

Kansas
COUNTRYLiving

2024 ANNUAL REPORT
Inside



Annual Meeting

Join us Feb. 18, 2025

AMERICAN LEGION BUILDING

207 FIFTH STREET | AXTELL, KANSAS

10:30 A.M. REGISTRATION | 11:30 A.M. LUNCH | 12:30 P.M. MEETING

FIND YOUR MAIL-IN BALLOT INSIDE

MINUTES OF THE NOMINATING COMMITTEE – DEC. 19, 2024

The meeting of the nominating committee was held on Thursday, Dec. 19, 2024, at the Nemaha-Marshall Electric Headquarters in Axtell, Kansas. This committee consisted of the following members: **BARRY L. BUESSING** – Axtell, Kansas; **BRAD P. HEINEN** – Seneca, Kansas; **JOE W. KROEGER** – Marysville, Kansas; and **EDWARD L. PORTING** – Axtell, Kansas.

Others taking part were Kathleen M. O'Brien, general manager, and Kimberly R. Broxterman, office manager. Joe W. Kroeger was elected as chair of the committee and Barry L. Buessing as secretary. The following members were submitted for nomination as trustees:

DISTRICT 2

- ▶ **PHILLIP L. BUESSING** – Axtell, Kansas
- ▶ **DAVID J. KOCH** – Axtell, Kansas
- ▶ **JAMES R. KROEGER** – Axtell, Kansas

DISTRICT 3

- ▶ **DEAN D. BECKER** – Seneca, Kansas
- ▶ **COLE J. WINKLER** – Seneca, Kansas

Nominations were then ceased. Along with the manager the nominating committee reviewed the current events within the cooperative. The meeting was adjourned.

BARRY L. BUESSING, SECRETARY

Meet the Candidates

DISTRICT 1

TODD A. SANDMANN and his wife, Melissa, live a half mile south of the Beattie corner. They have three children. Todd is a salesman for Bruna Implement, farms with his father and has a small cow/calf operation. He is a member of St. Malachy's Catholic Church in Beattie and a fourth-degree Knights of Columbus member. Sandmann has served on the advisory council for St. Gregory's Catholic School and the St. Malachy's Parish Council.

DISTRICT 2

PHILLIP L. BUESSING and his wife, Stacie, live near Axtell. They have four children and are members of St. Michael's Church in Axtell. He is the owner of Blue Pig Repair. He is a volunteer fireman and currently serves on the USD 113 school board.

DAVID J. KOCH and his wife, Robin, live 3 miles southwest of Axtell. They have four grown children and four grandchildren. They operate a row crop farming operation and commercial and soil conservation excavating business. He is an active member of St. Michael's Catholic Church in Axtell and is a fourth-degree Knights of Columbus member. He is also a member of the Kansas Land Improvement Contractors of America. Koch enjoys working with the cooperative staff and visiting with the members about the ever-changing electric industry, while serving as trustee on the Nemaha-Marshall Electric Board.

JAMES R. KROEGER and his wife, Sara, are the third generation to own their family home south of Axtell. They have three daughters: Emma, Avery and Paige. They are active members of St. Michael's Catholic Church, and Axtell Busy Bees 4-H Club. He is the owner of PEAK Construction Services. The Kroegers are the co-owners of Axtell Lumber & Hometown Lumber with Nick and Mandy Rengstorf. Kroeger also farms locally with his brother, Justin, and hobby farms with his cattle and sheep. He serves on the following committees within the Axtell community: Axtell Economic Development, Axtell Volunteer Fire Department, Axtell Fitness Center Board and Axtell Knights of Columbus.

DISTRICT 3

DEAN D. BECKER and his wife, Diane, live east of Seneca along Highway 36. They have a daughter who is an ag teacher/FFA advisor at Pike Valley in Scandia, Kansas. Dean and Diane enjoy their time farming, ranching and traveling. He has a private beef nutrition company called Circle B Nutrition, LLC. Becker also keeps busy visiting with customers and friends. The Beckers are active members of Saints Peter and Paul Church in Seneca.

COLE J. WINKLER and his wife, Olivia, live on the original family farm approximately 6 miles east of Seneca raising corn, soybeans and feeder cattle. They have three children Nolan, 7; Elyse, 5; and Stetson, 18 months. The family attends North Ridge Church and in their free time enjoys attending their kid's 4-H and sporting events.

Ballot Instructions

Members may cast their vote by either **MAIL-IN BALLOT** OR **IN PERSON** at the annual meeting.

- ▶ Vote by **MARKING AN "X"** in the square to the left of the person who you desire to vote for.
- ▶ **SIGN YOUR ENVELOPE.** Envelopes **MUST** be signed for the ballot to be counted. A spouse of the member is not authorized to sign the envelope.
- ▶ Tear ballot on perforated lines and insert the ballot in the postage paid envelope enclosed marked **"BUSINESS REPLY MAIL"** and seal.
- ▶ Ballots must be received **BY FEB. 18, 2025**. Return only one ballot per **"BUSINESS REPLY MAIL"** envelope. Only ballots returned in the **"BUSINESS REPLY MAIL"** will be counted.

DO NOT SEND UTILITY PAYMENTS WITH BALLOT.

2025 BALLOT

DISTRICT 1 VOTE FOR ONE PERSON

- ☐ **TODD A. SANDMANN** – Beattie, Kansas

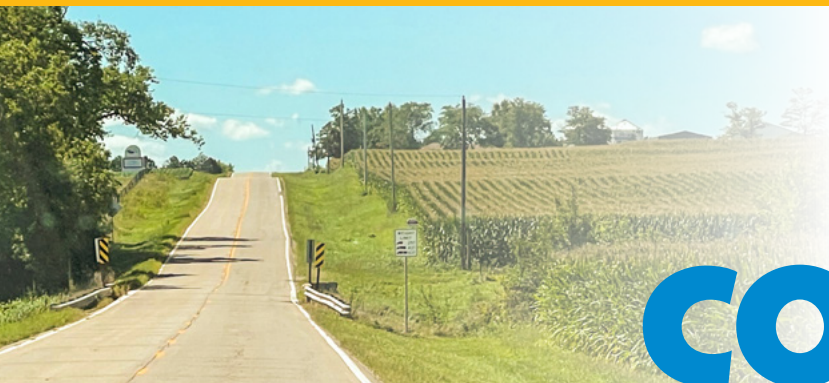
DISTRICT 2 VOTE FOR ONE PERSON

- ☐ **PHILLIP L. BUESSING** – Axtell, Kansas
- ☐ **DAVID J. KOCH** – Axtell, Kansas
- ☐ **JAMES R. KROEGER** – Axtell, Kansas

DISTRICT 3 VOTE FOR ONE PERSON

- ☐ **DEAN D. BECKER** – Seneca, Kansas
- ☐ **COLE J. WINKLER** – Seneca, Kansas

DO NOT VOTE FOR MORE THAN ONE PERSON IN EACH DISTRICT.



COMMON *Ground*

President's Report

Well ... the world is an amazing place. The abilities of mankind to solve problems never fails. Sometimes it takes awhile, but we seem to get there. We've developed:

- ▶ Power that operates the tiniest of switches yet powerful enough to drive huge machines.
- ▶ Telephones that give us connectivity practically anywhere in the world.
- ▶ Computers that compute in milliseconds what took hours and days to accomplish only a couple of generations ago.
- ▶ Lights that come on with a switch because "they have always come on."
- ▶ Rockets that return to earth and land using bits and pieces of all the above.

All those things and many more happen because of, or with the assistance of, electricity.

I must admit that prior to joining the board at Nemaha-Marshall, I took electricity for granted. Flip that switch and "the lights always come on." When we had an outage, my attitude was "give them a little time to get it fixed" and they did get it fixed. Even during the ice storm of 2007, I had confidence that "they'll get it fixed" and they did.

The local "they" guys and gals are your employee group at Nemaha-Marshall. Those are your neighbors and friends that have taken the responsibility to keep the lights on at our electric cooperative. I have always known that they were rebuilding, maintaining and fixing outages, but after being on the board at Nemaha-Marshall I will never take their work for granted again.

SOME NOTABLE EVENTS FROM 2024:

JIM CAFFREY and **TOM NIEHUES** were reelected. Congratulations to those two as they are valued members of the board. We also welcomed **MATT HOLTHAUS** as a new board member, replacing

Bob Rottinghaus who retired from the board.

Your board participated in a strategic planning session. We completed a two-day comprehensive evaluation of current systems and issues, as well as planning for the future.

We all know the benefits of electricity, but sometimes forget that it is dangerous if not respected. The staff put on a demonstration of the hazards of electricity at the Marshall County and Nemaha County fairs this past summer. We plan to do those again over the coming year and I invite you to attend one. Certainly, a reminder for the adults, but a powerful lesson for our youth that have always known the "lights to come on."

Your NMEC is constantly evaluating ideas and products that can make your system more efficient and keep the electricity that we rely on affordable. We implemented a rate change in 2024 that more closely aligns our charges with the costs incurred. You may still have questions about the charges, and if you do, Kathy and the staff at NMEC should be able to answer them. The staff has also been looking into time-of-use billing to ensure that our system can handle it.

Mark your calendar for Feb. 18, 2025, in Axtell for our 86th annual meeting. Come and eat lunch with us, get an update on your cooperative, and meet some of those "guys and gals" who make it all happen at Nemaha-Marshall Electric.



David
J. Ronnebaum

"The abilities of mankind to solve problems never fails. Sometimes it takes awhile, but we seem to get there."



Treasurer's

INCOME STATEMENT

FOR THE YEAR ENDING DEC. 31, 2024

REVENUE	2023	2024
ENERGY SALES		
Residential	\$5,844,786	\$6,699,888
Commercial	1,212,123	1,633,670
Irrigation	86,117	116,905
Public Lighting	2,227	3,019
Other	15,611	15,624
TOTAL ENERGY SALES	\$7,160,864	\$8,469,106
NON-OPERATING REVENUE	174,080	189,636
TOTAL REVENUES	\$7,334,944	\$8,658,742
EXPENSES		
Purchased Power	3,779,780	3,982,478
Operations & Maintenance	1,253,385	1,753,884
Depreciation & Amortization	466,123	462,894
Administrative & General	462,785	528,566
Employee Benefits	250,775	312,972
Interest	233,326	242,013
Taxes, Property & Other	184,622	190,404
Consumer Records & Collection	132,501	145,758
Maintenance, Machines & Buildings	95,336	71,625
Special Services	57,860	59,301
Property & Liability	31,070	34,872
TOTAL EXPENSES	6,947,563	7,784,767
NET MARGINS	387,381	873,975

BALANCE SHEET

AS OF DEC. 31, 2024

ASSETS (WHAT WE OWN)	2023	2024
Capital Plant	\$11,123,014	\$11,111,913
Investments	270,806	525,194
Accounts Receivable	687,282	876,880
Cash in Bank	392,753	387,391
Material & Supplies	1,383,029	1,210,322
Investments in Associated Organizations	257,178	263,347
Prepaid Insurance, etc.	310,701	417,869
TOTAL ASSETS	\$14,424,763	\$14,792,916
LIABILITIES & EQUITY (WHAT WE OWE)		
Patronage Capital	\$8,579,055	\$9,197,154
RUS, FFB & Other Long Term Debt	3,668,818	4,433,801
Accounts Payable	397,210	361,747
Current Maturities — Long-Term Debt	300,604	308,357
Other Margins & Equities	236,132	240,880
Other Liabilities	1,193,489	205,232
Consumers' Deposits	49,455	45,745
TOTAL LIABILITIES & EQUITY	\$14,424,763	\$14,792,916

Report

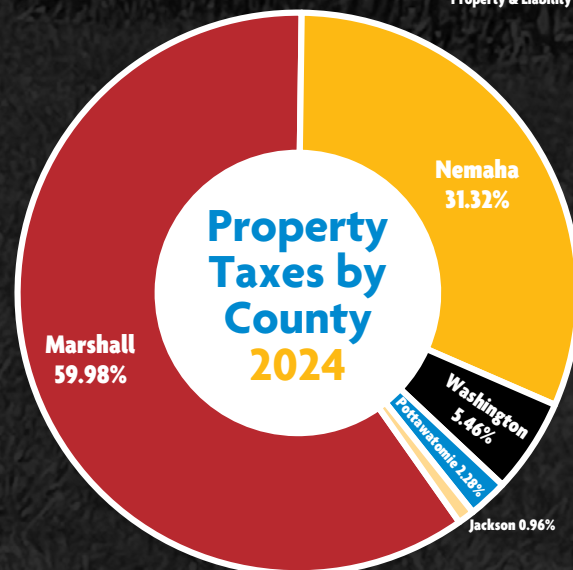
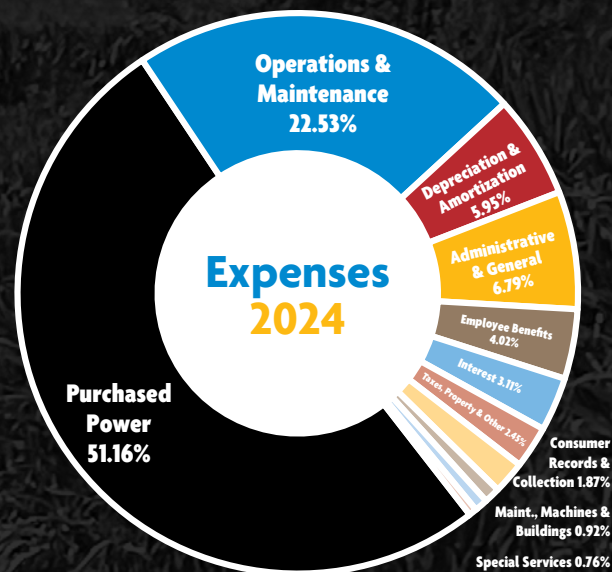
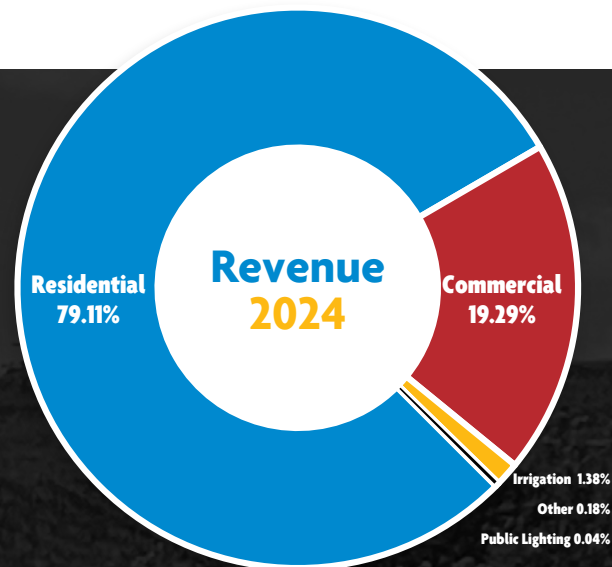
OPERATING STATISTICS

	% OF REVENUE	2014	% OF REVENUE	2024
Total Revenue		\$6,828,954		\$8,658,742
Purchased Power	57.6%	3,935,725	46.0%	3,982,478
Operations & Maintenance	23.3%	1,589,398	33.6%	2,906,978
Depreciation	7.4%	507,632	5.3%	462,894
Interest	3.2%	219,151	2.8%	242,013
Taxes, Property & Other	2.9%	195,966	2.2%	190,404
Margins	5.6%	381,082	10.1%	873,975

	2014	2024
Meters Served — Dec. 31	3,375	3,560
Average kWhs Used in December	1,353	1,132
Average Bill in December	\$167.08	\$177.27
Average Cost per kWh Sold	12.93¢	15.96¢
Average Cost per kWh Sold excluding power cost	5.04¢	7.79¢
Miles of Line	1,546	1,474
Meters per Mile	2.18	2.42

PROPERTY TAXES PAID BY YOUR CO-OP

COUNTY	2020	2021	2022	2023	2024
Marshall	\$68,157	\$76,797	\$81,180	\$85,761	\$84,640
Nemaha	36,852	38,297	40,837	45,843	44,196
Washington	8,045	8,073	8,552	9,030	7,706
Pottawatomie	2,770	3,076	3,386	3,502	3,220
Jackson	1,206	1,325	1,404	1,469	1,353
	\$117,030	\$127,568	\$135,359	\$145,605	\$141,115



Manager's Report



Kathleen O'Brien

“We are here for one purpose — to serve you with safe, reliable, dependable electricity.”

Nemaha - Marshall
Electric Cooperative Assn., Inc.

Twenty years ago, I wrote my first report as a new general manager. Each year, it has been my privilege to report on the financial and physical condition of your cooperative. Each year has been different, and each year has had its own highlights. And, it seems, each year recently has its own challenges.

Electric industry challenges center around growing electricity needs for such things as data centers and new manufacturing plants, while traditional baseload generators are set to cease operations as part of the regulatory requirements to reduce carbon. Reduced availability of generation will make it difficult as we begin the process of negotiating a new power contract in the next year or two.

On the local front, the past several years we have seen a rise in the number of outage calls resulting from consumers making contact with electric lines, poles and equipment. So far, we have escaped any public electric burns or worse yet, fatalities. We have a renewed focus on educating the public, but please remember to always look up and stay clear of the high voltage bare wires delivering reliable power to each of you.

The 2024 rate adjustment and implementation of a demand charge provided the desired financial results, but we are now ready to move to another rate structure called time-of-use billing where there will be different prices for separate times of day, thus giving each member better control over their electric bill.

Providing safe, reliable power provides its own challenges as we strive to ensure our infrastructure is ready

to serve you for the next 40 years. Over the past four years we have built a new substation and installed new substation transformers at two other substations. We have plans for another new substation in 2025 and possibly another if funding becomes available. We have put a focus on making sure our transmission backbone is rebuilt with steel and concrete poles designed to withstand the increased severe weather events in our area. These projects need to be completed but we must also remain focused on maintaining the trees and other vegetation that have drawn increased scrutiny recently with so many red flag warning days and the fast-moving fires that can damage poles, livestock and homes.

Despite these challenges, one of our top priorities is to make sure we are listening to our members. We also hope you appreciate the monthly communication in the local pages of the *Kansas Country Living* magazine. Please remember our business decisions hinge on one thing — what is good for our members is good for us.

We hope this cooperative has continued to meet the needs of its members and that we have been responsive to your needs this past year and for each of my 20 years. We have a dedicated line department and equally talented office staff who take pride in each of their respective jobs. We are here for one purpose — to serve you with safe, reliable, dependable electricity. Please always feel free to call on us.

We hope to see you all at the annual meeting on Feb. 18.

ON THE COVER

Photo by **JAKE THOENNES**, Stearns Electric Association in St. Joseph, Minnesota.



Minutes of the 2024 Annual Meeting

NEMAHA-MARSHALL ELECTRIC COOPERATIVE ASSN., INC. | FEB. 20, 2024

The 2024 Annual Meeting of the Nemaha-Marshall Electric Cooperative Association, Inc., was convened on Tuesday, Feb. 20, 2024. As designated in the meeting notice, the annual meeting was held at the American Legion Building, 207 Fifth Street, Axtell, Kansas.

Before the meeting was called to order, the 2023 Youth Tour delegates spoke about their experiences this past summer in Colorado and Washington, D.C., with other co-op student delegates. Board President David Koch presented both delegates with a certificate and portable charging device.

President Koch called the meeting to order at 12:52 p.m. Meeting attendees said the Pledge of Allegiance, and Board Member Tom Niehues delivered the invocation.

Board Secretary Robert Voet introduced the special guests, which included Major General Lee Tafanelli, CEO of Kansas Electric Cooperatives, Inc. (KEC); former cooperative employees Kenny Cain, Jim Heinen, and Alex Rombeck; and retired Board Member Bob Rottinghaus.

Office Manager Kimberly Broxterman read the notice of meeting and proof of mailing. She then announced that 142 members had registered, 43 members were present in person, and 99 mail-in ballots had been received. No members were represented by proxy. A quorum was confirmed.

The unapproved minutes of the 2023 Annual Meeting were then approved.

President Koch introduced the members of the board of trustees, employees and corporate counsel, Glenda Cafer and Trevor Wohlford.

President Koch then called for the election of trustees, and the nominees were introduced.

Robert Bergmann delivered the report of the nominating committee. The minutes of the committee were reported, drawing no questions. A motion to accept the report of the nominating committee was made, seconded and passed by voice vote.

President Koch then introduced the trustee candidates. Ballots were cast and the votes were counted. Corporate counsel Cafer and Wohlford were excused to supervise the counting of the votes.

Pat Holthaus delivered the Operations Report. There were no questions asked.

Kimberly Broxterman delivered the Office Managers Report. A member asked about cybersecurity and delays in the mail system. Tafanelli came forward to explain that the Kansas Legislature has been exploring possible avenues to address the mail problem. Broxterman then explained that online payments are processed in the cloud, not on the cooperative's platform.

Justin Burdick delivered the Financial Report. He provided an overview of the items and figures in the 2023 Annual Report and noted that rates met the requirements of the cooperative's lenders. He received no questions from the members.

President Koch delivered the President's Report, referencing the annual meeting booklet. President Koch recognized Stanley Broxterman for his 35 years of service, Kimberly Broxterman for her 15 years of service, and Jennifer Kramer for her 10 years of service. Cooperative employees then came forward and introduced themselves to the membership.

In response to a member question regarding board compensation, President Koch stated that each trustee received \$280 per month for their service on the board.

Kathleen O'Brien delivered the General Manager's Report. She began by requesting feedback from the membership about the meeting notice published in the centerspread of *Kansas Country Living*. General Manager O'Brien highlighted the fast-changing environment of the electric power industry, the growth of distributed generation, and the challenges brought about by inflation and extreme weather events. She also discussed the recent rate adjustment, system improvements and long-term capital investment, noting that the cooperative would be holding a strategic planning meeting in March 2024. In addition, she identified the three "pillars of service" — safety, reliability and affordability — and discussed the cooperative's performance on each front. Regarding safety, she discussed the cooperative's new truck locator technology; the KEC safety compliance program; and the annual co-op safety leadership summit. She also thanked Line Superintendent Patrick Holthaus for his work in the area of safety. Regarding reliability, she highlighted outage response, generation resource adequacy, and vegetation management. Regarding affordability, she discussed the factors driving rate inflation such as net metering and severe storm impacts. General Manager O'Brien concluded by thanking staff, the board of trustees, and the members.

President Koch then announced the results of the trustee election. The winners were:

DISTRICT 1 – MELVIN KRUSE DISTRICT 2 – JAMES CAFFREY DISTRICT 3 – TOM NIEHUES

President Koch called for unfinished business, and there was none. He then called for new business, and there was none. There being no further issues or business brought before the meeting of the members, a motion was made to adjourn. The motion was seconded and approved without discussion, and the meeting was adjourned at 2:25 p.m., followed by the announcement and distribution of door prizes.

RESPECTFULLY SUBMITTED,

TREVOR C. WOHLFORD, ATTORNEY AND RECORDING SECRETARY

ROBERT L. VOET, SECRETARY

BOARD OF TRUSTEES

DAVID J. RONNEBAUM
President, District 3

MELVIN D. KRUSE
Vice President, District 1

ROBERT L. VOET
Secretary, District 1

JAMES G. BORGERDING
Treasurer, District 1

DEAN D. BECKER
Trustee, District 3

JAMES J. CAFFREY
Trustee, District 2

MATTHEW R. HOLTHAUS
Trustee, District 2

DAVID J. KOCH
Trustee, District 2

TOM L. NIEHUES
Trustee, District 3

STAFF

KATHLEEN M. O'BRIEN
General Manager

KIMBERLY R. BROXTERMAN
Office Manager

JUSTIN R. BURDICK
Accountant

PATRICK J. HOLTHAUS
Line Superintendent

CASSIDY G. DIXON
Warehouse

JENNIFER R. KRAMER
Senior Billing Clerk

SANDY R. BUESSING
Part-Time Billing Clerk

STANLEY C. BROXTERMAN
Lineman

MIKE J. STALLBAUMER
Lineman

KEVIN J. HUNINGHAKE
Lineman

STEPHEN A. HULSING
Lineman

BRADLEY J. BOECKMAN
Lineman

AUSTIN J. ROMBECK
Lineman

TREVOR B. LOWELL
Lineman

BRETT A. ROGERS
Lineman

SEAN M. CUNNINGHAM
Lineman

Keep Your ACH Payment Information Current



If you are signed up for automatic bank draft or recurring credit/debit card payments for your Nemaha-Marshall Electric account(s), please update your information if you change bank accounts or get new credit/debit cards. This will ensure that your account will be paid on time and you will avoid any penalty charges.

Annual Meeting PROGRAM

Feb. 18, 2025

AMERICAN LEGION BUILDING | 207 FIFTH STREET | AXTELL, KANSAS

2025 Annual Meeting

OFFICIAL NOTICE

FEB. 18, 2025

ROBERT L. VOET, SECRETARY

The 2025 Annual Meeting of Nemaha-Marshall Electric Cooperative, Inc. will be held at the American Legion Building, 207 Fifth Street in Axtell, Kansas, on Feb. 18, 2025. The meeting will begin at 12:30 p.m. with registration beginning at 10:30 a.m. and lunch at 11:30 a.m.

- ▶ Reports of officers and trustees.
- ▶ Election of three trustees.
- ▶ All other business which may come before the meeting.



Nemaha-Marshall
Electric Cooperative Assn., Inc.

10:30 a.m. **11:30 a.m.** **12:30 p.m.**
REGISTRATION LUNCH BUSINESS MEETING

Call to Order | **DAVID J. RONNEBAUM**

Invocation | **DEAN D. BECKER**

Guest Introduction | **DAVID J. KOCH**

Reading of Notice of the Meeting and Proof of Mailing

Confirm a Quorum

Report of Nominating Committee | **JOE KROEGER**

Election of Trustees

Kansas Electric Cooperative Report

Operations Report | **KEVIN J. HUNINGHAKE**

Office Manager Report | **KIMBERLY R. BROXTERMAN**

Financial Report | **JUSTIN R. BURDIEK**

President's Report | **DAVID J. RONNEBAUM**

Manager's Report | **KATHLEEN M. O'BRIEN**

Trustee Election Results

Unfinished Business

New Business

Adjournment

Distribution of Prizes