

Approved 3/20/89 Date

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES

The meeting was called to order by Sen. Bill Morris at  
Chairperson

9:02 a.m./~~p.m.~~ on March 16, 1989 in room 254-E of the Capitol.

Members present:

Senators Morris, Doyen, Francisco, Hayden, F. Kerr, Martin, Rock, Sallee and Thiessen.

Committee staff present:

Hank Avila, Legislative Research Department  
Ben Barrett, Legislative Research Department  
Louise Cunningham, Committee Secretary

Conferees appearing before the committee:

Conni McGinness, Kansas Electric Cooperatives  
Perry Rubart, Pioneer Electric Cooperatives  
Lewis Mitchell, Wheatland Electric Cooperative  
Wilbur Leonard, Committee of Farm Organizations

Hearing on H.B. 2104 - Voting on consolidation or merger of electric cooperatives.

Conni McGinness, Kansas Electric Cooperatives, said the great distances involved in the areas of membership make it difficult for members to attend the meetings and the mail-in-ballot provision on consolidation and mergers would ensure greater participation. A copy of her statement is attached. (Attachment 1).

Perry Rubart, Pioneer Electric Cooperative, said he was from a rural area and it is not uncommon to drive 50 or 60 miles to get to a town. They want as many members to vote as possible on the important issue of consolidation and the mail-in ballot would accomplish this. A copy of his statement is attached. (Attachment 2).

Lewis Mitchell, Wheatland Electric Cooperative, said this seems like a technical correction as every effort should be made to insure the citizen's right to speak. A copy of his statement is attached. (Attachment 3).

Wilbur Leonard, Committee of Farm Organizations, said the mail-in ballot would insure greater involvement of cooperative members. A copy of his statement is attached. (Attachment 4).

A motion was made by Sen. Doyen to recommend H.B. 2104 favorably for passage and that it be placed on the Consent Calendar. Motion was seconded by Sen. Sallee. Motion carried.

On a motion from Sen. Hayden the Minutes of March 15, 1989 were approved. Motion was seconded by Sen. Thiessen. Motion carried.

Meeting was adjourned at 9:45 a.m.



TESTIMONY

Before the Senate Transportation & Utilities Committee

House Bill No. 2104

Thursday, March 16, 1989

By Conni L. McGinness  
Director, Legislative Relations  
Kansas Electric Cooperatives, Inc.

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## TESTIMONY

May it please the Committee, my name is Conni McGinness, and I am Director of Legislative Relations for Kansas Electric Cooperatives, Inc. (KEC). KEC is the statewide service organization representing 34 rural electric cooperatives in the state, who in turn have a membership of over 160,000 consumers. I am speaking here today on behalf of KEC and its member systems in support of House Bill 2104, amending the Rural Electric Cooperative Act (K.S.A. 17-4601 et seq.).

The amendments proposed in H.B. 2104 are simple: it clarifies the provision regarding mail-in ballots in reference to a cooperative voting on consolidation or merger. The cooperatives are governed by boards of trustees who are elected by the consumer members. However, numerous important issues directly affecting the members, such as a decision to merge or consolidate, must be decided on by a vote of the membership.

KEC has two member electric cooperatives in southwest Kansas who will be taking the issue of consolidation to a vote of their membership. The two cooperatives combined cover 16 counties in Southwest Kansas and one county in Colorado. As you can see, covering that great of distance would make it difficult to get the consumer-members to attend a meeting to vote on whether or not they want their cooperative to consolidate.

The amendment we are supporting today merely clarifies the application of the mail-in-ballot provision on consolidation and mergers to ensure greater member participation. Allowing the membership to vote by mail ballots will ensure greater

participation in directing the cooperative system. These changes are reflected in lines 33, 38 through 40 for consolidations and lines 77 and 81 through 83 for mergers.

I thank the Committee for the opportunity to testify in support of H.B. 2104, and would welcome your questions.

WRITTEN STATEMENT OF PERRY RUBART

REGARDING HOUSE BILL NO. 2104

Presented to the

SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES

SENATOR BILL MORRIS, CHAIRMAN

MARCH 16, 1989

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TESTIMONY OF PERRY RUBART ON HB 2104

BEFORE THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES

MARCH 16, 1989

Mr. Chairman, members of the committee, my name is Perry Rubart. I am from Ulysses, Kansas and am an elected board member of Pioneer Electric Cooperative, Inc. (Pioneer). I am here to testify in favor of HB 2104.

Pioneer is a cooperative formed in 1944 under the Rural Electrification Act of 1935 and appropriate statutes of the State of Kansas, and we brought electricity to many farms, ranches and rural homes for the first time when we began operations in 1945. We are regulated by the Kansas Corporations Commission. Pioneer is located in southwestern Kansas. Our main office is in Ulysses. We serve 9,976 customers with 3,236 miles of line. In our area it is not uncommon to drive 50 or 60 miles to get to a town. We are truly from rural Kansas as I know many of you are.

Pioneer is governed by a nine person board elected by our consumers. Each board member is elected to a three year term. We employ a general manager to manage our affairs and have 37 employees. We meet monthly to transact such business that requires board action or attention.

The Pioneer electric cooperative Board voted to put the

issue of consolidation with Wheatland Electric Cooperative to a vote by our membership. Our lawyer has discovered a possible problem if "mail-in" ballots are used. The existing statutory provisions can be read in such a way that mail-in ballots are not allowed.

Mr. Chairman and members, our cooperative covers hundreds of square miles of southwestern Kansas. We would like to see as many of our members as possible vote on this important consolidation issue. If we are not permitted to use mail in ballots some of our members will have to drive as far as 90 miles to cast a ballot. Many members would have to travel over 40 miles. Distance, time and cost would disenfranchise many of our rural members.

It matters not whether one favors or opposes the issue of consolidation. What does matter is that we do everything possible to afford those who are eligible the right to vote.

I sincerely seek the support of each one of you for the adoption of this important bill.

I thank you very much for your time and attention and the courtesies you have extended to Pioneer.



Testimony of Lewis E. Mitchell

HB 2104

Before the Senate Committee on Transportation and Utilities

March 16, 1989

Mr. Chairman, members of the committee, my name is Lewis Mitchell. I live in Scott City, Kansas and I am the General Manager of Wheatland Electric Cooperative (Wheatland), Inc. I am testifying in favor of HB 2104, a bill that would clarify the allowable use of "mail-in" ballots in elections concerning consolidations or mergers. Wheatland is a cooperative formed in 1948 under the Rural Electrification Act of 1935. We first energized our lines on June 18, 1949.

Wheatland is located in west central Kansas with its principal office in Scott City. We serve 13,466 consumers with 3,269 miles of line. Our service area covers all or parts of Greeley, Wichita, Hamilton, Kearny, Scott, Finney, Gray, Wallace and Logan counties in Kansas and part of Kiowa county in Colorado. Our service territory is roughly 75 miles from west to east and 60 miles from north to south. One can see then that long drives are the normal course rather than the unusual.

Wheatland is governed by a ten person board elected directly by the consumers. Each board member is elected to a three year term. Wheatland has 72 employees stationed throughout our service territory. The board meets on the third Tuesday of each month to handle regular business.

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The Wheatland board of directors voted to refer to our membership the issue of consolidation with Pioneer Electric Cooperative. Since that time, legal counsel has informed us that the results of the election could be challenged if "mail-in" ballots are used in the election process. This is indeed distressing to all of us because it could make casting a vote in the election very costly. We feel this was not the intent of any legislative body since almost all elected officials highly value and strive to protect each individual's right to vote. To us HB 2104 is a technical correction to existing law that should not be at all controversial. We feel that in Kansas, and particularly the rural areas, every effort needs to be made to insure the citizen's right to speak. I would urge your support of the adoption of this measure.

I would like to take this opportunity to thank you for your time and effort on our behalf.

Committee of . . .

# Kansas Farm Organizations

Wilbur G. Leonard  
Legislative Agent  
109 West 9th Street  
Suite 304  
Topeka, Kansas 66612  
(913) 234-9016

TESTIMONY IN SUPPORT OF HB NO. 2104

BEFORE THE SENATE COMMITTEE ON

TRANSPORTATION AND UTILITIES

March 16, 1989

Chairman Morris and Members of the Committee:

I am Wilbur Leonard, appearing on behalf of the Committee of Kansas Farm Organizations. We appreciate this opportunity to add our support to the passage of House Bill No. 2104.

Under existing laws members of electric cooperatives, when their bylaws so provide, may vote by mail ballot or by proxy on various business matters submitted to the membership. This privilege is not now extended to voting on issues involving mergers or consolidations. House Bill No. 2104 is designed to remove this obstacle.

I can't conceive of any issue of greater importance to a cooperative member than whether the organization in which he has a financial interest and which provides him his electric power service is going to cease operating as a separate entity and will become either a part or a partner of another entity.

There are times when it is extremely difficult for these rural owners to interrupt their farming or ranching activities and drive considerable distances to merely record a vote. Under certain circumstances they may want to be present and vocally express their views. Under this bill they would still have that privilege.

By the use of mail ballot or by proxy there could be a greater involvement of cooperative members in this vital element of their business operations.

Mail or proxy voting is a universal practice of publicly held corporations, including electric power companies, and we believe it is only reasonable that the same privilege be extended to Kansas rural electric cooperatives.

Thank you for your consideration and I will be pleased to respond to your questions.

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MEMBERS OF THE COMMITTEE OF KANSAS FARM ORGANIZATIONS

ASSOCIATED MILK PRODUCERS

KANSAS AGRI-WOMEN

KANSAS ASSOCIATION OF SOIL-CONSERVATION DISTRICTS

KANSAS ASSOCIATION OF WHEAT GROWERS

KANSAS COOPERATIVE COUNCIL

KANSAS CORN GROWERS ASSOCIATION

KANSAS ELECTRIC COOPERATIVES

KANSAS ETHANOL ASSOCIATION

KANSAS FARM BUREAU

KANSAS FERTILIZER & CHEMICAL INSTITUTE, INC.

KANSAS GRAIN & FEED DEALERS ASSOCIATION

KANSAS LIVESTOCK ASSOCIATION

KANSAS MEAT PROCESSORS ASSOCIATION

KANSAS PORK PRODUCERS COUNCIL

KANSAS RURAL WATER ASSOCIATION

KANSAS SEED DEALERS ASSOCIATION

KANSAS SOYBEAN ASSOCIATION

KANSAS STATE GRANGE

MID-AMERICA DAIRYMEN

KANSAS VETERINARY MEDICAL ASSOCIATION

KANSAS WATER WELL ASSOCIATION

WESTERN RETAIL IMPLEMENT AND HARDWARE ASSOCIATION