to attend the annual meeting. He distributed years of service recognition gifts to the employees and directors and thanked them for their service to the cooperative: Line Superintendent Kyle Pipkin for 25 years; Office Manager Lora Alloway and Foreman Andy Riggs both for 20 years; Accountant Jacque Matchett for 10 years; Apprentice Lineman Victor Ayala for 5 years; and Director Margie Conyac and Director Alan Smarsh both for 15 years. He shared that this past year our employees achieved two safety awards — No Lost Time and Certificate of Achievement for Safety — and thanked the employees for working together safely. He introduced the employees, then began the drawing for prizes.

MARGIE CONYAC,
SECRETARY-TREASURER

\$100 CASH DRAWING
REGISTRATION

Ticket

THIS IS YOUR REGISTRATION CARD.
PLEASE BRING IT WITH YOU TO THE
ANNUAL MEETING TO BE ENTERED
IN A DRAWING FOR

\$100 Cash

2024 Board of Directors Candidates

TERRITORY 4



DON METZEN
Incumbent

ADDRESS: 6115 S. 183rd St. W. in Viola.

FAMILY: Spouse — Agnes; Children — one daughter, one son.

MEMBER SINCE: 1965
CO-OP AFFILIATION:

Sedgwick County Electric Board of Directors, NRECA Credentialed Cooperative Director and Board Leadership certificates, NRECA Director Gold Credential, Sedgwick County Electric board representative for Kansas Electric Power Cooperative.

OCCUPATION: Retired P&D driver for Roadway Express, Inc., and livestock and grain farmer.

OTHER AFFILIATIONS: Air National Guard (Air Force) six years, member of Knights of Columbus 3114, member of St. John's church and past board member of Grand River Township.

EDUCATION: Garden Plain High School and Kansas School of Barbering graduate.

I am running for reelection to keep our member rates as low as possible and maintain a reliable source of energy.

TERRITORY 5



CLINT DEVORE
Incumbent

ADDRESS: 2377 S.E. 170 Ave. in Cheney.

FAMILY: Spouse — Stacy; Children — two daughters, one son.

MEMBER SINCE: 2001
CO-OP AFFILIATION:

Board President for Sedgwick County Electric, NRECA Credentialed Cooperative Director and Board Leadership certificates, and NRECA Director Gold Credential.

OCCUPATION: Grain and beef cattle farmer.

OTHER AFFILIATIONS: Cheney Methodist Church member, Farmers Co-op Elevator company member, Gideons International (Wichita Southwest Camp) member, and Kansas Association of Wheat Growers.

EDUCATION: Greensburg High School graduate, attended Fort Hays State University, Wichita State University graduate with bachelor's degree in administration of justice.

As the second newest board member and current board president, I believe that I still have a lot to offer as a director. We are in a rapidly changing energy environment, and I want to see much of this change through as a Sedgwick County Electric Co-op board member.

TERRITORY 6



EUGENE SCHEER
Incumbent

ADDRESS: 145 S. 263rd St. W. in Garden Plain.

FAMILY: Spouse — Joan; Children — one daughter, three sons.

MEMBER SINCE: 1973
CO-OP AFFILIATION:

Sedgwick County Electric Board of Directors, NRECA Credentialed Cooperative Director and Board Leadership certificates, NRECA Director Gold Credential, Sedgwick County Electric representative for Kansas Electric Cooperatives, Inc.

OCCUPATION: Retired from Truck Parts and Equipment of Wichita, volunteers collecting aluminum cans that have sent HEROES on the Kansas Honor Flight trips, and currently drives a bus for the Renwick School system.

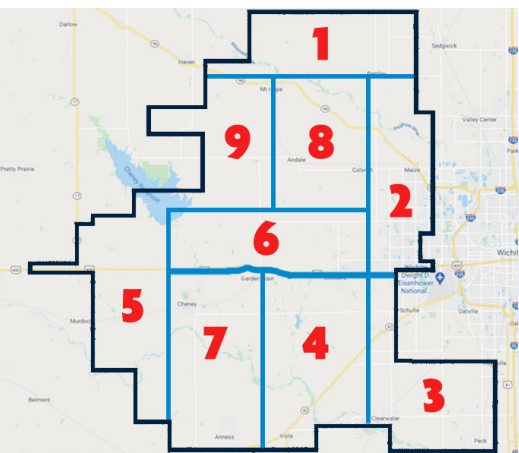
OTHER AFFILIATIONS: Past vice-president of Scheer Brothers, Heavy Duty Parts, St. Mary's Aleppo, Garden Plain member, Past president of St. Mary's Men's club, member of Garden Plain Knights of Columbus, and served two years in the armed forces.

EDUCATION: Garden Plain High School graduate.

Thank you to the membership for allowing me the opportunity to serve over the years and I appreciate the opportunity to serve in the future.

TERRITORY MAP

- ▶ **TERRITORY 4** — West of 167th Street W., East of 295th Street W., South of US 54.
- ▶ **TERRITORY 5** — West of 407th Street W. (170th Ave), West side of Cheney Lake.
- ▶ **TERRITORY 6** — East of 407th Street W. (170th Ave), South of 29th Street N. (Smoots Creek Road), West of 167th Street W., North of US 54.



THIS IS YOUR REGISTRATION CARD. PLEASE
BRING IT WITH YOU TO THE ANNUAL MEETING.

NOTICE OF 2024

ANNUAL Meeting



The Sedgwick County Electric
Cooperative Association, Inc.

Tuesday, April 9, 2024

DOORS OPEN AT 6:15 P.M.

THE COTILLION | 11120 W. KELLOGG, WICHITA, KANSAS

The 86th Annual Meeting of the Sedgwick County Electric Cooperative Association, Inc. will be held at The Cotillion, 11120 W. Kellogg, Wichita, Kansas, on Tuesday, April 9, 2024. Dinner begins at 6:30 p.m. and the meeting will follow immediately after the meal. Doors open at 6:15 p.m.

- ▶ Report on the number of members present in person to determine the existence of a quorum.
- ▶ Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- ▶ Reading of the unapproved minutes of the meeting of the members and necessary action thereon.
- ▶ Presentation and consideration of reports of officers and directors.
- ▶ Unfinished business.
- ▶ New business.
- ▶ Election of directors. Candidates are listed in this notice.
- ▶ Adjournment.

MARGIE CONYAC, SECRETARY-TREASURER

MISSION STATEMENT

Sedgwick County Electric Cooperative
is committed to providing safe, reliable,
innovative energy solutions for you,
our member-owners.

QUORUM NEEDED. Under Article III, Section 3.04 of the bylaws of Sedgwick County Electric Cooperative, a meeting can be held if 50 members are present. Be sure to attend so business can be conducted.

YOUR MEMBERSHIP is on record with the cooperative as this notice has been addressed. According to bylaw provisions, only members can register.

REGISTRATION will begin at 6:15 p.m. Dinner will be served at 6:30 p.m.

SPECIAL NOTE Acting under Article IV, Section 4.02 of the bylaws which reads: *"Members of the Board of Directors shall be elected by the members of the Cooperative from nine (9) Director Territories and shall serve for a term of three (3) years, or until their successors shall have been elected. The Cooperative shall stagger Director Terms by dividing the total number of authorized Directors into groups of three (3) and Members must annually elect three (3) Directors. The Cooperative members shall elect Directors by a plurality of the votes cast, and the Cooperative members may not vote for write-in candidates, by proxy, and there shall be no nominations from the floor at the Annual Meeting. Members of the Board of Directors shall be elected by ballot and from the members of the Cooperative. The individual presiding at the annual meeting shall announce the results of the election."*

CAPITAL CREDIT REFUNDS totaling approximately **\$551,326** have been distributed to members who received service from the cooperative in 2006.

ATTENDANCE PRIZES will be drawn at the close of the business meeting. **YOU MUST BE PRESENT AT THE TIME OF THE DRAWING TO WIN.**