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Electronews

The Victory Electric Cooperative Assn., Inc.

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CEO MESSAGE

It Pays to be a Cooperative Member

Victory Electric approves \$2.1 million in capital credits



Shane Laws

As a member of the cooperative, you share in the margins in the form of capital credit refunds. Unlike other electric utilities, electric cooperatives exist to make sure your needs are always met, not to make a profit. The allocation and retirement (refund) of capital credits is one of the most unique and rewarding benefits of being a Victory Electric Cooperative member.

The Victory Electric Board of Trustees recently approved the retirement of \$2.1 million in capital credits. In December, \$563,000 will be paid to members who purchased electricity between 1995 and 1998. This capital credit refund reflects the contribution of capital to the cooperative during those years. Over time, those funds helped Victory

Electric stabilize rates and reduce the amount borrowed to build, maintain and expand the distribution service providing our members with safe, reliable power. It also helped to build and sustain the cooperative in an industry experiencing massive changes and even more technological advances.

At the 2020 annual meeting, the members voted to give the board of trustees more flexibility in determining the timing and method of retiring capital credits. The board chose to exercise this flexibility to retire \$1,537,000 received from the capital credit distributions of our three power suppliers, otherwise known as generation and transmission (G&T) cooperatives, to Victory Electric members who purchased electricity in 1995, 1996, 2008 and 2012.

How Do Capital Credits Work?
After taking all expenses into account, revenue left over when Victory Electric

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Offices Closed for Thanksgiving

Our offices will be closed Thursday, Nov. 26, and Friday, Nov. 27, in observance of the holiday. From our co-op family to yours, Happy Thanksgiving!



Three Promoted to Third Class Linemen

Victory Electric Vice President of Operations Ryan Miller recently announced **COLTON LEE, AUSTIN GOODER** and **TYLER TRENT** have been promoted to third class linemen.

This achievement is another step to complete their journeyman lineman certifications. To become a journeyman, each lineman must have a combination of four years of experience and successfully pass exams covering material studied in four textbooks. For every textbook, there are 10 exams. There is also a final cumulative exam of all four textbooks. These three linemen have completed and passed their second textbook and the coinciding 10 exams, earning them their next class of certification.

“I’m glad to be moving on to the next step of my career as a lineman. A lot of hard work and experience goes into each step of becoming a journeyman,” Lee said. “This promotion was no exception.”

Although their studying and on-the-job learning are far from over, this promotion will allow the linemen to take on more challenging work while on job sites.

“I am eager for the opportunity to do more hot work with more complicated lines,” Gooder said. “This promotion will

allow me to do that while I work toward earning my next goal.”

All three of the linemen agreed this promotion is just part of reaching their ultimate

goal of achieving their journeyman certifications. Journeyman is the highest lineman classification, and becoming a journeyman lineman is a goal all linemen strive to attain in their career.

“It feels great to get the promotion and know I am completely done with another textbook,” Trent said. “It’s just another step closer to my journeyman.”

Congratulations Colton, Austin, and Tyler, and we look forward to your continued success!



Austin Gooder



Colton Lee



Tyler Trent

Co-ops Love Local

National Co-op Month Celebrated with Gift Certificate Giveaways

Each dollar spent at local, independent businesses returns three times more money to the local economy than shopping at a chain or mega online retailer. Local businesses are the heart and soul of our communities and we are incredibly lucky to have vibrant, diverse, and resilient small businesses in our area, despite the challenges presented by COVID-19.



Member Services Representative Brenda Hertel (right) presents Co-ops Love Local giveaway winner Susan Bennett with a \$50 gift certificate to a locally-owned business.

Giving back to the community is woven into the cooperative spirit and to help boost spirits, support local small businesses, and to bring the power of caring to the communities we serve, Victory Electric celebrated National Co-op Month in October with our new Co-ops Love Local campaign.

Co-ops Love Local benefitted 50 community members through a giveaway of 50 gift certificates in the amount of \$50 each.

Each Monday in October, drawings were held via Victory Electric’s Facebook page and website where 50 members entered and won a \$50 gift certificate purchased from 50 different locally-owned businesses.

“From serving our members to giving back to the community, this is what we do,” said Jerri Whitley, Victory Electric vice president of communications. “It fits well with one of our seven core cooperative principles, Concern for Community.”

The Dodge City Area Chamber of Commerce rolled out their Love Local campaign in September in an effort to help support and revive local small businesses and the economy. Victory Electric developed Co-ops Love Local in conjunction and in partnership with the Dodge City Area Chamber of Commerce campaign.

It Pays to be a Co-op Member Continued from page 16A ▶

closes its books each year are considered margins. For an investor-owned utility, margins represent profit for its investors and stockholders. Being a member of a cooperative like Victory Electric, any margins (capital credits) are returned to YOU, instead of outside investors. This is the big difference between cooperatives and other types of utilities.

Margins are allocated to members each year based on how much electricity you used in that given year and retired (paid back) to members at a later date. Between the year the margins are allocated and the time they are retired to members, the funds are used to help Victory Electric stabilize rates and reduce the amount required to borrow from traditional lenders to build, maintain and expand our electrical system.

Commitment to Our Members

Victory Electric's board of trustees is committed to retiring capital credits with fairness to all members and former members within the authority granted to the board by the bylaws, while maintaining a healthy financial state for the cooperative. Capital credit management requires reliable information, a commitment to the financial health of the cooperative, and an obligation to the members. The board must balance the equity of today's members against the equity of both yesterday's members and tomorrow's members.

While margins are allocated to members every year, the board of trustees is responsible for determining when and how much capital credits are retired based on the financial condition of the cooperative. The board of trustees and management at Victory Electric work to implement sound financial strategies aimed at increasing the equity level to the threshold required to retire capital credits.

With the upcoming December retirement, 100% of capital credits allocated through 1997 and 46% of 1998 will have been paid out to Victory Electric's members.

Updated Contact Information

When you move and no longer have service with Victory Electric, it is important you provide us with an updated address to ensure future capital credit refunds can be mailed to you.

Also, remember you must be a member and have service in your name to have capital credits allocated/retired to you. If you are receiving electric service with someone else's membership or the service is in the name of a deceased person, you will not receive capital credits. Capital credits are non-transferrable and any current or future capital credit retirements will be issued in the name of the person on the membership or the estate of a deceased member.

Reliable electricity and extraordinary service at the lowest possible cost, that is Victory Electric's promise to you.

THANKS, SHANE



Victory Electric Conducts Pole Inspections in Copeland, Spearville and Wright

As is the case with most electric utilities, Victory Electric uses wooden poles. Even though the poles are initially treated to resist decay, over time all wooden poles will deteriorate and ultimately need to be replaced. The decay rate varies depending upon soil type, moisture levels, temperatures, and the type of wood the pole is derived from.

To help maintain system reliability, a sample of Victory Electric's power poles is tested periodically, just as Sundance Power Pole Inspections, a contractor for Victory Electric, completed in September and October. The pole inspection process involved a visual inspection of poles in which they searched for significant cracks, signs of termite and carpenter ant activity, or other defects that may result in pole failure and/or rejections.

While a visual inspection is valuable and essential in evaluating the overall condition of the pole, any internal decay below the ground line would go undetected if not for our pole inspections. The majority of decay in a wooden pole occurs in the first 18 inches below the ground line. Inspectors



The majority of decay occurs in the first 18 inches below the ground. Inspectors bore into the pole at an angle to locate any pockets of decay below the ground.

then complete a sound and bore test of the pole, where they expose the pole below the ground line, bore the pole at an angle in two different locations, determine the size of the decayed pocket below the ground line and sound the pole above the ground line with a hammer observing if the decayed pocket extends above the ground line.



After boring, Sundance PPI inspectors use a hammer sound test to see if a decayed pocket extends above the ground line.

In addition to pole inspection, the inspectors also replaced broken or missing guy guards and fixed broken pole grounds.

By regularly testing and inspecting electric pole integrity and strength, Victory Electric lowers total risk and increases the reliability and safety of our electric system. It also helps ensure the poles are safe and any problems can be addressed before the poles break.

Once the inspection was complete, Victory Electric crews began the process of replacing any poles and infrastructure identified in the testing as needing to be repaired or replaced. If the integrity and strength of a pole were compromised and considered dangerous, Victory Electric crews were notified to replace the pole(s) immediately.



SAVE THE DATE:

PARADE OF LIGHTS

NOVEMBER 30, 2020

see victoryelectric.net for details