

Celebrating  
**85** years in  
business



**KAY ELECTRIC  
COOPERATIVE**

# 2021 Annual Report

**ANNUAL MEETING OF MEMBERS**  
Kay Electric Headquarters  
300 W. Doolin  
Blackwell, Oklahoma  
Friday, April 8, 2022  
Drive-Thru Event

# MESSAGE FROM THE board president & ceo

## Year of the Polar Vortex

*Kay Electric and its members saw a challenging year in 2021. The year just started when the February Polar Vortex hit from Storm Uri, then came the Covid-19 one year anniversary, and finally inflation closed out the year with supply chain shortages and higher prices. Despite all of this, Kay Electric stayed true to the mission, delivering safe, reliable, and affordable electricity to you our member owner. Weathering these storms wasn't always easy, but a professional and dependable workforce at Kay Electric would not be deterred from reaching our goals.*

Much has already been said about the Polar Vortex event, with blistering cold days to last almost a full week. Wind didn't blow for most of that week, leaving wind turbines out of the mix, and solar panels were covered up with snow. Renewables were off the table and then many natural gas pipelines froze up removing gas-fired generation. The limited gas available saw dramatic price increases in the open market. Increased usage to heat homes led to higher demand than available supply. Our fourteen-state grid implemented curtailments for the first time since their 1941 founding. Thankfully our power provider Western Farmers is spreading the high fuel cost from this event over the coming five years, and Kay Electric is also shouldering half of this years added cost from budgeted margins. You won't see an investor-owned utility with that type of collaborative approach to problem solving.

Kay Electric continued its robust community support by accepting 48 area high school junior essays. The top eight essays written on America's past were awarded scholarships and cash prizes. First place went to Hunter Easley from Blackwell High School and second place went to Danielle Buttrum of Garber High School. Area eighth graders were also included in an essay competition,

with 65 essays submitted, and the top six winners awarded a Chromebook. The KUP charitable foundation awarded nearly \$24,000 in grant funds to area organizations, made available by Kay Electric member donations and several miscellaneous donations. Members can elect to round up their monthly electric bill to the nearest dollar, with the extra funds donated to the K-UP Foundation.

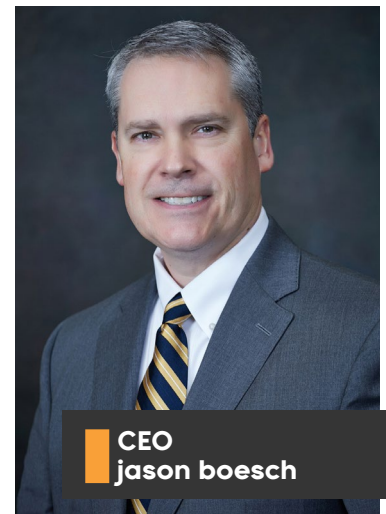
The 2021 year brought to a close the exemplary 41-year career of Kay Electric Lineman Clinton White with his retirement. The 2021 year saw the third most active Atlantic hurricanes on record, producing 21 storms. Kay Electric sent two crews of six each to Louisiana for restoration aid efforts during Storm Ida. Cooperation among Cooperatives principle was in full effect to aid the Louisiana Electric Co-op DEMCO.

At home, our inspection and maintenance programs continue to keep the system strong and reliable. Kay Electric crews logged 302,540 miles in our five-county service territory to perform maintenance and work service orders. We inspected 5,708 poles in our annual pole inspection program, across our 2,260 miles of line and 49,370 poles, which identified 131 pole deficiencies for correction. The old maxim "an ounce of prevention is worth a pound of cure" continues to be true. Due diligence to keep the system in good order always pays for itself in the long run and keeps the lights on.

We look forward to seeing you at our Annual Meeting on April 8. This will be held at the Kay Electric Headquarters on 300 West Doolin, our first Drive Thru style event due to Covid. The Trustees and employees at Kay Electric Cooperative thank you for allowing us to serve your energy needs. ■



**BOARD PRESIDENT**  
max hohmann



**CEO**  
jason boesch

The ounce of prevention is worth a pound of cure continues to be true. Due diligence to keep the system in good order always pays for itself in the long run and keeps the lights on.

# KAY ELECTRIC COOPERATIVE board of directors

*Kay Electric Cooperative's service territory is divided into nine voting districts. A nine-member board of directors represents consumer-members in each district.*

Kay Electric board officers are:

- President, Max Hohmann
- Vice President, Verl Brorsen
- Secretary/Treasurer, Ron Shoffner

Trustee positions are up for election every three years. In February, Districts 8 and 9 held trustee elections with incumbent trustees Dr. Tim Blanton and Verl Brorsen being re-elected. Due to retirement of Trustee Kent McAninch, nominations were received for the District 7 position with Bart Cardwell or Andrew McCann to be elected at the next Annual Meeting. Any member may run for trustee, according to qualifications listed in the co-op bylaws, Sec. 4.02. Trustees are required to go through a certification process and must stay informed about electric utility issues and trends.

Contact Kay Electric Cooperative at 800-535-1079 or visit [www.kayelectric.coop](http://www.kayelectric.coop) for more information. ■



**DISTRICT 1**  
jake olsen



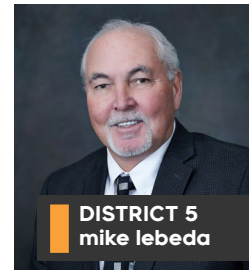
**DISTRICT 2**  
chad otto



**DISTRICT 3**  
ron shoffner



**DISTRICT 4**  
max hohmann



**DISTRICT 5**  
mike lebeda



**DISTRICT 6**  
brady hostetler



**DISTRICT 7**  
kent mcAninch



**DISTRICT 8**  
dr. tim blanton



**DISTRICT 9**  
verl brorsen

# KAY ELECTRIC COOPERATIVE 2019 annual meeting minutes

*The Annual Meeting was held April 12, 2019 at the Blackwell High School. President Max Hohmann called the meeting to order at 7 p.m.*

Ron Shoffner, Secretary/Treasurer, presented the prior year's meeting minutes, which were duly approved. Mr. Shoffner then presented the Cooperative's current financial report and opened the meeting for any questions concerning the printed Treasurer's Report that was mailed to each member.

Jon Ihrig, Attorney, addressed the membership about the nomination process and the bylaw amendment approved by the membership at the 2018 Annual Meeting. Mr. Ihrig reported

that the 2019 district meetings were the first conducted under the revised bylaw section 3.07, "Nomination and Election of Trustees". He summarized the 2018 bylaw language allowing for an election to the Board of Trustees at the district meetings under the condition that if only one valid and eligible candidate is nominated and it is evident, after having pursued three times for further nominations and with none forthcoming, that the one eligible candidate is elected without a necessary Annual Meeting vote.

Attorney Jon Ihrig reported upon elections held at the most recent district 7, 8 and 9 meetings. Mr. Ihrig reported that pursuant to bylaws section 3.07, "Nomination and Election of Trustees",

each incumbent was properly nominated and with no further nominations made, such candidates were declared elected as Trustee without further approval. Those nominated and elected for Trustees were: District 7: Kent McAninch, District 8: Dr. Tim Blanton and District 9: Verl Brorsen.

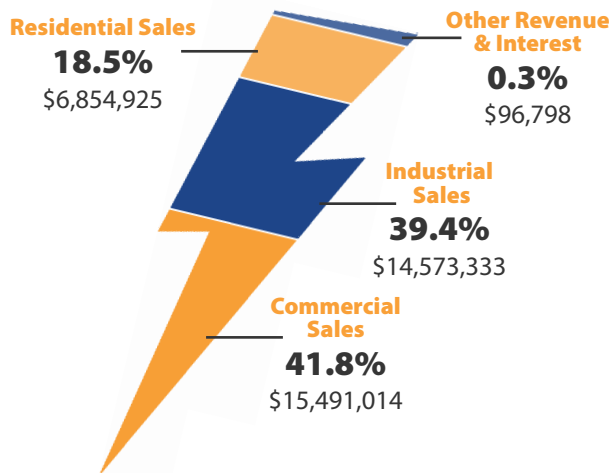
The Red Dirt Rangers provided entertainment for the evening. Numerous prizes were also awarded throughout the meeting ending with the Grand Prize of \$1000 which was awarded to Hugh Leven. After the Grand Prize announcement, the meeting was adjourned.

*~ Ron Shoffner, Secretary/Treasurer*

# KAY ELECTRIC COOPERATIVE

## income statement

### WHERE THE DOLLAR comes from



**TOTAL REVENUE = \$37,016,070**

### REVENUE AND expenses

Total Revenues for Electric Sales \$37,016,070

#### Expenses Controlled by Other Entities

Cost of Power	\$25,591,454
Depreciation & Amortization	\$2,600,753
Interest on Long-Term Debt	\$1,692,668
Taxes	\$93,210

**Total Controlled Expenses \$29,978,085**

#### Expenses Controlled by KEC

Operations & Maintenance	\$1,799,389
Consumer & Customer Service	\$1,043,722
Administration & General	\$2,597,009

**Total Controllable Expenses \$5,440,120**

**TOTAL EXPENSES \$35,418,205**

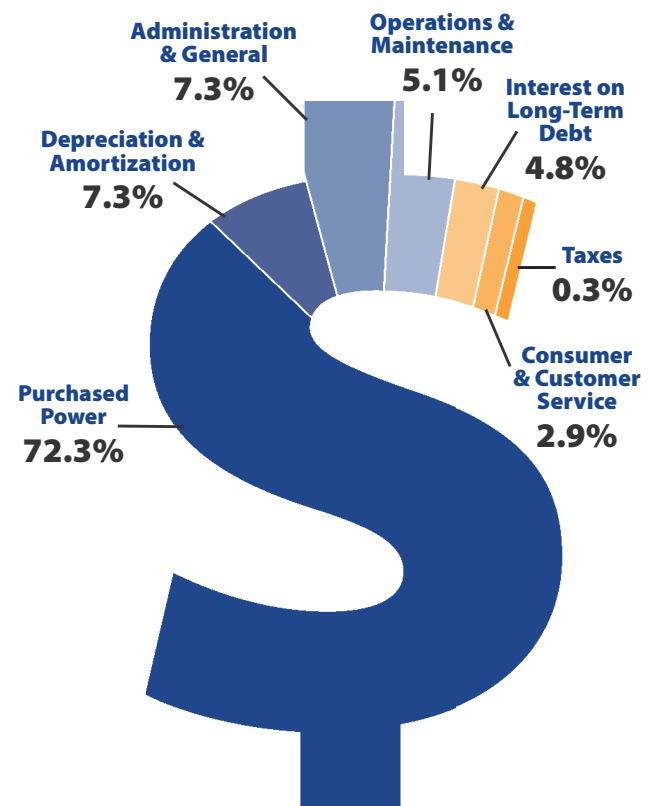
### WHERE THE DOLLAR goes

Purchased Power	\$25,591,454
Operations & Maintenance	\$1,799,389
Consumer & Customer Service	\$1,043,722
Administration & General	\$2,597,009
Taxes	\$93,210
Interest on Long-Term Debt	\$1,692,668
Depreciation & Amortization	\$2,600,753

**Total Expenses \$35,418,205**

Surplus to Retained Earnings (Margins) \$1,597,865

**TOTAL EXPENSES & RETAINED EARNINGS \$37,016,070**



**TOTAL EXPENSES = \$35,418,205**

# KAY ELECTRIC COOPERATIVE

## balance sheet

### WHAT WE OWN

#### assets

	2020	2021
Utility Plant in Service Cost Less Depreciation	\$58,565,441	\$61,903,139
<b>Total Utility Plant</b>	<b>\$58,565,441</b>	<b>\$61,903,139</b>
Investments in Associated Organizations (WFEC & Others)	\$16,845,353	\$17,286,290
Special Funds	\$5,324,021	\$5,282,470
Cash - General Funds	\$552,330	\$722,228
Accounts Receivables and Prepayments	\$3,917,910	\$4,642,113
Materials & Temporary Investments	\$2,571,143	\$2,045,558
<b>Total Current &amp; Accrued Assets</b>	<b>\$29,210,757</b>	<b>\$29,978,659</b>
<b>TOTAL ASSETS</b>	<b>\$87,776,198</b>	<b>\$91,881,798</b>

### WHAT WE OWE

#### liabilities & equities

	2020	2021
Long-term Debt	\$38,390,471	\$40,100,170
Notes & Accounts Payable	\$3,267,620	\$4,215,771
Consumer Deposits	\$2,046,804	\$2,345,919
<b>Total Liabilities</b>	<b>\$43,704,895</b>	<b>\$46,661,860</b>

### OUR NET WORTH

#### member's equity

	2020	2021
Capital Credits	\$41,626,726	\$43,053,060
Memberships	\$228,865	\$232,900
Other Equities & Margins	\$2,215,712	\$1,933,978
<b>Total Equities</b>	<b>\$44,071,303</b>	<b>\$45,219,938</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$87,776,198</b>	<b>\$91,881,798</b>

### notes

- Total contributions from FEMA & Customers include 2002 ice storm and represents value of utility plant not recorded on financial statements. The amount is \$56,313,221 for 2021 and \$54,492,864 for 2020, represents Plant and Equity not booked.
- The financial reports represent unaudited 2021 data. Kay Electric Cooperative books are currently being audited. Due to Annual Report publishing dates an audited report has not yet been issued. Year 2020 has been audited.
- These financial statements are presented for your information. Revenues and Expenses show the total income to Kay Electric Cooperative, along with classification of costs to operate the electrical system.

# 2022 DRIVE-THRU annual meeting



## Drive-Thru Procedure

### MUST BE PRESENT IN VEHICLE TO VOTE

- Upon registration, each member will receive a ballot, a \$20 attendance gift and be entered into the drawings for KEC's awesome door prizes!
- The drive-thru lane for registration will open **NO EARLIER** than 3 p.m.
- The drive-thru lane for registration will end at 7 p.m. **SHARP**.
- No access to the parking lot for registration or voting allowed after 7 p.m.
- Enter the KEC parking lot at the designated area for the drive-thru event, registration, voting information, ballot and prizes.
- Each registered member will be automatically entered into the prize drawings to be held on Facebook and the KEC website after 7 p.m. Winning members will be notified by phone.

# Official Notice of Annual Meeting

*The Annual Meeting of members of Kay Electric Cooperative will be held at the Kay Electric headquarters in Blackwell, Oklahoma on Friday, April 8, 2022 as a drive-thru event.*

Registration will begin no earlier than 3 p.m. until 7 p.m. The following matters will be voted on by all registered members:

1. *The Minutes of the 2019 Annual Meeting. (To comply with COVID-19 guidelines, no Annual Meeting was held in 2020 and 2021.)*
2. *Vote for Trustee for District 7.*

In Accordance with the Bylaws of the Cooperative, approved and adopted by the membership, no election of Trustees is required at this meeting for District 8 and District 9. The following persons having been declared elected as Trustee by the membership of the respective Districts in which meetings were held this year. With the retirement of District 7 Trustee Kent McAninch, the membership will be voting on a new Trustee at the drive-thru annual meeting.

District 7: Vacant ■ District 8: Dr. Tim Blanton ■ District 9: Verl Brorsen

*Dated this 29th day of March, 2022  
~ Ron Shoffner, Secretary/Treasurer*

## SPECIAL thanks

"Special Thanks" to the Kay Electric Minutemen and Women for their help planning and executing the 2022 Drive-Thru Annual Meeting.

- Wayne and Wanda Vaden
- Bob and Debbie Payne
- Corbin and Brooke Dewitt
- Jerrold and Kay Dark
- Lonnie and Suzann Ingram
- Greg and Kayla Hohmann
- Ryan and Brittany Rector
- Tom and Lynda Dolezal
- Kirt and Regina Sharp
- Bill and Becky Cunningham
- Rick and Dianne Jeans
- Wade and Lezlee Locke
- Doug and Pat Brown
- Leon and Liz Chrz

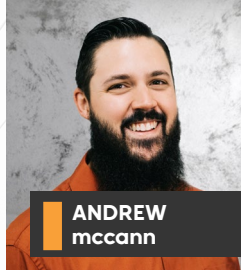


# MEET THE CANDIDATES for district 7 trustee



**BART**  
cardwell

*Bart Cardwell* is currently teaching college students Animal Science classes at NOC in Tonkawa. Bart graduated from OSU, receiving a BS & MS in Animal Science and Ag Education. Bart and his wife Judy have been members since 1997 and have two children.



**ANDREW**  
mccann

*Andrew McCann* is currently a self-employed IT consultant for ABT Solutions in Tonkawa. Andrew graduated from East Central University in Ada, Oklahoma, receiving a degree in Business Administration. Andrew and his wife Jera have been members since 2020 and have four children.

## KEEPING IT green

Kay Electric will be keeping it green at the upcoming Annual Meeting—as in John Deere green. Co-op members who register at the drive-thru event on April 8 could win one of these amazing prizes.

**John Deere Gator**



**Zero Turn Mower**



**Power Washer**



The co-op will also give away \$20 to every member who registers at the meeting.



**KAY ELECTRIC COOPERATIVE**  
300 W Doolin Ave • PO Box 607  
Blackwell, OK 74631

# KAY ELECTRIC COOPERATIVE 2022 Drive-Thru Annual Meeting Map

Kay Electric Headquarters  
300 W Doolin Ave  
Blackwell, Oklahoma

Friday, April 8, 2022

