



Sumner-Cowley Electric Coop., Inc.

Building on our past. Lighting the way to the future.

“State of Electric Cooperatives” Briefing

Senate Committee on Utilities
Feb. 24, 2021

**Coni Adams, CEO
Sumner-Cowley Electric Cooperative, Inc.**

Chairman Thompson, Vice Chair Petersen, Ranking Member Francisco and members of the Senate Committee on Utilities, thank you for the opportunity to share with you today about electric cooperatives’ commitment to their local communities. I am Coni Adams, CEO, of Sumner-Cowley Electric Cooperative, Inc. (Sumner-Cowley) headquartered in Wellington, Kansas. Although I am in my first year as CEO, I have worked for Sumner-Cowley for 21 years and have been actively involved in our co-op’s community outreach working with local economic development and civic groups for 7 years.

Like other electric cooperatives, Sumner-Cowley is member-owned and controlled. We serve 3,500 consumer-members across all or parts of 5 counties in south central Kansas. “Commitment to Community” is a guiding principle of the international cooperative movement, and one rural electric cooperatives like ours value strongly. Across the state, local cooperatives are working with community partners, other co-ops and their generation and transmission cooperative (G&T) to support local infrastructure projects that attract or sustain key services in rural areas. As an example of the tremendous work occurring in so many Kansas towns, I would like to share our experience supporting rural health care in Sumner County.

Rural electric cooperatives have a unique ability to access zero percent interest loans from the United States Department of Agriculture’s (USDA) Rural Utility Service (RUS) to use for community projects that create or retain employment in rural areas. Through the Rural Economic Development Loan (REDL), USDA provides loan dollars to local utilities, which they pass through to local recipients. The recipient repays the loan by remitting through the co-op. Under the RED Grant program, USDA provides funds to local utility organizations for establishing a revolving loan fund to support job creation and retention projects in rural areas. The co-op serves as the conduit, but there is no impact on electric rates for participation in REDL/G programs. I want to recount a recent REDL success story for you today.

Healthcare in Wellington, Kansas, and Sumner County, dramatically changed on the night of March 12, 2020, when, without notice, Sumner Community Hospital, shuttered its doors. The hospital had roots in Wellington for more than a century and was one of the town’s largest employers. With the closure, the citizens of Wellington were now 30 miles from the closest hospital with emergency care.

Shortly after the hospital's closure, Ascension Via Christi engaged the City of Wellington and its Health Care Authority Board to explore reopening the Emergency Department to sustain critical healthcare in the community. The parties received unanimous support from stakeholders and constituents to move the project forward, but financing this project was a serious consideration. That's where the cooperative family was able to lend a hand.

KEPCo's Phil Wages collaborated with Wellington's City Manager Shane Shields and Sumner-Cowley to draft and submitted the USDA REDLG application to fund a portion of the \$1.8 million project. The loan was approved in late August. We could not have been more elated to receive the call from USDA stating the project had been approved.

I was born and raised in Wellington. The hospital had been a staple in our community for 100 years. Its closure was devastating. Sumner-Cowley is so proud that cooperatives are able to support the return of emergency service to Wellington and the surrounding area. I am excited to tell you the doors of the new ER will open soon.

At this point in the story, I'm guessing at least a few of you are thinking we had an ulterior motive for supporting the hospital – bringing back a fairly large, consistent commercial account on our electric system. That's not the case. The Wellington hospital is not within Sumner-Cowley's service territory. We will not sell one kilowatt hour of electricity to the hospital. It is, however, an asset to our community and a lifeline for those, including our member-consumers, needing emergency services. I think that's one of the reasons this project so accurately illustrates cooperatives' sense of community because it wasn't about selling more electricity but ensuring there are services available that support the life, health, and happiness of rural Kansans.

We could list numerous other REDLG programs across the state, like plumbing upgrades that kept an elementary school open in Osborne. Prairie Land Electric Cooperative, headquartered in Norton, has provided USDA funding for the county hospital expansions in Norton and Phillips counties totaling \$850,000 which leveraged another \$3.75 million in funding. Prairie Land has used their revolving loan fund for support of projects such as: CT scanner and endoscope for the Sheridan County Hospital, new building for the Norton County Emergency Management Service, fire trucks for Smith and Phillips counties, and a new community building for the City of Almena totaling more than \$1.05 million dollars.

These are just a few of the many projects across the state that demonstrate the cooperatives' commitment to community and willingness and ability to partner with local stakeholders to make a positive difference in rural Kansas. If you ever want more information on those activities and others, our co-op lobbyists will be able to provide that information. From our perspective, Sumner-Cowley will continue to look for ways to benefit the communities we serve to improve the quality of life for our consumer-members, those we see every day at the grocery store or gas station or sit with at a school activity.

Thank you for the opportunity to share about the cooperative difference. I will stand for any questions at the appropriate time.