

2016 ANNUAL REPORT



SIXTY-NINTH ANNUAL
Membership Meeting
Wednesday, April 19, 2017
WICHITA COUNTY COMMUNITY
BUILDING AT 502 M STREET IN LEOTI

ANNUAL MEETING AGENDA

11:30 a.m. Invocation & Lunch

Wichita County Community Building

Presentation of Colors
Pledge of Allegiance
National Anthem

Annual Meeting Call to Order
Recognition of Trustees/Spouses
Recognition of Special Guests

WILLIAM BARNES, President
WILLIAM BARNES, President
BRUCE W. MUELLER, General Manager

Declaration of Quorum
Official Notice
Affidavit of Mailing

WILLIAM BARNES, President
JIM MCVAY, General Counsel
JIM MCVAY, General Counsel

Financial Report (Treasurer's Report)

RADONA SMYTHE, Director of Finance

Special Presentations
Annual Summary

STUART LOWRY, Sunflower President & CEO
BRUCE W. MUELLER, General Manager

Youth Tour &
Scholarship Presentation
Scholarship Awards

SHAWN POWELSON, Member Services
BRUCE W. MUELLER, General Manager

Service Awards

WILLIAM BARNES, President

Old Business
New Business

WILLIAM BARNES, President
WILLIAM BARNES, President
JIM MCVAY, General Counsel

Grand Prize Drawing

WILLIAM BARNES, President

Adjournment

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2017 TRUSTEE ELECTION INFORMATION



Katie Eisenhour



Vic Case

The following trustees have been nominated by the nominating committee for the position of trustee:

► **District 1 – KATIE EISENHOUR**
1106 Myrtle, Scott City, KS

► **District 2 – VIC CASE**
204 S. 6th, Leoti, KS

► **District 4 – STACEY ADDISON-HOWLAND**
911 N. Norris, Syracuse, KS

► **District 5 – JOHN KLEYTEUBER**
6310 Old Post Rd., Garden City, KS

Additional nominations may be made from the floor during the meeting.



Stacey Addison-Howland



John Kleysteuber

REBATES AVAILABLE

Upgrade Your HVAC

Save Energy, Save Money

Did you know that Wheatland offers rebates to residential members for the installation of energy-efficient heating, ventilation, and air conditioning (HVAC) systems?

Heating and cooling a house often accounts for the majority of a household's monthly energy costs. Many homeowners have a great opportunity to save energy and money by installing a more efficient HVAC system.

Plug-in to Savings!



Essentially, higher efficiency equates to lower monthly energy bills and improved comfort. For example, you could receive a \$410 rebate for a four-ton (48,000 BTU) heat pump.

For eligibility requirements or to download a rebate form, visit www.weci.net and click on "Get Rebates." You can also contact any local office.

Rebate Levels

BTU	Min SEER	Central A/C	Heat Pump
Up to 36,000*	13	\$200	+\$150

*Add \$30 for each ½ ton above 3 ton (36,000 BTU)

Operating Statement for year ended 12/31/2016 (unaudited)

Income

Electric Revenues	\$98,165,538
Water and Broadband Revenues	\$6,538,080
Interest Income	\$701,757
Income from Equity Investments	\$2,693,835
Capital Credits from Other Cooperatives*	\$7,208,777
Non-Operating Income (Other)	(\$182,519)
Total Income	\$115,125,468

Expenses

Purchased Power/Cost of Sales	\$59,033,098
Operations & Maintenance	\$10,248,198
Administrative & General	\$8,775,516
Depreciation	\$11,747,802
Total Interest	\$8,137,582
Taxes	\$4,235,230
Other	\$137,492
Total Expenses	\$102,314,918

Total Margins	\$12,810,550
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(*) Of this amount \$6,246,843 is a non-cash allocation of margins from Sunflower Electric Power Corporation for the year of 2016. This amount will be available to be paid out to members at such time when Sunflower makes cash distributions to Wheatland.

Property Taxes Paid in 2016

Wheatland Electric will pay a total of \$3,375,663 in property taxes for 2016. These amounts were assessed against assets such as electric lines, poles, buildings, trucks and water and broadband-related equipment owned by Wheatland. As a not-for-profit cooperative, Wheatland is exempt from income tax. The following is a listing of property taxes assessed by county for 2016:

County	Amount	County	Amount	County	Amount
Barton County	\$420,325	Haskell County	\$102	Scott County	\$249,420
Finney County	\$988,007	Kearny County	\$335,187	Sedgwick County	\$1,605
Gray County	\$34,447	Kingman County	\$96,729	Seward County	\$40
Greeley County	\$207,187	Lane County	\$182	Sumner County	\$178,251
Hamilton County	\$254,011	Logan County	\$1,972	Wallace County	\$2,783
Harper County	\$383,444	Reno County	\$5,001	Wichita County	\$216,970

Total 2016 Property Taxes Paid (18 counties) \$3,375,663

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Balance Sheet as of December 31, 2016 *(unaudited)*

Assets

Cash & Short-Term Investments	\$3,050,006
Memberships and Other Investments	\$82,071,375
Notes Receivable	\$6,859,350
Accounts Receivable	\$12,937,216
Materials and Supplies	\$3,465,022
Other Current and Accrued Assets	\$337,563
Deferred Charges	\$4,944,951
Plant Assets (All Operations)	\$354,476,122
Accumulated Depreciation	(\$100,664,467)
Total Assets	\$367,477,138

Liabilities

Principal Owed on Long-Term Debt	\$214,967,290
Interest Payable on Long-Term Debt (in 2017)	\$607,163
Notes Payable	\$32,309,244
Accounts Payable	\$6,784,846
Property Taxes Payable (due in 2017)	\$1,788,458
Consumer Deposits	\$746,862
Other Liabilities/Deferred Credits	\$4,169,977
Total Liabilities	\$261,373,840

Equities

2016 Operating Margin	\$2,356,159
2016 Non-Operating Margin	\$10,454,391
Prior Years Margins	\$92,292,473
Other Equities	\$1,000,275
Total Equities	\$106,103,298
Total Liabilities and Equity	\$367,477,138

THANK YOU FOR DONATING 11.5 TONS OF FOOD TO LOCAL FOOD BANKS



Wheatland, Conway Springs High School and Hired Man's Grocery and Grill teamed up to donate \$1,131.65 and 348 pounds of food to the Mission Mart in Conway Springs in 2016.



Wheatland General Manager Bruce Mueller and staff delivered 2,680 pounds (1.3 tons) of food to Hope's Closet, the local food bank in Scott City last year.



Last year, Wheatland and its members in Tribune collected 620 pounds and \$50 for the Greeley County Food Bank.



2014 total – 6,615 lbs.

2015 total – 7,081 lbs.

2016 total – 9,363 lbs.

**Grand Total – 23,059 lbs
about 11.5 TONS!**

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YOUTH TOUR WINNERS 2017

Washington, D.C. Electric Cooperative Youth Tour

- ▶ **PAYTON GARRISON**
Norwich High School
- ▶ **ARELY YANEZ**
Greeley County High School



Payton Garrison



Arely Yanez

Steamboat Springs, CO Cooperative Youth Leadership Camp

- ▶ **JUSTIN BROWN**
Caldwell High School
- ▶ **ROSSIEL REYES**
Great Bend High School



Justin Brown



Rossiel Reyes

SCHOLARSHIP WINNERS 2017

The following recipients will be recognized during the Wheatland Annual Meeting. Wheatland Electric has awarded 11 \$1,000 scholarships for 2017. Recipients were judged on their academic performance, school activities, career goals and a 1,000-word essay.

- | | |
|--|--|
| ▶ COURTNEY LARSON
Argonia High School | ▶ MEGAN ROTH
Holcomb High School |
| ▶ LYDIA STEWART
Caldwell High School | ▶ ABBEY FISCHER
Wichita County High School |
| ▶ BRE AKIU
Conway Springs High School | ▶ ERIN HALL
Norwich High School |
| ▶ ASHTIN HEATH
Great Bend High School | ▶ KYLEE TROUT
Scott Community High School |
| ▶ MORGAN CROCKETT
Greeley County High School | ▶ REINA SEAL
Syracuse High School |
| ▶ SYDNIE MATHES
Chaparral High School | |

EMPLOYEE SERVICE AWARDS

* DENOTES TRUSTEE

35 YEARS

Terry Rebel

30 YEARS

Eilene Jacobs

25 YEARS

Mark Kircher

20 YEARS

Wes Campbell*

15 YEARS

Ben Hahn

Tuan Herrell

Gearold Leverett

Andy Pivonka

Tyson Ryff

10 YEARS

Pam Brungardt

Amy Jones

Jake Jones

Lisa Loeppke

Shawn Ryan

Joe Thomeczek

Brad Thyne

Quinten Wheeler

5 YEARS

Brandon Barrett

Lewis Brown

Cody Ellis

Jordan Habiger

Bruce Mueller

Beth Nelson

Shawn Powelson

Heather Rufenacht

Nathan Schrock

MINUTES OF 2016 ANNUAL MEETING

Wheatland Electric Cooperative

APRIL 20, 2016

The 2016 Annual Meeting of the Wheatland Electric Cooperative, Inc. (Cooperative) was held on April 20, 2016, at the 4-H Building in Tribune, Greeley County, Kansas at 12:30 p.m. MDT. The meeting was held pursuant to notice mailed to each member of the Cooperative. Charles Ayers presented an invocation prior to the luncheon that began at 11:30 a.m.

Wes Campbell, Board President, acted as chairman throughout the meeting. Wes Campbell called to order the 68th Annual Meeting and welcomed the members. Wes then introduced the Officers and Trustees of the Cooperative. Bruce Mueller, the Cooperative's General Manager, introduced special guests in attendance: Stuart Lowry, President and CEO of Sunflower Electric Power Corporation; John Doll-KS Representative district 123; Russ Jennings, KS Representative district 122; Jordan Kittleson, field rep for US Congressman Tim Huelskamp; Christy Hopkins- Director of Unified Greeley County Community Development; Kim Christianson, KEC Director Government Relations; Nikki Pfannenstiel, Sunflower Manager Members Services; Todd Van Cleave, Sunflower Director Key Accounts; Bruce Dooley, Sunflower Manager Line Operations; and John Geil, Manager Telecom.

The chairman announced there were 119 members present in person at the meeting and 48 members present by proxy. The Cooperative membership exceeds 1,000 and, therefore, 50 members or more present or by proxy constitutes a quorum. A quorum was announced by the chairman. A list of the attendance of the 2016 Annual Meeting is attached hereto as attachment "A."

Wes Campbell presented that the official Notice of Annual Meeting, the Affidavit of Mailing, and the Certificate of Membership would be read to the membership present. Motion was made by a member from the floor, seconded and passed by unanimous vote to waive the formal reading of the Official Notice of the Annual Meeting, the Affidavit of Mailing and the Certificate of Membership.

Jim McVay, legal counsel for the Cooperative, summarized the Official Notice of the Annual Meeting, the Affidavit of Mailing, and the Certificate of Membership. The Notice of the Meeting with the Certificate of Mailing is attached to the minutes of the meeting hereto as Attachment "B."

The 2015 Annual Meeting minutes were provided to the members when registering at the meeting. Motion was made from the floor to dispense with the reading of the 2015 minutes and to approve them as presented, it was seconded, and approved by unanimous vote. The reading of the minutes was waived. There were no additions or corrections to the minutes and they were approved.

Radona Smythe, Director of Finance, presented the Treasurer's Report, which was also published in the March issue of the *Kansas Country Living* magazine and was mailed to each of the members, along with the official Notice of Meeting. The chairman asked the members if there were questions relative to the report. The chairman announced that he would entertain a motion to accept the report as mailed to each of the members of the Cooperative. Upon motion made, seconded, and passed by unanimous vote, the Treasurer's Report was approved.

The chairman introduced Stuart Lowry, President & CEO of Sunflower Electric Power Corporation, to provide a special presentation to the members. Mr. Lowry explained the new Southwest Power Pool integrated market, and the role that the Rubart Station plays in the market. Mr. Lowry explained to the members that it is his goal to keep wholesale prices down so the electric rates of the member customers would remain low.

Bruce Mueller, General Manager of the Cooperative, made a special presentation to the members. Mr. Mueller presented on the Co-ops Vote Campaign. He also communicated the benefits associated with the Co-op Connections card and presented the results of the Cooperative's member survey showing that Wheatland is doing well in providing reliable electric service. Mr. Mueller concluded by presenting on efforts to keep electric service costs low by Trustee oversight, combining the East and West Divisions and implementation of Advanced Metering Infrastructure (AMI).

Phillip L. Shelley, Director of Operations, made a special presentation explaining AMIs relationship to member costs.

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Shawn Powelson gave a special presentation on the Youth Tour and scholarship programs of the Cooperative. Shawn announced the Cooperative's delegates for the Youth Tour as follows:

- ▶ Erin Hall, Norwich – Washington, DC
- ▶ Breanne Akiu, Conway Springs – Steamboat Springs, CO
- ▶ Carson Haupt, Scott City – Alternate for both trips
- ▶ Marcos Martinez, Great Bend – Washington DC

The 2016 scholarship recipients were also announced. Bruce Mueller presented certificates to the students present at the meeting. The 2016 recipients were announced as follows:

- ▶ Kolten Koerner, Argonia
- ▶ Shelby Deist, Great Bend
- ▶ Madison Braun, Scott City
- ▶ Karlee Schmidt, Caldwell
- ▶ Margaret Roth, Holcomb
- ▶ Paige Turek, South Haven
- ▶ Jaci Ummel, Harper
- ▶ Shyla Mason, Leoti
- ▶ Mallory Horton, Syracuse
- ▶ Sarah Doffing, Conway Springs
- ▶ Derian Garrison, Norwich

Service awards were then recognized by the chairman and Bruce Mueller to employees as follows:

43 Years
Bob Brandl

40 Years
Anita McCollum

30 Years
Charles Ayers (*trustee*)
Denzil Reed

25 Years
Kelley Burch
Curtis Lamb
Walt Lovins

20 Years
Dax Walk

15 Years
Patrick Riley (*trustee*)
Matt Scheeter

10 Years
Mark Dinkel
Matthew Hosler
Barbara Kirk
Francis Lobmeyer
Lucas West

5 Years
Derek Callaway
Karry Deschner
Doug Heberlee

The chairman then inquired of the members of whether there was any old business to come before the meeting. There was no old business to come before the meeting.

The chairman called for new business. There was no new business announced from the floor. The chairman announced an item of new business was the election of the Trustees of the Cooperative. Jim McVay read the Nomination Committee Affidavit. The Nominating Committee was composed of Ed Cupp, Milan Reimer, Dale Wetzell, Marvin Graber, Robert Buerkle, Matt Hoisington and Kim Miller. The Nominating Committee placed into nomination the following candidates: Lawrence Houston, District 3; Wes Campbell, District 5; Bob Hiss, District 6; and Woody Barnes, District 7. All nominations were made by motion, seconded and passed by unanimous vote. The members were once again told that additional Trustees could be nominated from the floor. The qualifications for the Office of Trustee were read to the members present from the Bylaws.

Thereafter the chairman asked for nominations from the floor. After waiting more than one minute, there were no nominations from the floor. Motion was made, seconded and passed by unanimous vote to close the floor nomination process. Because there were no nominations from the floor, and no nominations by petition were presented to the Cooperative, there was a motion made from the floor to dispense with the casting and counting of ballots of Trustees and therefore to approve the full slate of candidates named by the Committee on Nominations. On motion made, seconded and passed by unanimous vote, the casting and counting of ballots for Trustees was taken and the nominations made by the Committee on Nominations were approved by unanimous vote and to serve for three years.

The chairman asked for and found that there was no additional new business to be presented at the meeting. The chairman of the meeting and President of the Board Wes Campbell ordered that the meeting was adjourned by motion made, seconded and carried at 2:05 p.m. MDT.

**RESPECTFULLY SUBMITTED,
JAMES M. MCVAY, GENERAL COUNSEL**

WHEATLAND BOARD OF TRUSTEES



PRESIDENT

William Barnes



VICE PRESIDENT

Wes Campbell



SECRETARY

Stacey Addison-Howland



TREASURER

Dan Bonine



TRUSTEE

Mark Arnold



TRUSTEE

Charles Ayers



TRUSTEE

Vic Case



TRUSTEE

Katie Eisenhower



TRUSTEE

Robert Hiss



TRUSTEE

John Kleysteuber



TRUSTEE

Mike Thon



GENERAL COUNSEL

Jim McVay

WHEATLAND MANAGEMENT

- ▶ **BRUCE W. MUELLER**
General Manager
- ▶ **TREY GREBE**
Assistant Manager
- ▶ **PHILLIP SHELLEY**
Director of Operations
- ▶ **LYNN FREESE**
Director of Consumer Services & Water Division
- ▶ **RADONA SMYTHE**
Director of Finance & Accounting
- ▶ **JEVIN KASSELMAN**
Director of Broadband & Information Technology
- ▶ **BARBARA KIRK**
Manager of Human Resources
- ▶ **SHAWN POWELSON**
Manager of Member Services & Corporate Communications
- ▶ **LUKE WEST**
Manager of Safety/Policy and Documents
- ▶ **PAM MURPHY**
Executive Assistant

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COMMITTED TO THE COMMUNITIES WE SERVE



Wheatland is a proud supporter and participant in the annual Safety Day in Caldwell where students learn about safety of all kinds, including electrical safety.



Employees from the Scott City office turned a bucket truck into a mobile Christmas light display in the Chamber of Commerce's annual Christmas light parade.



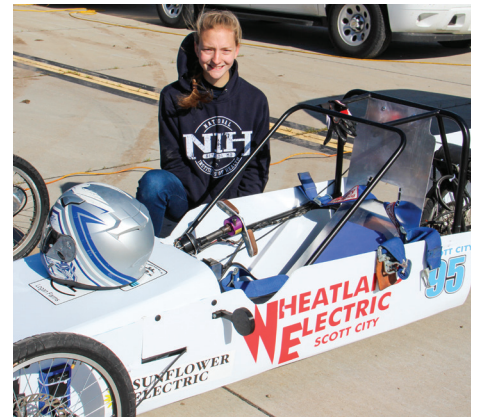
The Scott Community High School ElectroRally team prepares for race day. Wheatland sponsors electric car programs in Scott City and Great Bend as well as helping to put on the annual Sunflower ElectroRally race held at the Scott City Municipal Airport.



Wheatland employees and family members prepare thousands of tiny bite-sized pieces of steak for the annual Beef Tasting Booths in Scott City.



Tribune linemen Mace Bender (left) and Jordan Karnopp perform a safety demonstration for students attending the annual Ag Safety Day in Tribune.



MacKayla Koehn, a Scott City ElectroRally student, poses with a car she helped to design and build to race in the Sunflower ElectroRally.

WHEATLAND ELECTRIC OFFICES

Visit us at www.weci.net or “like” Wheatland Electric on Facebook

SCOTT CITY-MAIN

101 Main Street
 PO Box 230
 Scott City, KS 67871
 620-872-5885

GARDEN CITY

2005 W Fulton
 PO Box 973
 Garden City, KS
 67846
 620-275-0261

GREAT BEND

2300 Broadway
 PO Box 1446
 Great Bend, KS 67530
 620-793-4223

HARPER

906 Central
 PO Box 247
 Harper, KS 67058
 620-896-7090

LEOTI

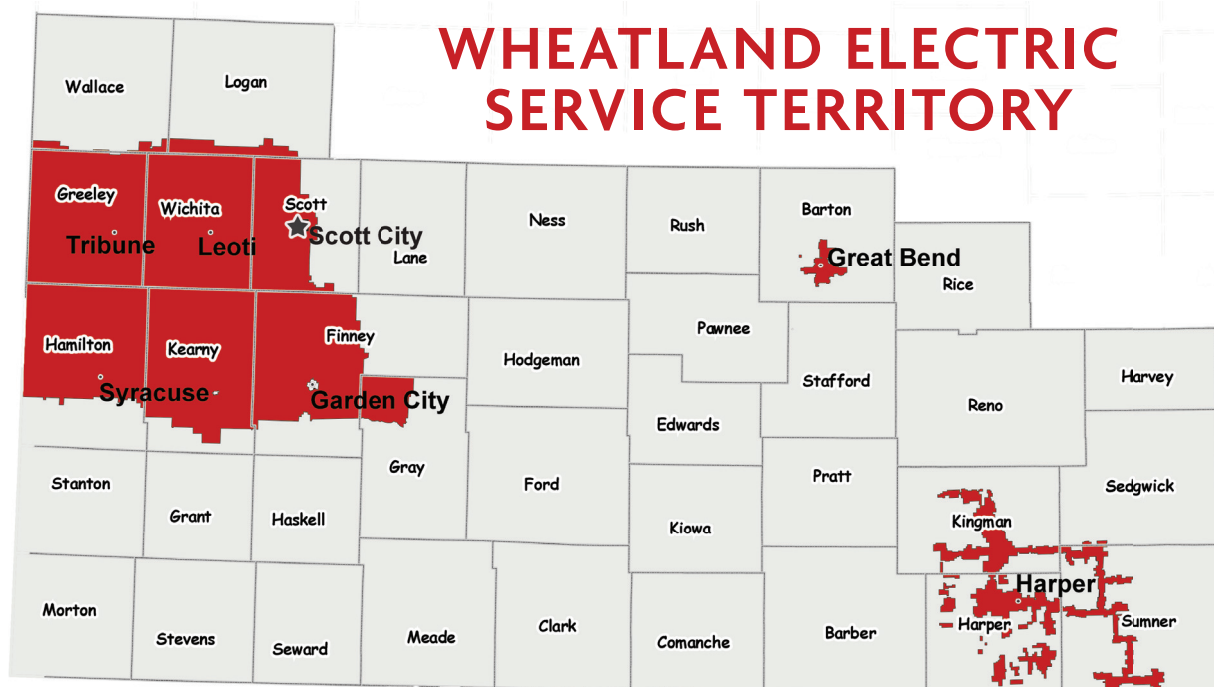
N Hwy 25
 PO Box 966
 Leoti, KS 67861
 620-375-2632

SYRACUSE

206 1/2 N Main
 PO Box 1010
 Syracuse, KS 67878
 620-384-5171

TRIBUNE

310 Broadway
 PO Box 490
 Tribune, KS 67879
 620-376-4231



WHEATLAND ELECTRIC SERVICE TERRITORY



Wheatland Electric Cooperative Territory



Cooperative Headquarters