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COUNTRYLiving

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ANNUAL

Meeting

**ANNUAL
REPORT**
Inside



The Sedgwick County Electric
Cooperative Association, Inc.

Tuesday, April 8, 2025

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

Andy Riggs
IT Manager

Cindy Kill
Member Services Director

Ashton Ryder
Accountant

Jennifer Krehbiel
Billing Specialist

Julie Griffin
Billing/Accounting Assistant

Amy Dockers
Accounting Assistant

Tim Rosenhagen
Staking Engineer

Scott Leis
Assistant Staking Engineer/Warehouseman

Mark Hansen
Foreman

Tommy Hill
Foreman

Victor Ayala
Journeyman Lineman

Ean Anders
Apprentice Lineman

Tagen Kippes
Apprentice Lineman

Kade Wahlers
Apprentice Lineman

Blake Stucky
Equipment Operator/Groundman

Josh Wood
Equipment Operator/Groundman

Robert Lacy
Serviceman

Board of Directors



CLINT DEVORE
Territory 5

PRESIDENT



CINDY FOSTER
Territory 1

VICE PRESIDENT



REX SMITH
Territory 3

SECRETARY/TREASURER



JOSEPH BAALMANN
Territory 7

DIRECTOR



JOSEPH GASSMANN
Territory 4

DIRECTOR



EUGENE SCHEER
Territory 6

DIRECTOR



STEPHANIE SEILER
Territory 8

DIRECTOR



ALAN SMARSH
Territory 2

DIRECTOR



STAN THEIS
Territory 9

DIRECTOR



SCOTT AYRES

CEO/GENERAL MANAGER



DANIELLE DAVEY

GENERAL COUNSEL

SEDGWICK COUNTY ELECTRIC EMPLOYEES

BACK ROW (FROM LEFT): Kyle Pipkin, Line Superintendent; Andy Riggs, IT Manager; Tim Rosenhagen, Staking Engineer; Scott Leis, Assistant Staking Engineer/Warehouseman; Kade Wahlers, Apprentice Lineman; Victor Ayala, Journeyman Lineman; Blake Stucky, Equipment Operator/Groundman; Robert Lacy, Serviceman; Josh Wood, Equipment Operator/ Groundman; Tagen Kippes, Apprentice Lineman; Mark Hansen, Foreman; Ean Anders, Apprentice Lineman; Tommy Hill, Foreman; and Scott Ayres, CEO/General Manager.

FRONT ROW (FROM LEFT): Cindy Kill, Member Services Director; Amy Dockers, Accounting Assistant; Ashton Ryder, Accountant; Lora Alloway, Office Manager; Jennifer Krehbiel, Billing Specialist; Julie Griffin, Billing/ Accounting Assistant; and Jo Luehrs, Executive Assistant.



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The Sedgwick County Electric
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Tuesday, April 8, 2025

DOORS OPEN AT 6:15 P.M.

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FROM THE CEO/GENERAL MANAGER

2025 CEO Report



Scott Ayres

Please accept our invitation to attend the 87th Annual Meeting of Sedgwick County Electric Cooperative. The meeting and meal are free for co-op members and will be held Tuesday, April 8, 2025, at The Cotillion. Registration will begin at 6:15 p.m. 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 a \$10 bill

credit for attending the annual meeting.

Your co-op completed the year 2024 in good financial shape and looks forward to serving your energy needs for many years to come. Your co-op finished 2024 with margins totaling \$576,063. This was below the \$1,732,977 margins in 2023 and enough to meet our mortgage requirements. This good financial position allowed the board of directors to approve the general retirement of 100% of the capital credits from the 2007 patronage totaling approximately \$433,170. 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 that are vital to the success of our communities. Upgrading and maintaining infrastructure is very important to the reliability of the system. Our current comprehensive construction work plan calls for more than \$6 million in infrastructure upgrades in the next four 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 overhead and underground conductor.

The largest project is the upgrading of our metering technol-

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 87 years later we are still committed to serving and improving the communities we power.

ogy. Not only will this innovative technology improve reliability and reporting, but also increase accuracy and speed in detecting potential issues. In some cases, we may be able to fix a problem before members even recognize an issue. New meters will increase the speed of reporting outages and allow the co-op to be more efficient in restoration.

The increased reliability and the financial condition of our co-op are due in 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 board of directors, I would like to thank all the employees and the members of Sedgwick County Electric Cooperative for your support and your commitment to making Sedgwick County Electric a co-op we can all be proud of.

While continuing our commitment to improved reliability, your co-op board and management remain mindful of the need to maintain reasonable rates. We continually scrutinize our operations of the co-op 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. Prices in some cases have doubled, and we are now seeing lead times on materials in excess of one year. We continue to work with our suppliers to manage our inventory and ensure we use all our resources to contain costs.

Continued on page 12B ▶

2024 CEO Report

Continued from page 12A ▶

I would also like to thank you, our members, for your ongoing support in the past year. Your support through letters, emails, posts on social media, and calls were appreciated by the employees who work hard to bring you the best service possible. Co-op members — our member-owners — are the key to our success.

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

Change is a constant force at today's co-op. We are focused on providing your co-op with the tools you need to help navigate change in its many forms. The growing interest in electric vehicles, the expanding use of smart household appliances, and renewable energy opportunities all hinge on the reliability and affordability of electric service. It is also critical that we continue to serve all members in our growing communities as this transition moves ahead.

Amid this change the focus of your electric co-op remains unchanged. Our priority is reliably keeping the lights on at a cost local families and businesses can afford. Our goal is to help members save money without sacrificing comfort or convenience. The focus on reliability and resiliency of the electric grid that affordably keeps the lights on is the cornerstone of American energy security and the national economy. I believe we need to be visionary as we build a co-op to serve the members of tomorrow. We need to make smart investments and develop robust programs that will 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.

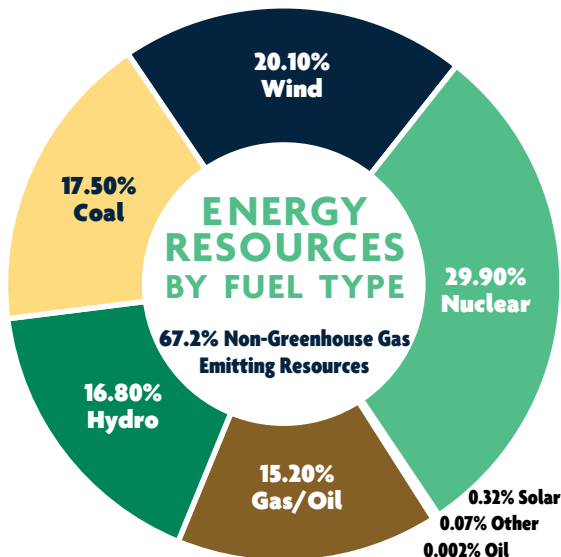
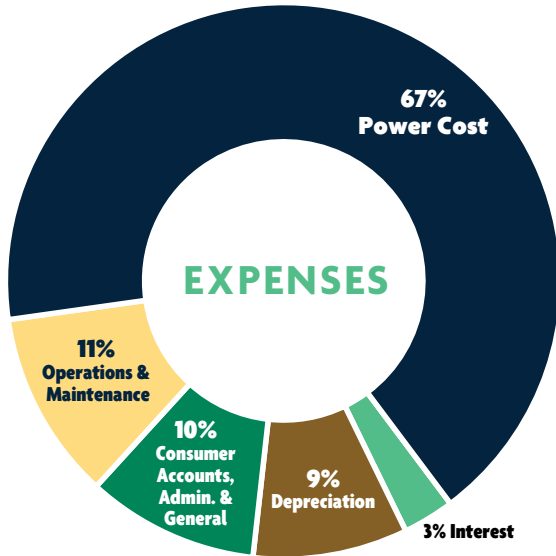
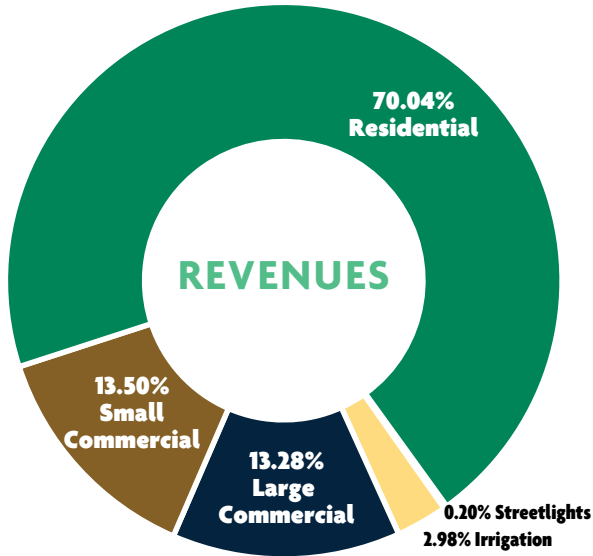
Financial Report

BALANCE SHEET AS OF DEC. 31, 2024

ASSETS	2024	2023	2022
Lines, Buildings, and Operating Equipment	\$46,921,668	\$41,112,374	\$38,595,849
Less Accumulated Provision for Depreciation	\$19,899,870	\$18,547,779	\$17,187,060
Net Value of Plant	\$27,021,798	\$22,564,595	\$21,408,789
Cash	\$136,240	\$178,146	\$132,884
Investments	\$-	\$-	\$-
Long-Term Investments in Associated Organizations	\$391,153	\$391,153	\$391,153
Patronage Capital — KEPCo & Others	\$6,707,235	\$6,612,480	\$6,402,071
Accounts Receivable	\$1,565,166	\$1,731,426	\$1,942,233
Material & Supplies	\$1,806,349	\$2,154,389	\$1,818,172
Prepayments — Power Bill, Insurance, & Others	\$3,630,577	\$2,493,458	\$3,497,194
Deferred Debits — Prepaid Pension & Others	\$954,979	\$1,043,480	\$1,141,659
TOTAL NET ASSETS	\$42,213,497	\$37,169,127	\$36,734,155
LIABILITIES			
Long-Term Debt	\$15,879,304	\$12,378,546	\$12,849,924
Consumer Deposits & Accrued Liabilities	\$924,832	\$848,159	\$758,691
Accounts Payable	\$1,210,775	\$926,471	\$1,155,157
Deferred Credits	\$1,641,969	\$416,848	\$531,858
TOTAL LIABILITIES	\$19,656,880	\$14,570,024	\$15,295,630
MEMBER EQUITY			
Patronage Capital & Other Equities	\$16,647,539	\$16,733,645	\$15,716,898
Patronage Capital from KEPCo	\$5,909,078	\$5,865,458	\$5,721,627
TOTAL MEMBER EQUITY	\$22,556,617	\$22,599,103	\$21,438,525
TOTAL LIABILITIES AND MEMBER EQUITY	\$42,213,497	\$37,169,127	\$36,734,155

OPERATING STATEMENT FOR YEAR-ENDING DEC. 31, 2024

	2024	2023	2022
OPERATING REVENUE	\$19,645,747	\$19,698,746	\$20,834,098
Purchase Power Cost	\$13,092,242	\$12,684,766	\$13,805,040
Operation and Maintenance Expenses	\$2,051,979	\$1,833,040	\$1,695,270
Consumer Accounting, Sales, Administrative and General Expenses	\$1,908,219	\$1,926,273	\$1,758,113
Depreciation	\$1,754,701	\$1,422,162	\$1,259,932
Taxes (Included in Operations and Maintenance)	\$-	\$-	\$-
Interest Expenses and Misc. Deductions	\$598,919	\$522,842	\$526,507
TOTAL COST OF SERVICE	\$19,406,060	\$18,389,083	\$19,044,862
OPERATING MARGINS	\$239,687	\$1,309,663	\$1,789,236
O-TIER (1.10 REQUIRED)	1.42	3.69	4.50
Non-Operating Margins	\$251,381	\$227,657	\$102,132
G&T Capital Credits	\$84,995	\$195,657	\$115,490
TOTAL MARGINS	\$576,063	\$1,732,977	\$2,006,858



2024 FACTS & FIGURES

153,885,889

TOTAL kWh SALES

\$14,360,231

TOTAL CAPITAL CREDITS PAID TO MEMBERS

\$46,921,668

PLANT INVESTMENT

\$433,170

CAPITAL CREDITS PAID TO MEMBERS THIS YEAR FROM 2007

\$471,902

PROPERTY TAXES EXPENSED

12.70¢

AVERAGE PRICE PER kWh SOLD

8.09¢

POWER COST PER kWh PURCHASED

8,110

ENERGIZED METERS UP FROM 7,753 IN 2023

1,254

kWh/RESIDENTIAL MEMBER PER MONTH DOWN FROM 1,278 IN 2023

7.04

HOURS OF INTERRUPTION PER MEMBER

APRIL 9, 2024

THE SEDGWICK COUNTY ELECTRIC COOPERATIVE ASSOCIATION, INC.

86th Annual Meeting Minutes

The 86th Annual Meeting of The Sedgwick County Electric Cooperative Association, Inc. was held at The Cotillion in Wichita, Kansas, on April 9, 2024. President Clint DeVore called the meeting to order at 7 p.m. Father Duling 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, Attorney Danielle Davey, special guests, 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 85th annual meeting be approved as printed in the notice and omit reading. A motion was made and seconded to omit reading and accept the 85th 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 2023 in a good financial position. He stated that 100% of capital credits from 2006 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 60%, and have a good financial position to fund our construction, maintenance and operational needs. With the continued growth of new homes and businesses, energy sales remained steady for the cooperative in 2023.

Manager Ayres called on Attorney Danielle Davey to read the names of those running for the position of director as follows: Territory 4 — **DONALD METZEN**, Territory 5 — **CLINT DEVORE**, and Territory 6 — **EUGENE SCHEER**. Attorney Davey asked if any candidate would like to address the membership prior to the casting of ballots. Candidates declined to speak. Attorney Davey 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 2024 youth program winners. Noah Deitz of Cheney High School, son of Steve and Lydia Dietz, will attend the Electric Cooperative Youth Tour to Washington, D.C., and receive a \$500 scholarship. Clare Munn of Bishop Carrol High School, daughter of David and Lisa Munn, will attend the Cooperative Youth Leadership Camp near Steamboat Springs, Colorado, and receive a \$500 scholarship. Sedgwick County Electric awarded two additional \$500 scholarships to Trinity

Griffin of Cheney High School, daughter of Jarrett and Julie Griffin, and Olivia Brownell of Goddard High School, daughter of Craig and Virginia Brownell.

Manager Ayres called upon the 2023 youth program winners Levi Self and Mesa Bradbury to speak about their cooperative sponsored trips.

Manager Ayres called upon Attorney Davey to announce the director election results. Those elected for a three-year term were: Territory 4 — **DONALD METZEN**; Territory 5 — **CLINT DEVORE**; and Territory 6 — **EUGENE SCHEER**.

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 86th annual meeting officially adjourned at 7:48 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 directors and employees and thanked them for their service to the cooperative: Director Eugene Scheer for 35 years; Director Rex Smith for 30 years; Foreman Mark Hansen for 15 years; and Member Services Director Cindy Kill for 10 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 and drew for prizes.

REX SMITH, SECRETARY-TREASURER

RECEIVE A \$10 BILL CREDIT FOR ATTENDING!

REGISTRATION

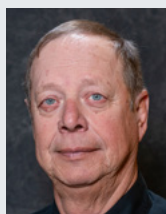
Ticket

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

\$100 Cash

2025 Board of Directors Candidates

TERRITORY 7



JOSEPH BAALMANN
Incumbent

CO-OP AFFILIATION: Director of Sedgwick County

Electric Co-op and member for over 30 years.

OCCUPATION: Cow/Calf Farmer

OTHER AFFILIATIONS: Treasurer of Spring Creek Watershed District 16, member of St. Anthony of Padua Catholic Church, third degree member of Knights of Columbus No. 3114, fourth degree member of Knights of Columbus, Father Stanley Rother Assembly 3336, Farmers Co-op Elevator member, KANZA (Andale), Garden Plain and Conway Springs.

EDUCATION: Graduate of Goddard High School; OSU certified trainer for OSHA for General Industry and HAZMAT; KDOT anger management certified. Baalmann continues his Director education by maintaining the NRECA Credentialed Cooperative Director, Board Leadership certificates and has also earned his Director Gold Credential.

I want to continue serving my community in an effort to keep energy rates in check for all residential, agricultural and commercial users of our co-op. There have been many advancements in the technology of solar, wind and fossil fuel resources. We need to use those advancements when possible to maintain and operate our co-op so that we can provide all members power at an affordable rate for years to come.

TERRITORY 8



STEPHANIE SEILER
Incumbent

CO-OP AFFILIATION: Director of Sedgwick County Electric Co-op and member for over 25 years.

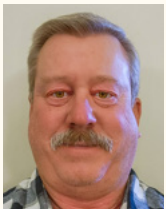
OCCUPATION: Eaton

Roofing & Exteriors — Business Development

OTHER AFFILIATIONS: Member of St. Catherine of Siena Catholic Church, volunteer weekly at St. Elizabeth Ann Seton in a second grade classroom. I enjoy playing pickleball as often as I can.

EDUCATION: Degree from Fort Hays State University in elementary education.

I would like to continue to be a board member of our rural electric cooperative to help ensure reliable, affordable and sustainable energy for our community. I hope to advocate for smart energy solutions and work collaboratively to meet the evolving needs of our cooperative members.



VIRGIL ALBERT

CO-OP AFFILIATION: Sedgwick County Electric member for over 27 years.

OCCUPATION: Grain and beef cattle farmer

OTHER AFFILIATIONS:

Former 4-H leader and beef superintendent with Andale Jet 4-H club and Sedgwick County 4-H. Current member of St. Joseph parish Andale, and fourth degree member of Knights of Columbus Council 2217 Andale. Retiree of Vulcan Chemicals/Occidental Chemical Corp after 31 years of service.

I am running for the board of directors position because I would like to help represent our members and with our co-op growing at a steady rate, I'd like the opportunity to help the board make good decisions to keep Sedgwick County Electric thriving and moving forward.

TERRITORY 9



STAN THEIS *Incumbent*

CO-OP AFFILIATION: Director of Sedgwick County Electric Co-op and member for over 38 years.

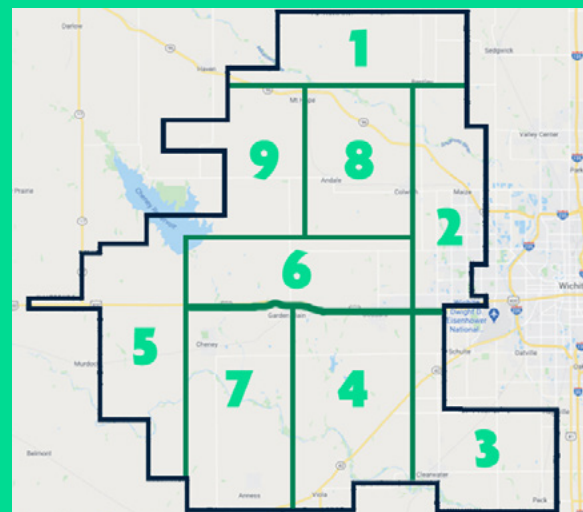
OCCUPATION: Cattle and grain farmer.

OTHER AFFILIATIONS: Sumner

Township trustee for 21 years and member St. Joseph's Catholic Church, Andale. Farmers Co-op Elevator Company member, Andale, Garden Plain and Mt. Hope.

EDUCATION: Graduate of Andale High School; Theis continues his Director education by maintaining the NRECA Credentialed Cooperative Director, Board Leadership certificates and Director Gold certification.

TERRITORY MAP



▶ **TERRITORY 7** — East of 407th Street W. (170th Avenue), West of 295th Street W., South of US 54

▶ **TERRITORY 8** — East of 279th Street W., South of 109th Street N., West of 167th Street W., North of 29th Street N.

▶ **TERRITORY 9** — South of 109th Street N. (Irish Creek Road), West of 279th Street W., North of 29th Street N. (Smoots Creek Road)

↑ BRING THE REGISTRATION CARD ABOVE WITH YOU TO THE ANNUAL MEETING. ↑

NOTICE OF 2025
ANNUAL
Meeting



The Sedgwick County Electric
Cooperative Association, Inc.

Tuesday, April 8, 2025

DOORS OPEN AT 6:15 P.M.

THE COTILLION | 11120 W. KELLOGG, WICHITA, KANSAS

The 87th Annual Meeting of the Sedgwick County Electric Cooperative Association, Inc. will be held at The Cotillion, 11120 W. Kellogg, Wichita, Kansas, on **TUESDAY, APRIL 8, 2025**. Doors open at 6:15 p.m. Dinner begins at 6:30 p.m. and the meeting will follow immediately after the meal.

- ▶ 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.

REX SMITH, 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 **\$433,170** have been distributed to members who received service from the cooperative in 2007.

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