



A Touchstone Energy Cooperative
USDOT 968506 54M

FIRE EXTINGUISHER

THE VICTORY ELECTRIC COOPERATIVE ASSN., INC.

2018 ANNUAL REPORT

powering your future



VICTORY ELECTRIC AT A GLANCE

3,171 MILES OF LINE

19,722 METERS

10,000 KILOWATT HOURS

13,176 MEMBERS

68,294 POLES

29,187 CROSS ARMS

44,513,680 FEET OF WIRE

16,251 FUSES

72 EMPLOYEES

12,682 TRANSFORMERS

54 SUBSTATIONS

The Victory Electric Cooperative Assn., Inc., is locally owned by our members. To us, you are more than a customer, you're a member. Victory Electric's trustees and employees are focused on providing power safely, reliably and at the best possible price for those we serve.

Victory Electric was chartered June 1, 1945, and the first lines were energized in August 1947. Our cooperative's name recognizes the U.S. and Allied forces' victory at the end of World War II.

Victory Electric is proud to serve members in our corner of southwest Kansas and help them grow and prosper. We act like neighbors because we are neighbors. That's the cooperative difference.

“From rural ranches and farms to residential neighborhoods and commercial industry, members can rely on Victory Electric to be there to energize their lives.”

YOUR INVITATION TO ATTEND THE ANNUAL MEETING

The Victory Electric annual meeting is scheduled for Tuesday, April 9, 2019, at the Western State Bank Expo Center in Dodge City. Registration and dinner start at 5 p.m. with the business meeting beginning at 6 p.m.

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. 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. This is your opportunity to have a voice in cooperative business affairs, the business you own.

The strength of our cooperative comes from you, 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. So, mark your calendars and plan to attend Victory Electric's annual meeting.



MISSION STATEMENT

The mission of Victory Electric is to provide a safe, reliable service at a competitive rate, provide economic development opportunities and services for our members, and to ensure the financial stability of the cooperative through the use of prudent business practices and the latest technology.



MESSAGE FROM THE CEO

THE FUTURE LOOKS BRIGHT FOR VICTORY ELECTRIC AND OUR MEMBERS

As I reflect back on the year of 2018, I am reminded that one of our most important rights as citizens living in a democratic society is the right to have a voice and to elect our leaders. Cooperatives are a small-scale version of a democratic republic.

In true democratic fashion, at every annual meeting you elect fellow Victory Electric members to represent you on the local board of trustees. In turn, the Victory Electric board elects a representative to sit on the boards of directors of our wholesale power providers. Those representatives are responsible for lobbying and making decisions with their local Victory Electric members in mind.

In 2018, the trustees representing you at the wholesale level, as well as the remaining board trustees, management and employees at Victory Electric worked diligently on your behalf on efforts to decrease the wholesale cost of power. Those efforts paid off and our future could not look any brighter.

The start of the new 2019 year meant the beginning of lower electric rates for members of Victory Electric. For two consecutive months, members received a one cent/kilowatt-hour (kWh) rate reduction. On average, this equaled an eight percent decrease on electric bills.

“In 2018, the trustees representing you at the wholesale level, as well as the remaining board trustees, management and employees at Victory Electric worked diligently on your behalf on efforts to decrease the wholesale cost of power. Those efforts paid off and our future could not look any brighter.”

To put it into perspective, the average residential electric bill is \$116.50, which meant a savings of almost \$10 in both January and February. When we see you at the annual meeting in April, we hope to announce a sustained rate decrease on March electric bills. Contingent upon generation fuel prices staying relatively stable, we predict members will continue to enjoy these savings into the future.

MEMBERS ARE THE HEART OF OUR EFFORTS

While prices seem to be on the rise for many other utilities, Victory Electric is extremely proud to pass on a rate decrease to our members. We hope it is a welcome relief that offers some light at the end of the tunnel for our members, and ultimately helps keep our communities economically viable and strong.

The decrease in the wholesale cost of power is due to a combination of many factors. First and foremost, the rate decrease is the result of the

Jan. 1, 2019, expiration of the Jeffrey Energy Center power purchase agreement, which allowed Victory Electric’s wholesale power providers—Sunflower and Mid-Kansas—to rebalance resources by replacing its existing generation with more economical options. In addition, favorable market conditions for owned generation resources and relatively steady fuel and contracted energy costs helped keep the cost of wholesale power lower.

WHAT IS AN ECA AND WHY DOES IT MATTER?

The energy charge (base rate), energy cost adjustment (ECA), service availability charge, and franchise fees make up your monthly electric bill. The energy charge is a fixed charge per kWh determined by Victory Electric rate tariffs, while the ECA varies each month.

Victory Electric’s base rates are purposely set for long intervals, often years, in an effort to keep prices steady and to protect our members from market volatility. In addition to wholesale power costs, the base energy charge includes other components such as fixed infrastructure costs, overhead and maintenance, property taxes, and interest expense.

The base rate energy charge includes wholesale power costs, but because of the complexity and financial investment involved with changing base rates, there can often be a time lag between changes in the wholesale rate and the retail base energy price.

When the price of fuel for power generation fluctuates, the ECA component provides an avenue for our wholesale power providers to recover or refund the cost of electricity it procures. The ECA also allows Victory Electric to avoid the expensive, lengthy process of constantly implementing rate changes to reflect increases and decreases in the wholesale cost of power. ECA’s are not always bad! It also provides a credit to members when wholesale power costs are less than expected.

Each month through the ECA, electric bills are adjusted either up or down to account for fluctuations or abnormal variable power supply costs. These variables determine how much our power supplier incurs or saves in the process of generating power, to include fuel costs like coal and natural gas, power purchases, and the cost of transmission to deliver the power to Victory Electric.

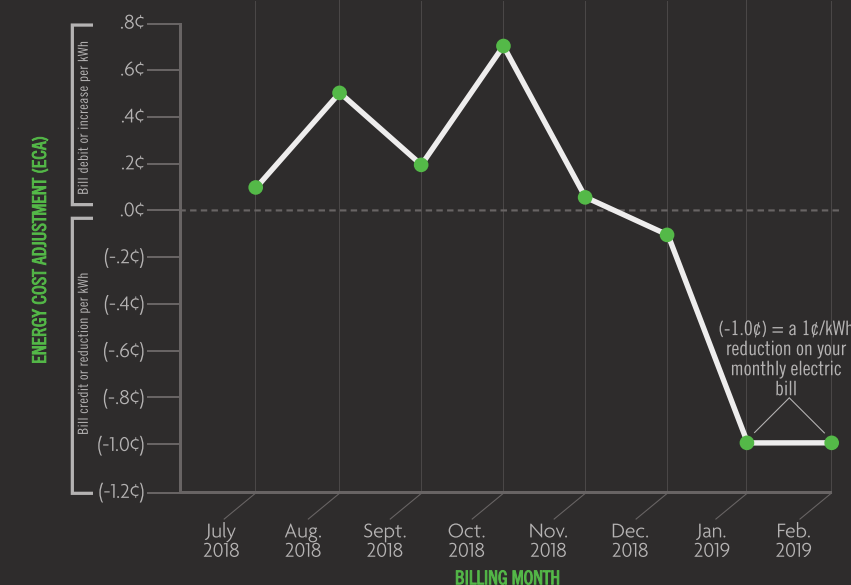
To simplify it, when the cost of power is greater than the amount included in the base rate, the ECA is a debit on your bill. When the cost is less, the ECA is a credit on your electric bill. So when the cost of wholesale power decreases significantly like it did in January and February, the ECA gives Victory Electric an avenue and the capability of immediately passing the savings on to our members. The ECA is a pass-through bill adjustment, and Victory Electric’s margins are not increased or decreased by the ECA.

OUR PROMISE

The team at Victory Electric, in combination with your democratically member-elected board of trustees, actively monitors wholesale power pricing and consistently works with our power providers on solutions to help our members save on their electric bill. This concept is essential to the cooperative business model because we operate as close to cost as possible. This means when Victory Electric wholesale power costs are reduced, so are our members’ bills. This is how we add value to our membership, every day.

Unfortunately, the electric utility industry faces

ENERGY COST ADJUSTMENT MONTHLY TREND



new issues every day with increasing regulations and other external pressures that cannot be controlled. While energy markets, weather, natural gas supplies and prices, and government regulations constantly fluctuate and influence both business practices and energy prices, our dedication to finding ways of decreasing the cost of power for our members reinforces Victory Electric’s commitment to providing safe, reliable power at an affordable price. Victory Electric wants to be a part of powering your future and we are committed to implementing sound business strategies that are in the best interest of the cooperative and our members.


CONTROL YOUR ENERGY FUTURE WITH POWERMYWAY

Does the timing of your electric bill match the timing of your payday? Would you like to take the stress out of due dates and avoid late fees? Now is the time to take charge of your energy costs with a new billing plan that allows you to pay for electricity on your schedule.

PowerMyWay gives you greater control and offers you the flexibility to purchase electricity when you want—daily, weekly or monthly. You pay when it works for you—in amounts that fit your budget. The choice is yours.

There are no fees to take advantage of the PowerMyWay billing plan. Rates, including energy charges, taxes, franchise taxes, the service availability charge, and the energy cost adjustment are exactly the same as accounts on a conventional residential billing plan (some charges are prorated daily), but the member is NOT required to make a security deposit and there are no disconnect, reconnect or late fees.

THE POWER IS IN YOUR HANDS



Think of PowerMyWay like putting gas in your car. The gas gauge allows you to monitor when you need to fill up. You can choose to purchase small amounts of electricity every few days or “fill up” the tank and not worry about it for several weeks.

Similarly, with PowerMyWay you will receive a notification from SmartHub when you need to “recharge” your account, and you can fill up your electric account just like you fill up the gas tank in a car—one gallon at a time or with a full tank.

Upon enrollment in PowerMyWay, a member must purchase at least \$50 of energy and have access to the Internet (to download SmartHub) or the ability to receive text messages. Victory Electric reads your electronic meter daily between 7 and 9 a.m., and the

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Paying as you go puts you in the driver’s seat. You decide when you want to use electricity. You decide when you want to buy more.

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amount associated with that day’s electric service is deducted from your account balance.

Because PowerMyWay is a self-managed, pay-as-you-go program, you are responsible for monitoring and keeping a credit account balance. It is also the end of a paper bill in the mail. Instead, your account balance can be reviewed anytime, anywhere from your smartphone, tablet or computer via Victory Electric’s SmartHub app.

NOTIFICATIONS AND PAYMENTS THROUGH SMARHUB

After your meter is read and your account balance is reconciled each day, if the balance is equal to or less than \$25, Victory Electric will send an automated low balance notice by text message, email or phone call. You have the ability to set custom notification methods and thresholds in SmartHub. For example, you may choose to receive a text message when your account reaches \$40 or less, while another member of your household prefers to receive an email. Low balance notifications are sent any day your balance is lower than \$25—or at the threshold amount you customize. This gives you time to purchase power before the meter actually stops at \$0.01 or less.

Any time your balance is \$0.01 or below, a disconnect reminder will be sent in the morning, and if a payment is not made by early afternoon, the meter will suspend service. Once disconnected, a \$50+

credit balance must be established on the account before power will be restored. There are no disconnect or reconnect charges, and disconnection is the only time a \$50 minimum payment is required. The \$50 is not a fee and is applied to future energy use. Payment options for PowerMyWay include all payment methods available to members on a conventional billing plan, with the exception of autopay and budget billing.

Any new or existing residential member of Victory Electric can take advantage of PowerMyWay. Existing members must have their conventional account paid-in-full, including unbilled electric use, before switching to PowerMyWay. Existing members who paid a deposit may apply it to the \$50 needed to open a PowerMyWay account, apply to any outstanding balance, transfer the deposit to a PowerMyWay account, or request to have the deposit refunded.

YOU’RE IN THE DRIVER’S SEAT

PowerMyWay is the epitome of local control. Paying as you go puts you in the driver’s seat. You decide when you want to use electricity. You decide when you want to buy more. It gives you the tools to better manage your energy use and take charge of your monthly bills by paying lower startup costs and having the convenience of paying for your electricity on an as-needed basis. Our SmartHub app/web portal gives members daily access to electricity use data so you can make smarter decisions about power consumption.

Victory Electric knows there is no one billing or payment option that works for every member, but we continue to research and provide convenient services like PowerMyWay that work with diverse lifestyles and offer a variety of options that fit different individual’s needs and schedules.

For more information on PowerMyWay or to sign up, call our office 620.227.2139, stop by our office in Dodge City, or visit victoryelectric.net.



POWERMYWAY
TAKE CHARGE OF YOUR ENERGY FUTURE



NO DEPOSIT



NO HIDDEN FEES
OR CHARGES



NO UTILITY
CREDIT CHECK



IDENTICAL RATE
AND SERVICES



PAYMENT
FLEXIBILITY



PAY WHAT
YOU WANT,
WHEN YOU WANT


FINANCIAL REPORT FOR 2018

BALANCE SHEET

ASSETS	
Total Cost of Plant	\$166,967,532
Less Accumulated Depreciation	\$53,995,545
Net Value of Plant	\$112,971,987
Cash	\$2,490,786
Investments	\$29,080,063
Receivables	\$6,549,632
Materials and Supplies	\$2,092,761
Prepayments	\$144,046
Other Current & Accrued Assets	\$44,391
Deferred Debits	\$3,839,189
TOTAL ASSETS	\$157,212,855
LIABILITIES AND EQUITY	
Liabilities	
Long-Term Debt	\$95,091,709
Notes & Accounts Payable	\$4,313,633
Current Liabilities	\$5,758,169
Deferred Credits	\$111,440
TOTAL LIABILITIES	\$105,274,951
Members' Equity	
Deposits	\$1,122,267
Equities and Margins	\$50,815,637
TOTAL MEMBERS' EQUITY	\$51,937,904
TOTAL LIABILITIES AND EQUITY	\$157,212,855

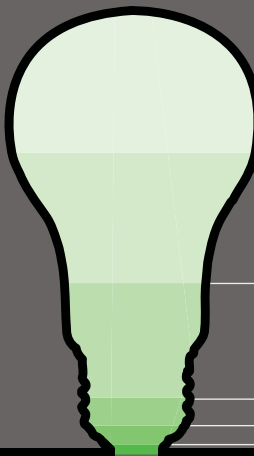
INCOME STATEMENT

INCOME	
Electric Revenue	\$73,698,088
EXPENSES	
Cost of Power	\$49,648,575
Operating & Maintenance Expenses	\$8,766,999
Depreciation	\$4,604,223
Property Taxes	\$2,412,235
Interest	\$3,753,500
TOTAL EXPENSES	\$69,185,532
Operating Margins	\$4,512,556
Non-Operating Margins	\$2,959,189
NET MARGINS FOR 2018	\$7,471,745




EXPENSES

Cost of power	\$49,648,575
Operating & maintenance	\$8,766,999
Depreciation	\$4,604,223
Interest	\$3,753,500
Property taxes	\$2,412,235
Total	\$69,185,532



REVENUES

Industrial	\$24,556,030
Large commercial	\$20,870,938
Residential	\$19,750,468
Irrigation	\$4,311,109
Small commercial	\$2,840,022
Other	\$1,369,521
Total	\$73,698,088



PROPERTY TAXES

2018	\$2,412,235
2017	\$2,026,260
2016	\$2,090,417
2015	\$2,518,096
2014	\$2,142,447

2018 ANNUAL MEETING MINUTES

The 73rd annual meeting of members of The Victory Electric Cooperative Assn., Inc., was held Tuesday, April 17, 2018, at the Western State Bank Expo in Dodge City. The meeting followed a dinner served to 611 members and guests for approximately 967 meals.

The meeting began with the National Anthem sung by Diamond Carbajal, invocation by Kirk Larson, and veteran recognition.

President John Leis called the meeting to order at 6:03 p.m., pursuant to a notice that was mailed to all members in accordance with cooperative bylaws and declared a quorum.

Leis introduced Victory Electric's board of trustees and their spouses: Pat Morse, vice-president, and Shannon; Daryl Tieben, secretary/treasurer, and Carol; Cedric Drewes and Diane; Gary Gillespie and Kelly; Jim Imel and Cindy; Terri Larson and Kirk; Richard Lightner and Carol; Jim Ochs and Deb; Randy Quint and Lynne; Ken Schulte and Gwen; Kenny Wehkamp and Ivy; CEO Shane Laws and Ali; Dave Snapp, Victory Electric attorney; himself and his spouse, Jill.

Leis asked for a motion to approve the minutes of the 2017 meeting. A motion was made and seconded to approve the minutes as mailed. The motion carried. Leis asked for a motion to waive the reading of the official notice and affidavit of mailing. A motion was made, seconded and carried.

CEO, Shane Laws, introduced guests. Jerri Imgarten, vice president of communications, introduced the 2017 youth tour winners: Roxana Arjon, Dodge City, and Alec Coast, Cimarron, earned the trip to Washington, D.C., and Sydney Foster, Dodge City, and Haylee Brown, Ensign, attended the Cooperative Youth Leadership Camp

in Steamboat Springs, Colorado. After brief speeches from the 2017 recipients, the 2018 winners were announced. Cody Frink, Cimarron, and Regan Rhodes, Mullinville, earned the trip to Washington, D.C., and Aria Knedler and Alejandro Rangel, both Dodge City, were selected to attend the leadership camp.

The winners of the 2018 Lightner Community Spirit Scholarship were announced. The scholarship program recognizes students who have demonstrated academic success and shown a commitment to their communities. Winners were Mireya Chacon, Sydney Foster, Kameron Lowery, Aidan Trent and Madelyn Wright all of Dodge City; Derek Bogner, Andrea Bryant and Justin Morrison of Cimarron; Faith Imel, Bucklin; and Haylee Brown, Montezuma.

Leis asked for a motion to waive the reading of both the minutes and the report of the nominating committee. A motion was made, seconded and carried.

In his president's report, Leis spoke about the 2017 rate change, smart technologies and member satisfaction surveys.

Via a video production, Laws' CEO report highlighted various technologies used in different departments at Victory Electric.

Attorney Dave Snapp announced the results of the trustee election. Those elected were District 1, Daryl Tieben; District 3, Ken Schulte; District 8, Cedric Drewes; and District 10, Terri Larson.

Leis asked for any old or new business. There was none.

Numerous prizes from Victory Electric and vendors were given throughout the meeting. Leis thanked everyone for attending and adjourned the meeting at 7:01 p.m.



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Trustees live throughout the Victory Electric service area and are local citizens who know and keep the best interests of members, the community and the cooperative always in mind.

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Victory Electric is a locally owned and operated business, and the board of trustees is elected by the membership. Like you, they are cooperative members but with a special perspective.

Trustees live throughout the Victory Electric service area and are local citizens who know and keep the best interests of members, the community and the cooperative always in mind.

Trustees direct cooperative business and affairs and the board is responsible for exercising the powers of the cooperative. The primary functions of an electric cooperative board are planning and policy oversight, establishing the long-term objectives of the cooperative, and providing resources to meet those objectives. The board works closely with the CEO and senior staff to review progress, ensure accountability, make strategic decisions, and stay current on an increasingly complex industry and business.

The cooperative territory is divided into districts, all of which are represented by a trustee. Trustees are elected at the annual meeting for three-year terms of office. Each year, Dodge City has one trustee up for election. The other district trustees are up for election on a three-year rotation.

This year districts five, seven and ten are up for election, and mail-in ballots are enclosed for members in those districts.

Ballots must be received by 5 p.m. on the day prior to the annual meeting. Only mailed ballots will be counted in the election. No voting will be held electronically or at the annual meeting.

BOARD OF TRUSTEES



John Leis
President
14 yrs. of service

Pat Morse
Vice President
12 yrs. of service

Daryl Tieben
Secretary/Treasurer
10 yrs. of service

Richard Lightner
Retiring Trustee
37 yrs. of service



Jim Imel
Trustee
32 yrs. of service

Kenny Wehkamp
Trustee
22 yrs. of service

Ken Schulte
Trustee
12 yrs. of service

Cedric Drewes
Trustee
10 yrs. of service



Randy Quint
Trustee
8 yrs. of service

Gary Gillespie
Trustee
7 yrs. of service

Terri Larson
Trustee
7 yrs. of service

Jim Ochs
Trustee
6 yrs. of service

CANDIDATES FOR THE BOARD OF TRUSTEES



DISTRICT 5



GARY GILLESPIE
Copeland

Incumbent

The opportunity to serve on the board of trustees for Victory Electric has been a great

honor. I have worked hard to learn about key issues and other influences that have an effect on our members. I've lived in Copeland for 30 years, spending 20 years in leadership roles for ADM Grain on a regional level. I now own an independent crop insurance agency. I am committed to the area and have a vested interest in making sound decisions for the members of Victory Electric. I am also committed to our mission of providing safe, reliable electricity at an affordable rate. There is a great leadership team in place and as a company, I believe we are well positioned to face future challenges. I would appreciate your continued support as a trustee for district 5.

DISTRICT 7



JIM OCHS
Jetmore

Incumbent

Thank you to the members of Victory Electric for letting me be your

voice for the past six years.

Just as in my profession of farming, the electric industry continues to change, becoming more complex each year. As your district seven representative, it is my goal to stay abreast of the latest changes so I am an effective member of the Victory Electric board. I would like to continue to make wise decisions on your behalf at our local meetings and at other important industry gatherings.

Like you, I am an member of Victory Electric, and if re-elected, I would prepare and work to fulfill the responsibilities of this position. I thank you for your support and I would greatly appreciate your vote.

DISTRICT 10



RUSS MCBEE
Dodge City

A 34-year resident of Dodge City, I am currently the director of facilities

and operations at Dodge City Community College.

I am a graduate of Dodge City Community College and Friends University, where I earned a bachelor's degree in business administration. I have served on boards as a member of state and regional college financial aid administrator organizations. I also serve as an elder in my church and am president of the Santa Fe Trail Sportsman's Club.

I have run businesses that consumed above average volumes of electricity. Victory Electric is a great company and I would be proud to have a hand in shaping its future as a flourishing, growing cooperative that provides great service to its members and exercises good fiscal policy.

DISTRICT 10



PAT MORSE
Dodge City

Incumbent

As I run for another term on the board of trustees, I'll take this time to thank the residents of Dodge City, Victory Electric staff and

employees, and my fellow trustees for your generous support the past 12 years.

I currently serve as vice president of the Victory Electric board. I also have the privilege of serving as our local representative on the board of directors of Kansas Electric Cooperatives (KEC). My role on KEC's executive committee gives me the unique opportunity to represent your interests on a state and regional level.

As a former senior vice president of a national telecommunications company with more than 40 years of experience in utility operations and state and federal regulatory/legislative affairs, I am confident in my ability to work with the other trustees, cooperative staff, and local, state and federal policymakers to ensure Victory Electric operates in a safe, reliable manner and members enjoy affordable electric rates.

I would again appreciate your vote for the position of district ten trustee.



PRESIDENT'S REPORT

BOARD OF TRUSTEES EVALUATED AND VOTED TO REORGANIZE BOARD DISTRICTS

As cooperatives grow, like Victory Electric did more than 12 years ago with the acquisition of the Aquila electric properties, they often add more seats to their board of trustees to ensure members have equal representation on the board. From time to time, we need to step back and evaluate the size of the board and consider the best interests of our members.

The last reorganization of Victory Electric board districts was in 2007, at the time of the Aquila acquisition. To ensure the newly acquired members were adequately represented, the board of trustees expanded from nine districts and nine trustees to the current 10 districts and with a 12-member board of trustees.

District lines are drawn in accordance with natural boundaries, common community interests, geographic size, as well as the number of members residing in each district. Although these varying factors are all carefully considered when creating or adjusting boundaries, it would be burdensome to members and challenging logistically if all districts were crafted to maintain an equal number of members in each.

Each year, your board of trustees conducts a review of the districts, as required by Article IV, Section 2, of the cooperative's bylaws. As a result, the decision was made at the January 2019 board meeting

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The goal is to find the right balance. The board was careful to balance the need to make updates that meet a growing and ever-changing membership, while making sure to protect our member's rights.

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to eliminate district nine, currently held by Richard Lightner of Plymell. Members in district nine were divided and moved to either district five or district six, held by trustees Gary Gillespie and Kenny Wehkamp, respectively. These district changes became effective January 31, 2019.

The goal is to find the right balance. The board was careful to balance the need to make updates that meet a growing and ever-changing membership, while making sure to protect our member's rights. Following the announcement that long-time board member Richard Lightner will not seek re-election at the end of his term, the board felt an eleven-member board is sufficient to manage the affairs of Victory Electric, and redistricting is a positive step toward our goal of controlling overall operating costs. Ultimately, more equally distributing the number of members served by a trustee in each district improves trustee accessibility and enhances a member's individual voice.

At the end of the day, the board of trustees wants our members to know you have a voice at your cooperative. As member-elected representatives and as an electric utility owned by those we serve, we are focused making decisions that are in the best interest of all members.

Thank you,

PROPOSED BYLAW CHANGE

Victory Electric's bylaws direct and encourage the board of trustees to review the composition of board districts each year to ensure all members are fairly represented, and to redistrict as needed as long as they maintain between nine and twelve districts.

With the board's recent decision to reduce the number of board districts from ten to nine, a bylaw change is needed to clear up the language. The change allows the board to continue to have the ability review and make changes to the composition of board districts as needed, but also allows for compliance with Article IV, Section 2, Paragraph 1-now and in the future.

As it stands now, Article IV, Section 2, Paragraph 1 states three trustees from districts outside of Dodge City will be up for election each year. With the recent change from 12 to 11 board members, every third year there will only be two trustees up for election, not three. The change modifies the bylaw language to remove the specific reference to three trustees up for reelection each year to trustees are up for election when the incumbent's term of office expires.

CURRENT BYLAWS

Article IV, Section 2: Districts

"The territory served or to be served by the cooperative shall, by the board of trustees, be divided into no less than nine or more than 12 districts. The municipal limits of Dodge City shall comprise one district and shall be represented by three trustees. The board of trustees shall divide the remaining territory of the cooperative into districts considering geographic continuity, population, and the interests of rural, suburban, municipal, commercial and

industrial members. Each individual district outside the district of the City of Dodge City shall be represented by one trustee.

Within ninety days before any meeting of the members at which trustees shall be elected, the board of trustees shall review the composition of the several districts and may reconstitute the districts such that all members shall be represented based upon the considerations mentioned in this section."

Article IV, Section 2, Paragraph 1: Election and Tenure of Office

"At each annual meeting of the members, three (3) trustees shall be elected from the districts outside the district of the City of Dodge City to fill vacancies caused by the expiration of the incumbents' term of office within such districts. One (1) trustee shall be elected at each annual meeting to fill a vacancy caused by the expiration of the incumbent's term of office within the district of the City of Dodge City."

PROPOSED BYLAW CHANGE

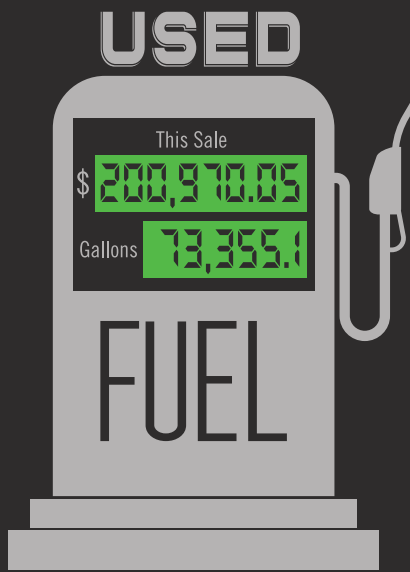
Article IV, Section 2, Paragraph 1: Election and Tenure of Office

At each annual meeting of the members, ~~three (3) trustees~~ a trustee shall be elected from ~~the each districts~~ outside the City of Dodge City ~~to fill vacancies~~ having a vacancy caused by the expiration of the incumbents' term of office ~~within such districts~~. One (1) trustee shall be elected at each annual meeting to fill a vacancy caused by the expiration of the incumbent's term of office within the district of the City of Dodge City

Voting on the bylaw change will take place in-person at the annual meeting.



IN 2018 VICTORY ELECTRIC'S **9** TRUCKS TRAVELED **4880097** MILES



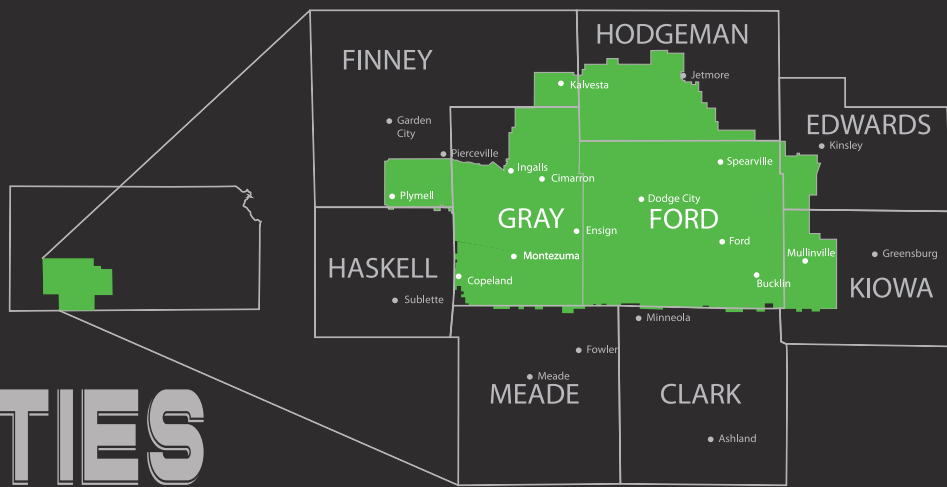
MAINTAINING **3,171 MILES** OF ELECTRIC LINE, EQUIPMENT AND PLANT WORTH **\$112,971,987**

SERVICING **1,098** WORK ORDERS

SETTING UP **197** NEW SERVICES

AND RESTORING **7,640** OUTAGES

ACROSS **2,538** SQUARE MILES IN **9** COUNTIES



TO PROVIDE OUR MEMBERS WITH QUALITY



OFFICIAL NOTICE **>>>**

Notice is hereby given that the annual meeting of the members of The Victory Electric Cooperative Assn., Inc., for the year of 2018, will be held at the Western State Bank Expo Center, Dodge City, Kansas, on Tuesday, April 9, 2019, at 6 p.m. for the following purposes:

1. To hear, review and discuss the reports of officers and trustees.
2. To receive the report of the election results for trustees, one each from District 5, 7 and 10 for a three-year term.
3. To take action upon any and all other matters that may properly come before the meeting.

In connection with the election of the trustees, the following members have been nominated by the nomination committee appointed by the board pursuant to the bylaws:

- District 5: Gary Gillespie, P.O. Box 63 Copeland, KS 67837
- District 7: Jim Ochs, 17609 SW H Road Jetmore, KS 67854
- District 10: Pat Morse, 2003 Circle Lake Drive Dodge City, KS 67801
Russ McBee, 2009 Hart Avenue Dodge City, KS 67801

Members serving on the nominating committee include David Bryant, Calvin Koehn, Brit Hayes, David Dansel, Robert Carlson and Janet Brack.

Dayl Tuben

Secretary/Treasurer
Dated this 26th day of February 2019
The Victory Electric Cooperative Assn., Inc.



VICTORY ELECTRIC EMPLOYEES



Shane Laws – *Chief Executive Officer*
 Rae Jean Amy – *Executive Administrative Assistant*

ACCOUNTING

Angela Unruh – *Chief Financial Officer*
 Jessica Garcia – *Accountant*
 Tami Henry – *Manager of Accounting and Business Analyst*
 Monica Lampe – *Accounting Clerk*
 Sandy Long – *Billing Coordinator*
 Melissa Ruiz – *Accountant*
 Steve Stecklein – *Manager of Plant Accounting*

MEMBER SERVICE

Amy Grasser – *Vice President of Corporate Services*
 Dania Blatnick – *Member Service Representative*
 Rubi Carbajal – *Member Service Representative*
 Haley Evans – *Human Resources Coordinator*
 Alexa Lozano – *Member Service Representative*
 Jessica Mashak – *Member Service Representative*
 Alma Robison – *Member Service Coordinator*

ENGINEERING

Rob Henry – *Vice President of Engineering*
 Cory Ackerman – *Senior Staking Engineer*
 Raymond Brown – *Third Class Meterman*
 Jerry Dick – *Substation Technician*
 Jeff Hubbell – *Electrical Engineer*
 Heith Konecny – *Manager of Metering Technology*
 Kyndell Penick – *Manager of Key Accounts*
 Daniel Pogue – *Staking and Field Engineering Technician*
 Craig Renick – *Substation Technician*
 Jarod Scheve – *Manager of Substation Technology*
 Michael Stefan – *Second Class Meterman*
 Richard Torres – *Substation Technician*

OPERATIONS

Ryan Miller – *Vice President of Operations*
 Eric Speer – *Manager of Operations*
 Ross Ackerman – *Journeyman Lineman*
 Armando Ceja – *Tree Trimming Foreman*
 Tracy Chance – *Journeyman Tree Trimmer*
 Pat Deaver – *Crew Chief*
 Jeremy Elling – *Journeyman Lineman*
 Kevin Freeman – *Journeyman Lineman*
 Tanner Gemaehlich – *Second Class Lineman*
 Jason Gier – *Second Class Lineman*
 Austin Gooder – *Fourth Class Lineman*
 Kade Henry – *Crew Chief*
 Marlon Hernandez – *Second Class Lineman*
 Sam Howieson – *Groundman*
 Phil Huffman – *Journeyman Lineman*
 Chris Konrade – *Journeyman Lineman*
 Kirk Konrade – *Journeyman Lineman*
 Jacob Ledford – *Journeyman Lineman*
 Colton Lee – *Groundman*
 Jeff Martinez – *Second Class Lineman*
 Ted McAtee – *Journeyman Lineman*
 Shea Ricke – *Crew Chief*
 Jason Rohr – *Crew Chief*
 Jesus Ruiz – *Journeyman Lineman*
 Paul Schmidt – *Crew Chief*
 Mike Shewey – *Crew Chief*
 Kevin Sprott – *Mechanic*
 Clayton Stein – *Journeyman Lineman*
 Kody Stockton – *Groundman*
 Nate Stormont – *Journeyman Lineman*
 Justin Straight – *Crew Chief*
 Tyler Trent – *Groundman*

COMMUNICATIONS

Jerri Whitley – *Vice President of Communications*
 Carleigh Albers – *Communications Coordinator*
 Allison Doll – *Communications Coordinator*

INFORMATION TECHNOLOGY

Denzil McGill – *Vice President of Information Technology*
 Brad Ackerman – *Senior Information Technology System Analyst*
 Brent Nau – *Business Intelligence Analyst*
 Erica Penney – *Information Technology Analyst*

SAFETY AND PLANT

Mikey Goddard – *Vice President of Safety*
 Michael Clark – *Manager of Plant*
 Jason Guillen – *Warehouse Clerk*
 Roy Hampton – *Warehouse Clerk*
 Larry Schneweis – *Senior Warehouse Clerk*



« LIGHTNER COMMUNITY SPIRIT SCHOLARSHIPS

Victory Electric was a proud sponsor of the Lightner Community Spirit Scholarship program in 2018.

The scholarship program was open to eligible high school seniors and college students and was designed to recognize students who have demonstrated academic success as well as showing commitment to bettering their communities.

Last spring, ten local students whose families are served by Victory Electric each earned a \$1,000 Lightner Community Spirit Scholarship.

- » **Aidan Trent** of Dodge City, son of Kerry Trent, senior at Dodge City High School.
- » **Andrea Bryant** of Cimarron, daughter of Gary and Melinda Bryant, junior at Kansas State University.
- » **Derek Bogner** of Cimarron, son of Jeff and Chandra Bogner, senior at Cimarron High School.
- » **Faith Imel** of Bucklin, daughter of Matt and Danielle Imel, senior at Bucklin High School.
- » **Haylee Brown** of Ensign, daughter of Tim and Jackie Brown, senior at South Gray High School.
- » **Justin Morrison** of Cimarron, son of Clint and

- Loretta Morrison, senior at Cimarron High School.
- » **Kameron Lowery** of Dodge City, daughter of Matt and Tavi Lowery, senior at Dodge City High School.
- » **Madelyn Wright** of Dodge City, daughter of Brendan Wright and Dawnelle Priest, senior at Dodge City High School.



...designed to recognize students who have demonstrated academic success as well as showing a commitment to bettering their communities.



- » **Mireya Chacon** of Dodge City, daughter of Mario and Idalia Chacon, senior at Dodge City High School.
- » **Sydney Foster** of Dodge City, daughter of Dave and Summer Foster, senior at Dodge City High School.

“We congratulate the 2018 scholarship winners and are proud to reward the students for their academic success and dedication to their community,” said Shane Laws, Victory Electric CEO. “As a not-for-profit cooperative, one of our guiding principles is ‘Commitment to Community,’ and I can’t think of a better way than a scholarship program to give back to the communities we serve and encourage youth to be involved in their own community.”

The name of the scholarship honors the Lightner family of Plymell, Kansas. Richard Lightner served on Victory Electric’s board of trustees for 37 years and his father, George, served 31 years previous. Both strongly supported community and youth programs.

To be eligible, each applicant must be an active member in good standing with the cooperative or a dependent of such member. An applicant must be a current student or entering an accredited technical school, college or university.

Victory Electric offers scholarships each year. More information and the application form are on our website.



LOCAL YOUTH RECOGNIZED »»

STUDENTS SELECTED TO TRAVEL WITH YOUTH TOUR PROGRAM

Victory Electric sponsors local high school juniors to attend two unique trips and learn about rural electric cooperatives and leadership opportunities.

During the Electric Cooperative Youth Tour, students join 1,800 other youth who represent cooperatives across the nation in Washington, D.C. Students visit monuments, museums and tour Capitol Hill to learn more about how our government works. Winning the 2018 trip were Regan Rhodes, Mullinville, and Cody Frink, Cimarron (top left).

At Cooperative Youth Leadership Camp in Steamboat Springs, Colorado, students join youth from Colorado, Kansas, Oklahoma and Wyoming.

Campers form a mock cooperative, participate in leadership activities, visit a power plant, and learn about the electric cooperative industry. Attending camp were Aria Knedler and Alejandro Rangel, both of Dodge City (top right photo).

Four winners, two for each trip, are selected each fall from eligible local high school juniors. Students must submit a résumé, two short essays, two letters of recommendation, and interview with a panel of judges.

The experiences of the 2018 youth tour students will be featured at the annual meeting, and we also look forward to introducing you to the new 2019 winners.

BRING THIS REGISTRATION CARD TO THE ANNUAL MEETING

Victory Electric’s annual meeting is Tuesday, April 9, at the Western State Bank Expo Center, located at 11333 U.S. Highway 283.

- » Be sure to bring this registration card to the annual meeting and register at the door.
- » 5 p.m.
 - Registration begins**
 - Dinner served: steak, baked potato, green beans, dinner roll and cake
- » 6 p.m.
 - Business meeting
 - Vote on proposed bylaw change
 - Results of trustee election
 - Brief cooperative reports

***A registration gift will be given to residential members who attend the annual meeting. Bring this card to redeem your gift at the end of the meeting. Limit of one gift per residential member.*

Quick Tip:
If the service you are paying is not in your name, please call us to request a transfer prior to the meeting. Remember, capital credits are being accrued in the name on the account.

WE LOOK FORWARD TO SEEING YOU THERE!



Aidan Trent Andrea Bryant Derek Bogner Faith Imel Haylee Brown Justin Morrison Kameron Lowery Madelyn Wright Mireya Chacon Sydney Foster



A Touchstone Energy® Cooperative 
3230 North 14th Ave.
Dodge City, Kansas 67801



For all your Victory Electric news and events and to stay in touch, we encourage you to visit us online. You can pay your bill, see outage updates, a calendar of events, energy efficiency and safety tips, and more.



VICTORYELECTRIC.NET
FACEBOOK.COM/VICTORYELECTRIC
TWITTER.COM/THEVICTORYELEC



*To view the annual report in Spanish, please visit our website at victoryelectric.net.
Para ver el informe anual en español, visite nuestro sitio web en victoryelectric.net.*