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2731 Milo Terr.  
Lebo, KS 66856

**Southern District**  
9346 Jewell Road  
Fredonia, KS 66736

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



# 2023 ANNUAL REPORT

## 4 RIVERS ELECTRIC COOPERATIVE, INC.

### BOARD OF TRUSTEES

**Larry Felts**

President

**Stacy Heins**

Vice-President

**Warren Schmidt**

Secretary

**Loren Dickens**

Treasurer

**Tom Ayers**

Trustee

**Randall Bunnel**

Trustee

**Robert Converse**

Trustee

**Nick Frankenberg**

Trustee

**Gene Huston**

Trustee

**David Kunkel**

Trustee

**Michael Springer**

Trustee

4 Rivers Electric Cooperative, Inc. is an equal opportunity employer and provider.

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4RiversElectricCooperativeInc

## FROM THE BOARD PRESIDENT

# President's Report



Larry Felts

I extend an invitation to all member-owners of 4 Rivers Electric Cooperative to attend your annual meeting at Fredonia High School on

March 25, 2024. Registration and dinner will commence at 5:30 p.m. with the meeting following at 7 p.m.

The annual meeting of members provides an opportunity for member-owners to hear the current state of our cooperative. We will also have co-op informational booths and linemen safety demonstrations prior to the meeting.

There were a couple of action items pending from the consolidation of Radiant Electric and Lyon-Coffey Electric Cooperatives — rate structure consolidation and board size. Neither of these are easy, simple changes.

To examine rate structures, the board completed a cost-of-service study in 2022. After reviewing tariffs and the cost-of-service study, a rate hearing was held in February 2023, and rate changes were implemented in April 2023. As a result, rates of electric service are now balanced throughout the entire system. Changes to the non-

commercial (residential) and large commercial tariffs were revenue neutral, meaning they did not increase co-op revenue. Small commercial tariff changes resulted in a small 2.3% revenue increase.

After this annual meeting, the size of the board will be reduced to nine trustees. I would like to thank **NICK FRANKENBERG** and **MICHAEL SPRINGER**, who are stepping down from their positions on the board, for their dedication and commitment to serving the members of 4 Rivers. We are losing two very good trustees but fulfilling our commitment to the membership to reduce overhead costs and adjust the board size appropriately.

As part of our strategic plan to manage our equity and debt, the board retired approximately \$754,000 capital credits to current and former member-owners. The retirement of these credits was reflected as a credit on active members' December 2023 electric bills.

Your board of trustees is composed of member-owners, just like you, and we work hard to make 4 Rivers the best it can be by providing reliable electric service at the best possible cost. It has been a pleasure to serve as board president this year, and I hope you can be with us in Fredonia for your annual meeting.



**AGENDA**

- ▶ Call to Order
- ▶ Verification of Quorum
- ▶ Consideration of Official Notice of Meeting
- ▶ Action on 2023 Annual Meeting Minutes
- ▶ Cooperative Reports
- ▶ Guest Speaker
- ▶ Trustee Election Results
- ▶ Other Business
- ▶ Adjournment

MARCH 1, 2024

**Official Notice of Annual Meeting**

FROM: WARREN SCHMIDT, SECRETARY 4 RIVERS BOARD OF TRUSTEES

The 2024 Annual Meeting of the Members of 4 Rivers Electric Cooperative, Inc. will be held at Fredonia High School, 916 Robinson Street, in Fredonia, Kansas, on Monday, March 25, 2024. The meeting will begin at 7 p.m., with an evening meal and registration beginning at 5:30 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.

**FROM THE MANAGER**

**Manager's Report**



Dennis Svanes

2023 is in the books, and we have rolled into 2024. The start of 2024 was a bit bumpy with outages due to winter weather. Below is a review some of the work 4 Rivers did on behalf of our members last year.

We have a construction work plan that sets goals for improving service for voltage and outage issues, as well as adding redundancy to our grid.

This past year, our linemen built 9.5 miles of line in the Agricola, Brooks Corner and Homewood areas. In our work order system, we had 118 new construction services projects, 130 retirements of line, and 309 system improvements.

Many employees are involved in completing these projects. Staking and engineering, material acquisition, payment processing, and cost accounting among many other tasks.

4 Rivers employees also processed meter readings, billings and payment processing. In 2023,



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

we processed 116,625 bills and 152,391 payments. Those same employees answered calls and emails from you, our members.

This is all part of our mission statement, **SERVING AND CARING**. We exist to serve you, our members, as best we can. Trying to make our grid available so that when any of our members flips a switch, the power is ready to serve your needs.

I truly hope you are able to join us in Fredonia for our annual meeting!

**FINANCIAL REPORTS**

**STATEMENT OF OPERATIONS**

YEARS ENDED DEC. 31, 2022 AND 2023	2023	2022
<b>OPERATING REVENUE</b>	\$27,971,603	\$27,804,755
<b>OPERATING EXPENSES</b>		
Cost of Power	12,290,481	13,730,000
Operatings & Maintenance	5,257,739	4,525,589
Customer Service	850,935	817,003
Administrative & General	2,969,573	2,724,733
Depreciation	2,588,180	2,839,895
Interest	1,437,703	1,339,728
Other	11,637	5,752
Total Operating Expenses	25,406,248	25,982,700
<b>OTHER CO-OP CAPITAL CREDITS</b>	338,792	286,872
<b>NET OPERATING MARGIN</b>	2,904,147	2,108,927
<b>OTHER INCOME</b>	265,927	119,772
<b>NET MARGIN</b>	3,170,074	2,228,699

**BALANCE SHEET**

DEC. 31, 2022 AND 2023	2023	2022
<b>ASSETS</b>		
Net Utility Plant	\$64,990,304	\$62,872,016
Other Property and Investments	11,055,142	10,705,055
<b>CURRENT ASSETS</b>		
Cash and Equivalents	2,662,372	1,918,603
Accounts Receivable	2,261,348	2,446,020
Materials and Supplies	189,068	292,670
Other	241,387	149,023
Total Current Assets	5,354,175	4,806,316
Deferred Debits	18,278	27,985
Total Assets	81,417,899	78,411,372
<b>EQUITIES AND LIABILITIES</b>		
<b>EQUITIES</b>		
Patronage Capital	37,655,923	35,555,483
Other Equities	3,588,611	3,107,963
Total Equities	41,244,534	38,663,446
<b>LONG-TERM DEBT</b>	36,533,142	34,164,406
<b>CURRENT LIABILITIES</b>		
Accounts Payable	1,277,492	1,381,978
Other Current Liabilities	2,362,731	4,201,542
Total Current Liabilities	3,640,223	5,583,520
Total Equities and Liabilities	81,417,899	78,411,372

**LIEAP APPLICATIONS DUE MARCH 29!**

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.

Applications must be received online or in a Kansas Department for Children and Families (DCF) office **BY MARCH 29** to be considered for eligibility. For more information or to request an application, call 800-432-0043 or visit [www.dcf.ks.gov](http://www.dcf.ks.gov).

**SCHOLARSHIP OPPORTUNITIES**

SCHOLARSHIP APPLICATION DEADLINE IS **APRIL 1, 2024**

4 Rivers Electric Cooperative, Inc. may fund up to two lineman scholarships annually for tuition, fees, books, tools and supplies not to exceed \$5,000 for each scholarship for up to one year at an electrical lineworker school. Eligible candidates for the scholarship must be high school graduates from any high school or a home school program or have attained their GED within the cooperative's service territory. Check out our website for further details on this awesome opportunity!

## 4 RIVERS ELECTRIC COOPERATIVE, INC.

## Minutes of 2023 Annual Meeting of Members

The Annual Meeting of Members of 4 Rivers Electric Cooperative, Inc. was held March 27, 2023, at the Anderson Building in Emporia, Kansas.

**CALL TO ORDER**

The 4 Rivers Electric Cooperative, Inc. Annual Meeting of Members was called to order at 7 p.m. by President Michael Springer, who presided. Trustee Loren Dickens lead the invocation, thereafter, followed by the National Anthem. Trustee Robert Converse then led the members with the Pledge of Allegiance. Four rounds of prizes were given away during the meeting.

**APPROVAL OF AGENDA**

**MOTION:** It was moved and seconded that the agenda be approved as presented in the meeting booklet. This motion carried.

**APPOINTMENTS**

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

**SECRETARY REPORT**

Secretary Gene Huston declared there were 103 registered members in attendance and that the quorum was met. Secretary Huston reported the official notice of the annual meeting of members was mailed to all members and published in the March 2023 *Kansas Country Living* magazine.

**MOTION:** A motion was made to approve the 2022 minutes. This motion was seconded and passed.

**INTRODUCTION OF TRUSTEES**

President Springer introduced the current and former trustees to the member audience. He also acknowledged the employees in attendance.

**TREASURER REPORT**

Treasurer Larry Felts gave the Treasurer's Report. He reported 2022 was a good year for the cooperative. Revenue for the year

was \$27.8 million, which was 6.2% higher than forecast and higher than 2021 by 5.7%. This was driven by a hotter than normal summer. Almost \$900,000 in capital credits was returned to our members in 2022. Treasurer Felts informed the members that 4 Rivers received a clean audit report from the accounting firm of Eide Bailly who the board of trustees hired to conduct the annual audit.

**PRESIDENT'S REPORT**

President Springer gave the President's Report beginning with thanking the caterers, the staff, and the members for their support of the cooperative. He spoke on the responsibility of the trustees to oversee and direct the cooperative. He spoke on establishing bylaws and rules in regulations in 2020, working on a cost-of-service study, consolidating rates, and establishing three districts with eventually nine total board members.

**GENERAL MANAGER/CEO REPORT**

General Manager/CEO Dennis Svanes introduced the special guests in the audience. Manager Svanes spoke on supply chain issues and challenges. Manager Svanes noted we work with our suppliers and other cooperatives. He also thanked everyone for attending and introduced the first keynote speaker Suzanne Lane, executive vice president/CEO of Kansas Electric Power Cooperative (KEPCo).

**KEYNOTE**

Lane discussed KEPCo's role as a generation and transmission cooperative, which provides 16 distribution cooperatives with affordable and reliable power. She noted 65% of the annual energy needs come from carbon free resources. The energy needs are diverse coming from nuclear, hydro, coal and wind. She noted 2022 was a challenging year and KEPCo was able to maintain rate stability and deliver reliable power with a clean safety record. In closing, Lane introduced Cleve Reasoner, chief nuclear

officer of Wolf Creek Nuclear Operating Corporation.

Reasoner explained the challenges of operating a nuclear power plant 24/7/365 with over 700 employees and COVID-19. He noted the nuclear power industry is heavily regulated and citing there are 92 reactors in the country that provide 20% of the nation's power. He spoke of refueling and maintenance of the Wolf Creek reactor on a 500-day basis. He stated Wolf Creek was built in 1985 with a 40-year life, but the life has been extended 20 years to 2045 and possibly beyond that.

**ELECTION RESULTS**

President Springer called on General Counsel Larson to announce the election results. In District 1, **ROBERT CONVERSE**, who was unopposed, received 260 votes and was declared the winner. In District 2, **RANDY BUNNEL**, who was unopposed, received 259 votes and was declared the winner. In District 3, Sandy Smith received 142 votes, and **TOM AYERS** received 243 votes. Ayers was declared the winner of District 3. General Counsel Larson noted that each trustee used a petition to run instead of a nominating committee. He also said that we are now down to 11 trustees and next year 4 Rivers will be down to nine trustees, which is the goal.

President Springer called **ROBERT HARKRADER** and **SANDY SMITH** to the stage to recognize their service to Lyon-Coffey, Radiant and 4 Rivers Electric.

**ADJOURNMENT**

President Springer called for any new business from the membership. He thanked the members attending the meeting.

**MOTION:** A motion was made, seconded and carried to adjourn the meeting.

President Springer declared the 2023 Annual Meeting of 4 Rivers Electric Cooperative, Inc. adjourned at 8 p.m.

**RECORDED BY BRIAN SUMNER,  
MICHAEL SPRINGER, PRESIDENT  
A. EUGENE HUSTON, SECRETARY**