



**2021**

# ANNUAL REPORT

## Board

<b>Brian Lang</b> Solomon, President	<b>James Christopher</b> Falun, Director
<b>Ken Hedberg</b> Marquette, Vice President	<b>Dane Clark</b> Gypsum, Director
<b>David Mueller</b> Tampa, Secretary	<b>Sheila Hummel</b> Hope, Director
<b>Dean Allison</b> Delphos, Director	<b>Bruce Spare</b> Assaria, Director
<b>David Butler</b> Junction City, Director	

## Staff

<b>Timothy J. Power</b> CEO	<b>Marla Marshall</b> CFO
<b>Mike Olberding</b> Operations Manager	<b>Derrick Rutherford</b> Communications Manager

## Office Hours

8 a.m.-4:30 p.m., Monday-Friday  
Open over the lunch hour

## Payment Locations


**CENTRAL NATIONAL BANK IN  
WALMART SUPERCENTER**  
521 E. Chestnut St., Junction City, KS 66441  
**FARMERS STATE BANK**  
447 Harrison, Lindsborg, KS 67456

## Outage Information

**IN CASE OF AN OUTAGE, CALL  
800-376-3533.** After-hours calls will be answered by dispatch and forwarded to standby personnel.

## Find Out More

 [facebook.com/DSOElectricCooperative](https://facebook.com/DSOElectricCooperative)

 @DSOElectricCoop

## 2021 Report to Members

FROM DSO PRESIDENT BRIAN LANG AND DSO CEO TIM POWER

### Board Work

For the second year in a row, the DSO board of directors continued to operate as a nine-member board. Position 3 in the West District went unfilled again as no member applied to fill that position.

Board meetings were held in person with some directors opting to attend by telephone, due to safety protocols. The board heard monthly reports on the continual changes in the workplace to accommodate safety protocols and provided guidance to management, as appropriate. The board also reviewed the finances of the cooperative each month and approved a general retirement of capital credits at the end of the year. DSO is once again on a 25-year retirement schedule and, since its founding, has retired over \$6.5 million in capital credits to its members.

### Solar

Work was completed on the two solar installations in Junction City and near Lindsborg last spring. Both installations helped reduce DSO's peak load in the summer months. The peak load is the maximum amount of electricity used by DSO members during any one-hour interval. The wholesale rate that DSO pays for electricity is largely based on that peak, so any reduction results in significant savings, which helps keep rates as low as possible.



**Brian Lang**  
Board President



**Tim Power**  
CEO

### Energy Rates

While the solar installations helped with the peak load, we also had to address our energy charges, particularly the residential rates. In 2020, we completed a cost-of-service study that showed our residential rates were not bringing in enough revenue to cover the costs to serve those accounts. As we were in the middle of the COVID-19 pandemic, we chose not to increase rates at that time. But, by mid-2021, the residential rates had to be addressed, as the lack of revenue was becoming more evident. Following the recommendations from the cost-of-service study, the residential rates were increased (as were the lighting rates, which had not been changed in over a decade) and the new rates took effect in October 2021.

### Service Reliability

Reliability of electric service is espe-

*Continued on page 12D ▶*

# 2022 Scholarship Recipients

DSO Electric Cooperative continues to provide scholarships to its members or their dependants pursuing higher education in Kansas. DSO provides at least one scholarship for each of its three voting districts, one scholarship to a current college student, and one for a student entering or continuing education at a lineman or vocational school. This year, DSO is proud to award 12 \$1,000 scholarships. Now, let's recognize the winners by the district they represent.

## SHANNON ANDERSON (EAST)

**SHANNON ANDERSON** is a senior at Chapman High School. She is the daughter of Rodney and Tammy Anderson.

She participates in volleyball, basketball and track. She is also a member of the National FFA Organization, National Honor Society, Students Against Destructive Decisions, Student-Athlete Leadership Team, All For Girls, 4-H and was honored as Homecoming Queen in 2021.

After graduating, she plans to attend Kansas State University and Emporia State University to pursue a degree in business. She wants to open her own business as a physical therapist.

## COLT SELL (EAST)

**COLT SELL**, a senior at Chapman High School, is the son of Dan and Lacey Sell.

Colt participates in football, wrestling and track. He has volunteered in plays and musicals for the school. He is a member of the National Honor Society and completed several community projects with Hi-Y.

Colt will study health and human performance at Emporia State University and plans to be a chiropractor.

## RYKER NELSON (WEST)

**RYKER NELSON** is a senior at Minne-

apolis High School and the son of Holly and Monte Nelson.

Ryker is active in basketball, baseball and football. He is a member of the National Honor Society, choir, church youth group, Fellowship for Christian Athletes, New Image and Art Club.

Ryker plans to study parks management and conservation at Kansas State University.

## MYAH STAMBAUGH-TUBBS (WEST)

**MYAH STAMBAUGH-TUBBS** is a senior at Smoky Valley High School. She is the daughter of Anecea Stambaugh-Groth and Chris Groth.

Myah participates in Lindsborg Swedish Folk Dancers, National Honors Society, orchestra, vocal music, KMEA Honor Choirs, FCCLA, Drama Club, International Thespian Society and the Falun-Salemsburg Lutheran Church Youth group.

Myah plans to major in music education at the University of Kansas to become a music teacher.

## ALLISON CROSS (CENTRAL)

**ALLISON CROSS** is a senior at Abilene High School. She is the daughter of Tim and Jennifer Cross.

Allison participates in tennis, track, basketball, cross country, powerlifting and cheer. Allison is a member of the National Honor Society, German Club, German National Honors Society, KSHAA Student-Athlete, Student Peers Using Responsible Strategies (SPURS),

Lone Rangers and was a homecoming candidate.

Allison will be studying exercise science and business at Kansas State University, Pittsburg State University or Fort Hays State University. She plans to become a personal trainer and gym owner.

## GARRET HUFFMAN (CENTRAL)

**GARRET HUFFMAN** is a senior at Smoky Valley High School and is the son of Michelle Heimer.

Garret participates in track, cross-country and clay target shooting. He is a member of the Lindsborg Swedish Folkdancers, Salina Burn Running Club, Kay Club, Viking Mentor and a volunteer for Ducks Unlimited and Whitetails Unlimited. He also has his own mowing business.

Garret plans to obtain a degree in agriculture starting at Cloud County Community College or Hutchinson Community College and then transfer to Kansas State University to pursue a degree in animal science. He eventually wants to become a farmer and rancher.

## KELLON JOHNSEN (CENTRAL)

**KELLON JOHNSEN** is a senior at Smoky Valley High School and the son of Kindra and David Johnsen.

Kellon participates in band and tennis. Kellon is an Eagle Scout, member of the National Honor Society, National Thespian Society, jazz band, Boy Scouts,



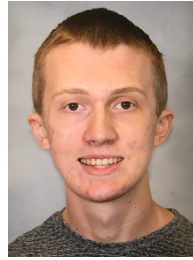
Shannon Anderson



Allison Cross



Garrett Huffman



Kellon Johnsen



Olivia Lawson



Noah Martin



Ryker Nelson



Meaghan Roths



Weston Schrader



Colt Sell



Myah  
Stambaugh-Tubbs



Kara Suhr

Salina Youth Symphony, Vikings and 4-H shooting sports. He has volunteered at the Dala Pantry, Hyllningsfest, food drives and church.

After graduating, Kellon plans to study computer science and information systems at Friends University in Wichita.

### OLIVIA LAWSON (CENTRAL)

**OLIVIA LAWSON** is a senior at Bennington High School. She is the daughter of Chris and Kim Lawson.

Olivia participates in basketball, volleyball and track. She is a member of the National Honors Society, National FFA Organization, Fellowship of Christian Athletes and Mentor Magic.

Olivia plans to attend Kansas State University to study animal science. She plans to become a veterinarian in rural Kansas.

### NOAH MARTIN (CENTRAL)

**NOAH MARTIN** is a senior at Sacred Heart High School and the son of Robert and Michelle Martin.

Noah participates in golf and is a member of the National Honor Society. He is a state medalist in Debate, Forensics, Science Olympiad and Scholars Bowl. He founded the Chess Club at Sacred Heart and is also in the Diversity Club.

Noah will attend Kansas State University and major in finance. He plans to obtain a certificate in data analytics and later business administration.

### MEAGHAN ROTHS (CENTRAL)

**MEAGHAN ROTHS** is a senior at Southeast of Saline High School. She is the daughter of Lucinda and Kenneth Roths.

Meaghan participates in volleyball, softball and choir. She is a talented painter and designer and many of her talents can be seen throughout the school. Meaghan is in the National Honors Society, speech and drama club, books and movies club, Fellowship of Christian Athletes, Catholic Youth Organization, Teens Reaching Ultimate Success Together (TRUST) and art club.

She plans to attend Wichita State University and major in graphic design.

### WESTON SCHRADER (CENTRAL)

**WESTON SCHRADER** is a senior at Minneapolis High School. He is the son of Spencer and Laci Schrader.

Weston enjoys playing football and baseball. He participates in National Honors Society, 4-H, National FFA Organization, America-International Junior Charolais Association, Kansas Junior

Charolais Association as president term 2020-2022 and Kansas Junior Simmental Association serving as the national director/treasurer for the Charolais breed.

Weston plans to attend Kansas State University and major in animal science and minor in ag economics or ag communications. He wants to pursue a career in livestock nutrition or genetics while still back on the Schrader Ranch.

### KARA SUHR (CENTRAL)

**KARA SUHR** is the daughter of Clint and Kim Suhr. She graduated from Southeast Saline High School in 2021.

Kara is currently a sophomore at Fort Hays State University studying business finance. She plans to get a certificate in banking. She volunteers with Big Brothers Big Sisters, Fellowship of Christian Athletes, Salina Silver Spurs Saddle Club, Sunny Side Pumpkin Patch and is a Bethany Home visitor.

Kara plans to graduate debt-free and start her own boutique business.

DSO would like to congratulate all the 2022 scholarship winners! We are proud to recognize such an amazing group of very talented individuals. We think this community outreach is a great way to help support our rural families and members.

# Financial Report

The annual kilowatt-hour (kWh) sales for 2021 totaled \$130.8 million, which is \$6 million more than what was sold in 2020. Revenue was \$1.7 million more than 2020.

Increased sales had a corresponding increased cost of power. Cost of power for 2021 was \$1.2 million more than in 2020. The wholesale cost of power is DSO's single largest expense. In 2021, it accounted for 54% of all of DSO's expenses. Other expenses — operations and maintenance; administrative and general; depreciation; and interest — also showed an increase over 2020 expenses.

DSO had an operating margin of \$485,000 (13% increase over 2020) and

BALANCE SHEET	
<b>WHAT WE OWN</b>	
Total Fixed Assets	\$57,300,000
Total Current Assets	\$15,100,000
Total Assets	\$72,400,000
<b>WHAT WE OWE</b>	
Total Liabilities	\$51,000,000
<b>OUR NET WORTH</b>	
Memberships & Equity	\$21,400,000
Total Liabilities & Equity	\$72,400,000

a total margin of \$849,000 in 2021. Total margin includes equity allocations from organizations we are associated with, shown at right here as G&T and Other Capital Credits.

DSO finished the year with a little

OPERATING STATEMENT		
	2020	2021
Electric Revenue	\$19,100,000	\$20,800,000
Cost of Power	\$9,900,000	\$11,100,000
Operations & Maintenance	\$1,800,000	\$1,900,000
Administration & General Service	\$2,000,000	\$2,200,000
Depreciation	\$2,000,000	\$2,100,000
Interest	\$1,900,000	\$2,000,000
Property Tax	\$1,000,000	\$1,000,000
Operating Margins	\$429,000	\$485,000
Non-Operating Margins	\$73,000	\$84,000
G&T Capital Credits	\$0	\$75,000
Other Capital Credits	\$202,000	\$205,000
<b>TOTAL MARGINS</b>	<b>\$704,000</b>	<b>\$849,000</b>

over \$72 million in assets. DSO owes \$51 million, leaving \$21 million in equity.

All in all, 2021 was a good year for DSO. We look forward to a great 2022!

If you have questions, contact the DSO office at 800-376-3533.

## 2021 Report to Members *Continued from page 12A*

cially important as more members work from home, children attend classes virtually, and more daily business is conducted over the internet. Reliability is taken for granted until there is an extreme event such as last year's Winter Storm Uri or the windstorm this past December. Despite these two significant storms, DSO members had electrical power for 99.85% of the year. This was due, in large part, to the work of the DSO employees, especially the linemen, as they worked many hours during and after outages to restore power safely to all members.

Please know that reliability is something the DSO board and staff will always try to maximize. We do that, in part, by ensuring DSO's infrastructure is in good working order, but also by working with our power supplier to encourage they do the same.

### Commitment to Community

As part of its commitment to community and education, the board awarded scholarships to high school seniors and current college students. Normally, DSO provides 10 scholarships, but this year we

awarded 12, due to both student summer trips (Cooperative Youth Leadership Camp in Colorado and Electric Cooperative Youth Tour in Washington D.C.) being canceled the last two years because of the pandemic. When applying for a scholarship, these students learned about the cooperative, how it operates, and what it means to be a member, as opposed to just being a consumer of an electric utility. These scholarship winners are profiled on pages 12B-C.

### Member Engagement

As a cooperative, member engagement is vital. Directors have encouraged qualified individuals to run for positions on the board. While we did not have contested elections and could not fill an open board position in 2021, we are happy to see we have three new candidates to consider in 2022. We encourage all our members to make sure they vote in the upcoming election.

### New CFO

After over 25 years at DSO, **JUDY BARTEN** retired as CFO in May. Barten was such a big part of DSO, and she

took a lot of experience with her when she retired. But she had a hand in selecting her replacement, **MARLA MARSHALL**. We were fortunate to find Marshall, as she came to DSO with 28 years of experience as CFO at another electric cooperative. She was able to hit the ground running and is doing a great job for DSO.

### Wrap-Up

As we close, we would like to thank all the current directors for their willingness to serve. They spend many hours each year in meetings and training and make important decisions during the year concerning rates, capital credits, and evaluation of the CEO.

Finally, we encourage you to engage with a current director or cooperative employee about concerns or opportunities for DSO. We hope you have a safe and enjoyable 2022!

Please watch the DSO 2021 Annual Meeting video available on the DSO website for a \$20 bill credit!