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2731 Milo Terr.
Lebo, KS 66856

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9346 Jewell Rd.
Fredonia, KS 66736

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2501 W. 18th Ave., Ste. B
Emporia, KS 66801

4 RIVERS ELECTRIC COOPERATIVE, INC.

2021 ANNUAL REPORT

4 Rivers Electric Cooperative, Inc.

Board of Trustees

Michael Springer
President

Robert Converse
Vice-President

Gene Huston
Secretary

Larry Felts
Treasurer

Tom Ayers
Trustee

Randall Bunnel
Trustee

Nick Frankenbery
Trustee

Robert Harkrader
Trustee

Stacy Heins
Trustee

David Kunkel
Trustee

Warren Schmidt
Trustee

Sandy Smith
Trustee

Carol Wehmeyer
Trustee

Staff

Dennis Svanes
General Manager/CEO

Mark Doebele
Assistant General Manager/COO

Roger Cole
CFO

Ken Caudell
Manager of Member and Corporate Services

FROM THE BOARD PRESIDENT

2021 President's Report



Michael Springer

Your annual meeting of 4 Rivers Electric Cooperative members will be held March 28 at Memorial Hall in Independence.

The annual meeting of members

is your opportunity to come together with your fellow cooperative member-owners and staff to hear the state of the cooperative and ask questions. The outcome of the trustee election will be announced at the meeting, and cooperative business will be reviewed. This year we are planning to serve dinner before the meeting. Registration and dinner will begin at 5 p.m., with the annual meeting commencing at 7 p.m.

Just to review a few of the accomplishments of the past year — the board held its first 4 Rivers strategic planning session in January 2021. The board set goals for the cooperative and adopted our mission statement — “Serving and Caring” — which summarizes 4 Rivers Electric’s intentions for our members, community and employees.

The goals set by the board focus on long-term planning for electric system improvements, financial planning for those improvements, operational planning, communications, cybersecurity, safety and employee training. While those goals span multiple years, several of them have been completed or are currently nearing completion.

Last fall, the board approved a four-year work plan designed to improve power quality and reliability, along with a loan application to finance the work

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Official Notice of Annual Meeting

MARCH 1, 2022

GENE HUSTON, SECRETARY 4 RIVERS BOARD OF TRUSTEES

The 2022 Annual Meeting of the members of 4 Rivers Electric Cooperative, Inc. will be held at Independence Memorial Hall, 410 N. Pennsylvania Ave., Independence, Kansas, on Monday, March 28, 2022. The meeting will begin at 7 p.m., with an evening meal and registration beginning at 5 p.m.

Annual meetings are an important part of 4 Rivers Electric Cooperative and give you, the members, the opportunity to participate in cooperative business.

MEETING AGENDA

- ▶ Call to Order
- ▶ Verification of Quorum
- ▶ Consideration of Official Notice of Meeting
- ▶ Action on 2021 Annual Meeting Minutes
- ▶ Cooperative Reports
- ▶ Guest Speaker
- ▶ Trustee Election Results
- ▶ Other Business
- ▶ Adjournment

FINANCIAL REPORTS

Statement of Operations

YEARS ENDED DEC. 31, 2020 AND 2021

	2021	2020
OPERATING REVENUE	\$26,296,297	\$24,789,712
OPERATING EXPENSES		
Cost of Power	12,941,126	11,895,925
Power Production	145,582	134,664
Operating & Maintenance	4,487,193	4,328,925
Customer Service	812,693	933,254
Administrative & General	2,595,740	2,425,619
Depreciation	2,781,810	2,728,766
Interest	1,363,386	1,479,744
Other	4,053	19,848
Total Operating Expenses	25,131,583	23,946,745
OTHER COOPERATIVE CAPITAL CREDITS	260,050	190,298
NET OPERATING MARGIN	1,424,764	1,033,265
OTHER INCOME	1,409,275	176,074
NET MARGIN	2,834,039	1,209,339

Balance Sheet DEC. 31, 2020 AND 2021

	2021	2020
ASSETS		
Net Utility Plant	\$62,337,493	\$60,477,872
Other Property and Investments	10,364,150	10,193,583
CURRENT ASSETS		
Cash and Equivalents	1,595,747	3,259,491
Accounts Receivable	2,207,811	2,380,512
Materials and Supplies	196,913	154,389
Other	183,332	3,846
Total Current Assets	4,183,803	5,798,238
Deferred Debits	174,514	282,766
Total Assets	77,059,960	76,752,459
EQUITIES AND LIABILITIES		
EQUITIES		
Patronage Capital	34,562,077	33,362,082
Other Equities	2,435,615	1,257,114
Total Equities	36,997,692	34,619,196
LONG-TERM DEBT	34,851,716	35,919,112
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	1,582,000	1,589,000
Other Notes Payable	-	1,069,310
Accounts Payable	1,150,382	1,356,151
Other Current Liabilities	2,224,625	2,074,079
Total Current Liabilities	4,957,007	6,088,540
DEFERRED CREDITS	253,545	125,611
Total Equities and Liabilities	77,059,960	76,752,459

2021 President's Report Continued from page 12A ►

plan with the Rural Utilities Service, which is part of the U.S. Department of Agriculture.

In 2021, the board also set up the new board district boundaries effective in 2023 as planned in the cooperative's articles of consolidation and bylaws. Ultimately, 4 Rivers will have three board districts with three trustees from each district. The new district boundaries each will encompass approximately one-third of the cooperative's membership. We currently have 13 trustees. The 2023 election will reduce the number of trustees to 11; and in 2024, we will have nine. This means that some of our very qualified trustees will be leaving the board in the next couple of years.

This past fall, 4 Rivers retired almost \$630,000 in capital credits to the membership from 1991 and 1992. For active members,

retirement payments were credited to their electric bills issued in December, while checks were mailed to any former co-op members who had capital credits allocated during those years. Being able to retire capital credits to our consumer-members is one more thing that makes being a part of a cooperative special.

As we work through our third year as 4 Rivers Electric Cooperative, I am pleased with the progress being made by the trustees and employees working together — “Serving and Caring” — to make our cooperative successful now and in the long-term despite any challenges we face as an organization.

Speaking on behalf of the board of trustees, we hope you will join us and look forward to seeing you at our second annual meeting of members at Memorial Hall in Independence on March 28.

FROM THE MANAGER

2021 Manager's Report



Dennis Svanes

I've been reflecting on 2021 as I write this article. We had challenges and opportunities, as in most years. I hope to never experience some of those challenges again. However, the challenges make us who we are and allow us to grow and learn.

We continue to deal with the pandemic, as I know you all have, too. One of the biggest issues has been supply chain struggles and increased costs of materials. Manufacturing lead times for replacement vehicles, especially our large bucket and digger trucks, have been pushed out multiple years. The drastic increase in lead times for basic inventory items such as transformers, meters, and breaker boxes have made construction and maintenance projects more challenging.

In February 2021, the widespread Winter Storm Uri struck the Midwest. This epic storm created challenges with coal being frozen and unable to be used, natural gas wells freezing, wind farms not being able to generate, and shortages of natural gas due to home heating demands all causing a shortage of power and a huge increase in energy prices. Some 4 Rivers members were affected by the rolling blackouts experienced across the great plains from North Dakota through Texas.

In May, our two 1-megawatt solar farms came online and helped reduce our power costs. Today's Power, Inc., who owns and maintains the two systems, had the solar farms installed and running prior to summer peak season. As I have written before, it is a cost savings to the cooperative because of the systems' economies of scale along with the joint efforts of eleven other cooperatives in Kansas who also had solar farms installed and reduced the costs. Small home units typically will not save money for those members who install them.

We completed our four-year work plan this past fall. Engineers analyze 4 Rivers' system and note areas of concern for power quality and then look for the lowest cost options to make system improvements, in addition to normal replacements and new construction. Our \$14.7 million work plan includes transformer replacements, poles, wire

replacement and upgrades. The plan includes three new tie-lines to connect substations to each other, allowing our operations team to shift loads more easily to an alternate substation for power if an outage occurs or maintenance requires us to take a substation offline. The work plan also considers the environmental impacts of the projects to ensure we will not cause damage to protected areas, plants or animals. To finance the work plan, we applied for a long-term loan for the cost of the construction projects.

We experienced relatively minor storm damage to our system over the past year. As we finished repairing windstorm damage in December, we received a mutual aid request from another Kansas electric cooperative in need of assistance with restoration. In 2020, we sent crews to assist an Oklahoma co-op; and in 2019, we sent crews to Arkansas. The cooperative requesting assistance is responsible for covering mutual aid teams' labor and equipment costs. Cooperatives benefit having additional capable workers and equipment available when an emergency strikes. In my previous articles, I have written about the Seven Cooperative Principles. Cooperation Among Cooperatives is a key for success. We never know when we will be the cooperative requesting assistance.

At our annual meeting March 28, we will discuss cooperative business from the past year and what to expect the coming years. We are pleased to have Lee Tafanelli, CEO of Kansas Electric Cooperatives, as our keynote speaker. We will have a meal prior to the meeting, a gift for all registered members and a drawing for prizes. I hope to see all of you at the Independence Memorial Hall in Independence on the March 28!

Look for the Annual Meeting registration card and RSVP postcard in the center of this issue of *Kansas Country Living*!

2021 Minutes of Annual Meeting of Members

SATURDAY, MAY 22, 2021 | BURLINGTON HIGH SCHOOL GYMNASIUM | BURLINGTON, KANSAS

The first Annual Meeting of Members of 4 Rivers Electric Cooperative, Inc. was held May 22, 2021, at the Burlington High School Gymnasium. Four rounds of prizes were given away during the meeting.

The 4 Rivers Electric Cooperative, Inc. Annual Meeting of Members was called to order at 10 a.m. by President Michael Springer who presided. Trustee Felts lead the invocation thereafter.

MOTION: President Springer asked for a motion to approve the agenda. It was moved and seconded that the agenda be approved as presented in the meeting booklet. This motion carried.

President Springer appointed General Counsel Tim Larson as parliamentarian and Staff Assistant Brian Sumner as recording secretary for the meeting.

Secretary Gene Huston reported the official notice of the annual meeting of members was mailed to all members and published in the *Kansas Country Living* magazine. Secretary Huston asked for a motion to waive the reading of the annual meeting notice. A motion was made and seconded to waive the reading of the 2021 annual meeting notice. This motion passed. Secretary Huston declared there were 94 registered members in attendance and that quorum was met.

President Springer introduced all the trustees and asked all employees of 4 Rivers Electric Cooperative, Inc. in attendance to stand.

President Springer turned the chair

over to Tim Larson to address the members on the proposed bylaws and how the voting process would take place. Mr. Larson went through articles in the proposed bylaws and explained key parts of the document. Mr. Larson stated he would be calling for a vote by written ballot to approve the bylaws as proposed and written, and a teller committee would be appointed to count ballots. Mr. Larson explained that if a member wished to propose a change or amendment, the membership could not vote on that amendment until the cooperative provides notice to the entire membership, per the bylaws and the laws of the State of Kansas. He went on to explain that the vote on any amendments would be done by mail-in ballots prior to the next annual meeting of members.

MOTION: It was moved and seconded to vote on the bylaws as written and proposed by written ballot. The motion carried.

President Springer asked for three volunteers to be on the teller committee. He then appointed Joan Murphy, Mark Murphy and Elaine Engelman to be on the teller committee. Ballots were collected and given to the teller committee.

President Springer then gave the president's report emphasizing on the seven cooperative principles. President Springer then called on David Engelman to give the treasurer's report.

Treasurer Engelman reported the first

year revenues for 4 Rivers Electric Cooperative, Inc. were \$24.8 million which were lower than forecasted by 2.5% due to lower sales in commercial accounts. \$975,000 in capital credits were retired in 2020. Treasurer Engelman noted the cooperative received a clean audit report from the audit firm Eide Bailly.

Dennis Svanes, general manager/CEO, spoke on the challenges with the consolidation of two cooperatives and how COVID-19 changed how the cooperative had to operate. Mr. Svanes also spoke about the newly installed solar sites and rolling blackouts in February 2021. He thanked the members for attending the meeting.

President Springer turned the chair over to Tim Larson to announce the election results. Mr. Larson stated the bylaws as written and proposed were approved with 63 yes and 33 no votes. Mr. Larson also stated trustees Gene Huston – North District 1; Warren Schmidt – North District 3; Larry Felts – South District 2; Michael Springer – South District 3; and Nick Frankenbery – South At-Large; were all elected.

President Springer called for any new business or questions from the membership. He thanked the members for taking the time to attend the meeting and participating in the election.

President Springer declared the first annual meeting of members adjourned at 11:12 a.m.

**MICHAEL SPRINGER, PRESIDENT
A. EUGENE HUSTON, SECRETARY**

LIEAP Application Deadline: March 31

The Low-Income Energy Assistance Program (LIEAP) is a federally funded program that helps keep families safe and healthy by assisting eligible households with a portion of their home energy costs by providing a once-per-year benefit.

The 2022 LIEAP application period is open; applications must be received online or in a Kansas Department for Children and Families (DCF) office by March 31 to be considered for eligibility. For more information, call 800-432-0043 or visit www.dcf.ks.gov.