



A Touchstone Energy® Cooperative 

# JOIN US APRIL 12

Western State Bank Expo Center  
11333 U.S. Hwy. 283 in Dodge City

**5:30 P.M.**



**Registration Begins**

Bring the registration card you receive in the mail to the meeting for express registration.

No meal provided.

**6 P.M.**



**Business Meeting**

Brief cooperative reports.

Results of the trustee election.

2021

# ANNUAL REPORT

 [VICTORYELECTRIC.NET](http://VICTORYELECTRIC.NET)  
[VICTORYELECTRIC.SMARTHUB.COOP](http://VICTORYELECTRIC.SMARTHUB.COOP)

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# JOIN US APRIL 12

Western State Bank Expo Center  
11333 U.S. Hwy. 283 in Dodge City

Join us on April 12 for the Victory Electric Cooperative Annual Meeting.

In accordance with Victory Electric's bylaws, each year the cooperative holds a meeting of the members to communicate the cooperative's activities and financial status for the past year. The meeting also brings the annual trustee election to a close. Members mail their votes prior to the meeting, and the results are announced at the meeting.

Purchasing electric power from Victory Electric gives you membership in the cooperative, and as a member, you have voting rights. Your participation is a fundamental power that flows from you to your electric cooperative. You have the power to discuss issues with friends and neighbors and elect your board representation. You have a voice in cooperative business affairs, the business you own. That democratic right — which includes one vote by every cooperative member — is one of several important differences between electric cooperatives and investor-owned electric utilities.

The strength of our cooperative comes from our members. Informed and concerned members stay involved by electing those people who value their way of life and work to improve the quality of life in southwest Kansas.

## FROM THE BOARD PRESIDENT & CEO STRATEGIC MOVES

Much like a game of chess, we must always be thinking three moves ahead. Strategic thinking looks at the “big picture.” Once you see the “big picture,” it's time to roll up your sleeves and get down to business, resolving the strategic problem with a fist full of tactics. From banking agreements that save money in interest to equipment investments that require less crew time in the field, it's often behind the scenes moves that make the biggest impact.

Change is inevitable. We have been in business serving our membership for more than 75 years. We have seen significant change in that time and Victory Electric must change to keep pace with our members and the way you live your lives. Anticipating what our members need from us, and providing that, is our big picture. Under the leadership of your board of trustees we have positioned ourselves to look into the future with bright eyes and see new possibilities for how the co-op can play an even bigger role in our communities and your lives.

The 2021 mid-February polar vortex, known as Winter Storm Uri, caused historically low temperatures, and ice/snow gripped many regions of the country, stressing both electric generating capacity and the ability of the transmission grid to move power from

state to state and region to region. Emergency alerts quickly declared by the Southwest Power Pool (SPP) forced many electric cooperatives into outages due to the inability of electric generation supply to meet demand. The SPP oversees the bulk electric transmission system (often referred to as “the grid”) and manages the reliability for a 14-state region that includes Kansas. The SPP has never in its 80-plus year existence had to implement power curtailments and has never dealt with this extreme type of phenomenon. These energy emergency declarations resulting from record cold temperatures forced transmission-owning electric utilities within the SPP region to take extreme steps to prevent catastrophic damage to the power grid.



**PAT MORSE**  
BOARD PRESIDENT



**SHANE LAWS**  
CEO

“Technology is a vital part of our lives, but just like in any other facet of life, it is important to take precautions to protect your safety.”

You might be wondering why, a year later, Winter Storm Uri is still a topic of conversation. For electric utilities, meeting electricity demand is always at the forefront of operational strategies but can be especially challenging during the winter and summer months when weather patterns can bring extreme temperatures. While Winter Storm Uri was a unique weather event — one that we are hoping not to ever experience again — electric utilities across the nation continue to debrief the event to shore up contingency plans.

**STRATEGIES FOR THE FUTURE**

Victory Electric is determined to innovate new and improved ways to help our membership. This presents an opportunity to focus on the future and become a better cooperative.

The energy industry is undergoing rapid change, and technology is paving the way for innovation in the way energy is used, produced, stored and shared. Members are interested in more green energy alternatives, while smart homes and apps make managing energy use and paying your electric bill more convenient than ever. Modern technology helps us work more efficiently, but it still comes down to the right tools, experience, and training to handle any situation.

The security of the network and systems is ever present in our minds as we improve our cybersecurity stance with new equipment and protocols, making our information technology infrastructure stronger, while facing today's ever-growing online threats. Technology is a vital part of our lives, but just like in any other facet of life, it is important to take precautions. Though a threat to your cybersecurity does not put you in physical harm, it can still cause significant damage.

**WORKING FOR OUR MEMBERS**

Electric cooperatives are deeply connected to the communities they serve and are focused on meeting members' energy needs today and into the future. Providing our members with safe, reliable and affordable power will always be our highest priority, but this requires much more than simply maintaining overhead power lines and other infrastructure. It requires us to focus on what our

elected leaders are doing in Washington to ensure they are acting in your best interest. Victory Electric will continue advocating for policies that protect local business interests and advance the quality of life in southwest Kansas. There are several opportunities for our elected leaders to find common ground and advance legislation to benefit our community.

At Victory Electric, we are not only listening, but we are also eager to hear from you. Whether you call us, respond to a survey or social media post, send an email, or simply stop by and chat in person, we thrive on your feedback. Connecting with you helps us understand our community's priorities and needs. We also conduct quarterly surveys to gather feedback so we can plan for new initiatives, programs and improvements on existing co-op programs and services. Our planning is led by employees and board trustees who are local people, just like you, who understand the needs of the community and are looking out for the long-term interests of the larger community. We are in the midst of significant changes in the energy sector, as technology and the drive for more renewables and a more balanced energy mix is impacting long-term planning. These are complex issues we will be navigating in the coming months and years. Therefore, it is so important that we hear from you and other community members as we plot and plan our course for the future. We hope you will consider us more than your energy provider, but instead as a local business that supports this community and powers economic development and prosperity for the people. Remember, we're just one call or click away, so please reach out with any questions about your electric service or bills — we're here to help.

In this ever-changing environment, it's important to remember you have a trusted energy adviser — your local electric cooperative. We are a community-focused organization that works to efficiently deliver affordable, reliable and safe energy to our members.

**“We hope you will consider us more than your energy provider, but instead as a local business that supports this community and powers economic development and prosperity for the people.”**



**PAT MORSE, BOARD PRESIDENT**



**SHANE LAWS, CEO**

## CANDIDATES FOR THE BOARD OF TRUSTEES

The Victory Electric Board of Trustees is elected by the membership. Like you, they are cooperative members who live in various locations throughout the Victory Electric service area. Trustees are local residents with the best interests of members, the community, and the cooperative always in mind.

### DISTRICT 5



**GARY GILLESPIE**  
INCUMBENT

I consider it a privilege to have served the members of Victory Electric over the past few years. We have had many challenges and difficult decisions recently and I can say without a doubt that we have always tried to keep the best interest of you, the member-owners, as our primary consideration when weighing options in the board room.

As we look to the future, we have an excellent leadership team in place, and I am excited about the possibilities for Victory Electric and the role they can play. The mission of Victory Electric is to provide safe, reliable service at a competitive rate and that is what we strive to do every day. As a trustee, I have made an effort to attend training and ongoing education to stay abreast of the most up-to-date information and have earned the Director Gold designation. This training has helped me to make well-informed decisions. I would appreciate your vote and the opportunity to continue as an advocate, for you the member-owners of Victory Electric.

### DISTRICT 7



**JIM OCHS**  
INCUMBENT

I am a fifth-generation farmer, mechanic and cattleman. I have been married for over 30 years and have four children and one grandchild. As a farmer, I have always tried to provide consumers with a product that is not only reliable but also high quality. The same is true at Victory Electric, which provides a safe, reliable electric service at a competitive rate.

Your past support has allowed me to work with fellow board members as we reviewed progress, ensured accountability, and made decisions on your behalf. I appreciate your past calls, questions, opinions and support. Each time we hear from you, it helps the board address relevant issues and guides our decisions. I would appreciate your vote allowing me to continue as your representative for District 7.

### DISTRICT 10

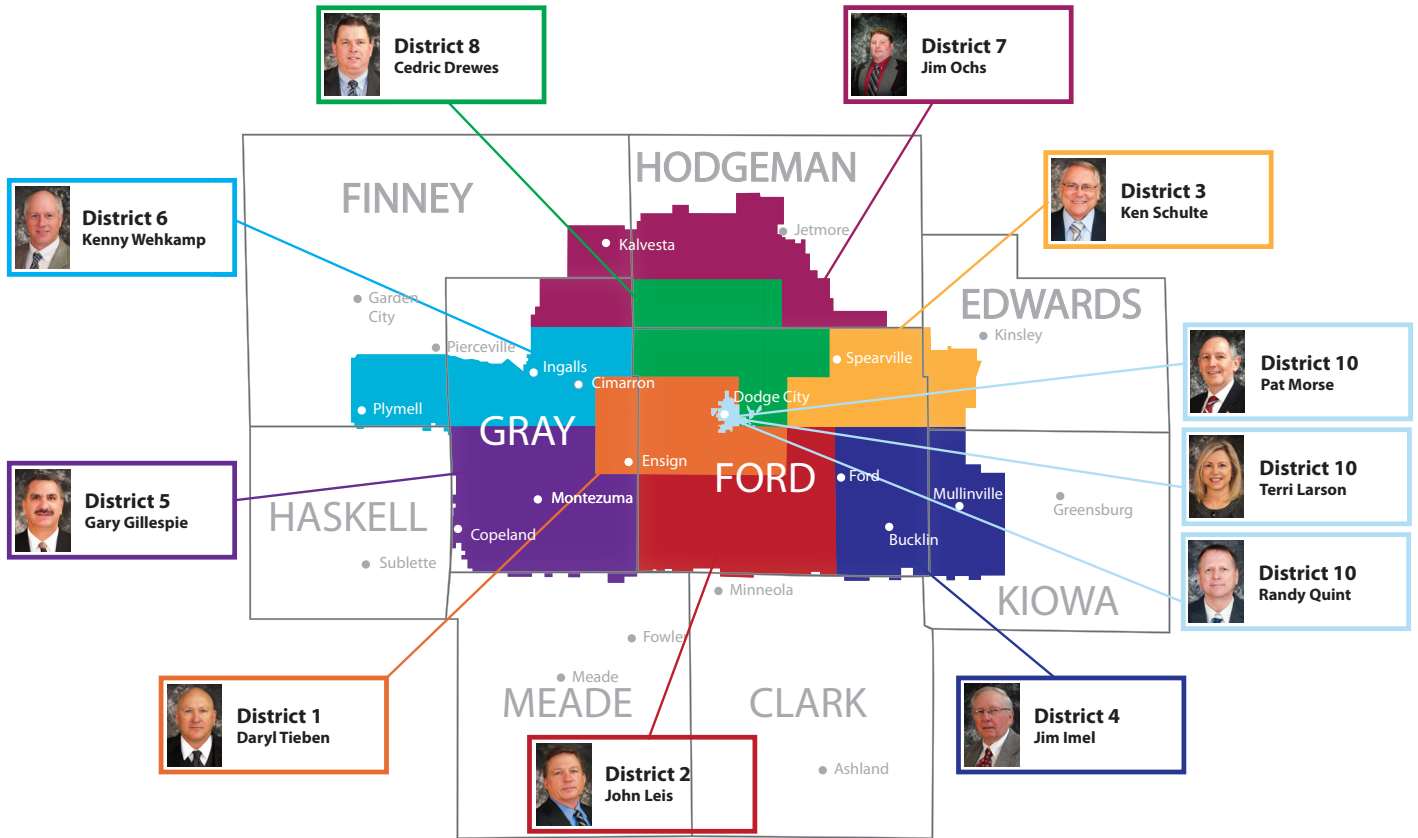


**PAT MORSE**  
INCUMBENT

I want to thank the residents of Dodge City, the Victory Electric staff, and the rest of the board for their support the past 12 years. I currently serve as president of the Victory Electric board and I am Victory Electric's board representative to our statewide association, Kansas Electric Cooperatives, Inc. (KEC), where I serve on the executive committee and the legislative committee. I also serve as the Kansas representative on the National Rural Electric Cooperative Association board. These are all positions I take very seriously in representing the owner-members of Victory Electric.

My 40-year career experience in utility operations gives me the knowledge and experience to work with the Victory Electric board and staff, (as well as local, state, and federal policymakers) to ensure Victory Electric operates in a safe, reliable, and cost-effective manner, keeping electric rates reasonable. I would again appreciate your vote for the position of District 10 trustee.

# VICTORY ELECTRIC DISTRICT MAP



## 2021 YOUTH TOUR SCHOLARSHIP WINNERS



**CHANCE UNRUH**  
INGALLS



**LOGAN HUBBELL**  
SPEARVILLE

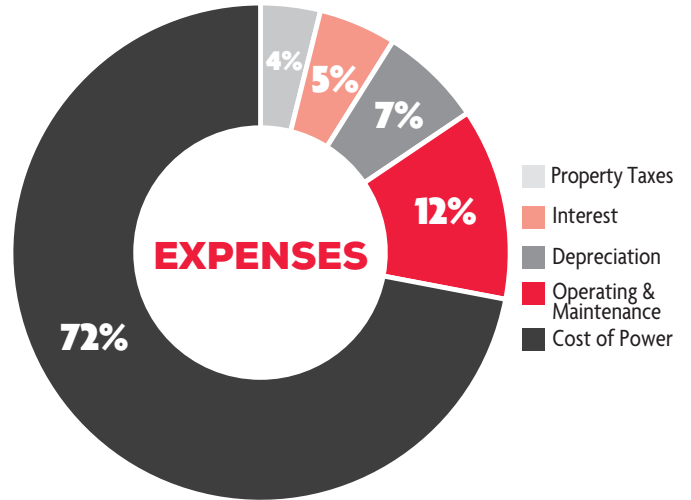
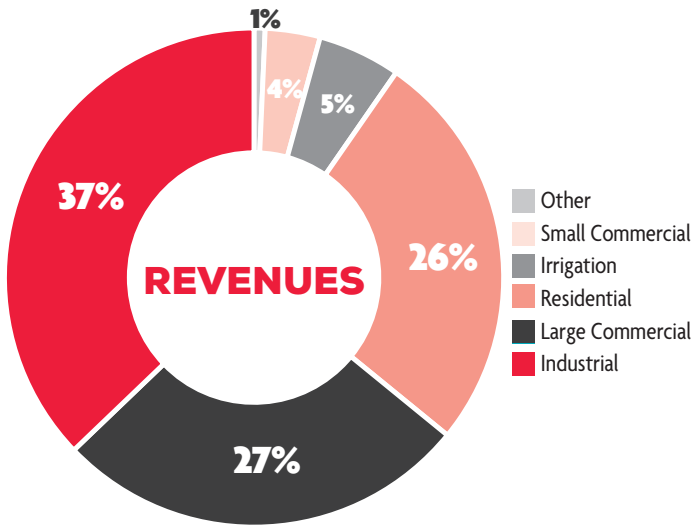


**AUTUMN KLEIN**  
DODGE CITY



**COURTNEY BAILEY**  
INGALLS

# FINANCIAL REPORTS for the year ended Dec. 31, 2021



## INCOME STATEMENT

### INCOME

Electric Revenue \$77,685,009

### EXPENSES

Cost of Power \$54,251,450  
 Operating & Maintenance Expenses \$9,367,562  
 Depreciation \$5,012,657  
 Property Taxes \$2,918,467  
 Interest \$3,800,043  
 Total Expenses \$75,350,179

**OPERATING MARGINS** \$2,334,830

**NON-OPERATING MARGINS** \$8,117,960

**NET MARGINS FOR 2021** \$10,452,790

## BALANCE SHEET

### ASSETS

Total Cost of Plant \$179,950,085  
 Less: Accumulated Depreciation \$61,569,418  
 Total Net Value of Plant \$118,380,667

Cash \$1,444,213  
 Investments \$43,072,251  
 Receivables \$8,015,407  
 Materials and Supplies \$2,924,685  
 Prepayments \$102,462  
 Other Current & Accrued Assets \$5,961  
 Deferred Debits \$7,948,801

**TOTAL ASSETS** \$181,894,447

### LIABILITIES

Long-Term Debt \$98,222,518  
 Notes & Accounts Payable \$4,006,550  
 Current Liabilities \$8,055,053  
 Noncurrent Liabilities \$54,767  
 Deferred Credits \$184,091  
 Total Liabilities \$110,522,979

### MEMBERS' EQUITY

Deposits \$1,244,581  
 Equities & Margins \$70,126,887  
 Total Members' Equity \$71,371,468

**TOTAL LIABILITIES & EQUITY** \$181,894,447

“Victory Electric’s Board of Trustees retired capital credits and returned \$1.5 million to members in 2021.”

APRIL 20, 2021

# 76TH ANNUAL MEETING OF MEMBERS

## OF THE VICTORY ELECTRIC COOPERATIVE ASSOCIATION, INC.



The 76th Annual Meeting of Members of The Victory Electric Cooperative Assn., Inc., was held Tuesday, April 20, 2021, at the Western State Bank Expo in Dodge City. An abbreviated meeting was held with 120 members present and 150 in attendance. No meal was served.

The meeting began with the National Anthem followed with the invocation by Kirk Larson.

President Pat Morse called the meeting to order at 6 p.m., pursuant to a notice that was mailed to all members in accordance with cooperative bylaws. Morse declared a quorum.

Morse introduced Victory Electric's board of trustees and their spouses: Daryl Tieben, vice-president, and Carol; Cedric Drewes, secretary/treasurer, and Diane; Gary Gillespie and Kelly; Jim Imel; Terri Larson and Kirk; Jim Ochs and Debbie; Randy Quint and Lynne; Ken Schulte; Kenny Wehkamp; John Leis; CEO Shane Laws and Ali; and Dave Snapp, Victory Electric attorney.

Morse sought a motion to approve the 2020 meeting minutes. A motion was made, seconded and carried. Morse sought a motion to waive the reading of the official notice, affidavit of mailing, minutes of the nominating committee and report of the nominating committee. A motion was made, seconded and carried.

Morse introduced and thanked the members of the nominating committee.

Attorney Dave Snapp announced the results of the trustee election. All three board members were re-elected: District 1, Daryl Tieben; District 3, Ken Schulte; and District 8, Cedric Drewes.

CEO Shane Laws gave a brief update on the high points of 2020. He thanked Victory Electric employees for their hard work and cooperative members for their support and understanding during the COVID-19 pandemic and the Extraordinary Event Recovery. Laws recognized Rae Jean Amy's

20 years of service at Victory Electric. This was her last annual meeting prior to her retirement.

Morse thanked the board and Victory Electric employees for their dedication and professionalism.

There was no old or new business.

Morse thanked Border States for the bottled water provided to the members at the meeting. Morse announced each member in attendance who registered will receive a \$25 credit automatically applied to their account. Door prizes will be drawn the day after annual meeting and winners will be notified.

Morse sought a motion to adjourn. A motion was made, seconded, and carried. Meeting was adjourned at 6:20 p.m.

A question-and-answer session was conducted by Laws after adjournment.



# COMMITMENT TO COMMUNITY



Victory presents a \$20,000 CoBank Sharing Success Grant to the Crisis Center of Dodge City. From left: Allison Doll, Victory Electric communications coordinator; Bill Carr, Ford County sheriff; Shane Laws, Victory Electric CEO; Dale Coleman, Ford County under sheriff & vice president of the Crisis Center of Dodge City's board of trustees; Roberta Conley, Cargill and treasurer of the Crisis Center of Dodge City board of trustees; Randy Quint, Victory Electric board of trustees member - District 10; Tammie West, Crisis Center of Dodge City executive director; Denzil McGill, Victory Electric vice president of information technology; Amy Grasser, Victory Electric vice president of corporate services; and Lissette Sosa, Crisis Center of Dodge City court advocate.

## LIGHTNER COMMUNITY SCHOLARSHIP WINNERS

EACH WINNER RECEIVED A \$1,000 SCHOLARSHIP



**ISAI  
CEJA**



**RIDGE  
ESTES**



**LAUREN  
GLEASON**



**ELIZABETH  
GOETZ**



**GAVIN  
JONES**



**COLE  
LEHMAN**



**CITLALI  
REAL**



**NATHAN  
RENNER**



**LEAH  
STEIN**



**KENNY  
ZIMMERMAN**