



Lane- Scott

Electric Cooperative
A Touchstone Energy® Cooperative



Annual Meeting
Official Notice
July 19, 2022

2021
Annual
Report

2022 Meeting Agenda

6-7:30 p.m.

Free Fair Rides

6:30 p.m.

Dinner **JOHN ROSS & CO.**

SIGNATURE CATERING

7:30 p.m.

Call to Order

Introduction of Guests

Report of Quorum

Approval of Minutes of
2021 Annual Meeting

Treasurer's Report

Employee and Trustee Recognition

Announcement of 2022 Continuing
Education Scholarship Recipients

KidWind Presentation

Manager's Report

Guest Speaker

LEE TAFANELLI, KEC CEO

Election of Trustees

Unfinished Business

New Business

Door Prizes Throughout the Meeting

Guest Speaker

LEE TAFANELLI joined Kansas Electric Cooperatives, Inc. as CEO in May 2020. Tafanelli most recently served

as the Kansas Adjutant General, responsible for three primary duties: ensuring the wartime readiness of over 7,000 soldiers and airmen of the Kansas Army and Air National Guard, coordinating the overall emergency preparedness for the state's response to natural disasters and emergencies, and serving as the Homeland Security Advisor for the state of Kansas.

Tafanelli served in the Kansas House of Representatives from 2001-2005, when he took a leave from office to command the 891st Engineer Battalion in Iraq. After his deployment, he resumed his legislative post in 2006 where he served until January 2011, when he was appointed Kansas Adjutant General. During his time in the Kansas Legislature, Tafanelli developed a deep interest on issues affecting rural Kansas. Tafanelli received his commission from Pittsburg State University, Army Reserve Officer Training Corps, and holds a master's degree in environmental planning and management from Kansas State University and a master's degree in strategic studies from the U.S. Army War College. Throughout his military career, he has received numerous military awards including the Army Distinguished Service Award and the Bronze Star Medal.



Nominating Committee Report

A meeting of the Lane-Scott Electric Nominating Committee was held on Monday, June 6, 2022, at 6:30 p.m. in the office of the cooperative at 410 S. High Street in Dighton.

Members of the nominating committee present were Lex Bush representing Lane and Gove counties; Randy Scheuerman and John Beaton representing Logan and Scott counties; Lane Copeland and Kenneth Schlegel representing Ness and Rush counties; and Doug Vieux and Dan Wehkamp representing Finney and Hodgeman counties. Also attending were attorney Joseph Gasper and General Manager Richard McLeon.

By vote the committee nominated the following individuals to be elected by the members at the annual meeting of members:

- ▶ **RAD ROEHL** for the position of trustee representing Lane and Gove counties.
 - ▶ **CHAD GRIFFITH** for the position of trustee representing Scott and Logan counties.
 - ▶ **ERIC DOLL** for the position of trustee representing Finney and Hodgeman counties.
- The meeting adjourned at 6:43 p.m.



Executive Report

The year 2021 began with optimism. 2020 and its coronavirus-related mandated quarantines, store closures and isolation were behind us. We discovered the travel restrictions, which shut down automobile and air travel, led to cleaner air in most cities. Quarantines and store closures brought families together for meals and game nights. Isolation from loved ones reminded us how precious those relationships can be.

Sustainability became the mantra of a new era reflecting everything from power supply to emissions, to personal relationships. The worst was behind us, and we looked to 2021 with optimism.

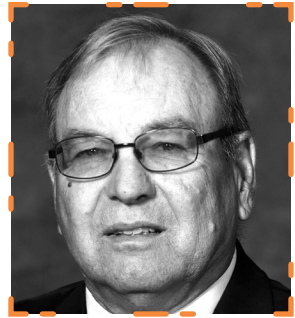
Then it was February. Feb. 14 to be specific. Record-breaking cold swept across the central United States as Winter Storm Uri made its presence felt. The storm delivered an unprecedented and prolonged arctic wave of freezing temperatures, ice and snow to the central and eastern regions of the U.S. Everything from the northern U.S. border to Mexico was affected.

Demand peaked as homes and electric generating facilities competed for natural gas, driving prices to all-time highs. Power plants tripped off and the Southwest Power Pool ordered load sheds for the first time in its 81-year history. Suddenly Dighton, Ness City, and parts of Finney County found themselves plunged into darkness as the temperatures dropped to -20F. Thankfully, the forced outages only lasted a few hours, and the grid was restored, but the fuel-driven cost of wholesale power had increased to almost six times that of average costs.

Our immediate concern was to lessen the financial impact of Winter Storm Uri on our members and in March 2021 the board approved a three-year loan from CoBank to cover the added costs. All Lane-Scott members were given a 42-month, interest-free option for any energy usage above the average billing. By the end of 2021, over half of our members had paid back their original Winter Storm Uri billings.

Your cooperative progressed through the year as COVID-19 waned and our new Generac home generator product offering gained steam. Interest rates, fuel and material costs began to rise so we watched our pennies, and, as always, the dollars followed.

Amid these challenging times, Lane-Scott Electric Cooperative maintained the fifth lowest residential rate among Kansas cooperatives, about 18% below the local municipal rates — all while keeping your dollars local and remaining financially strong. We stayed focused on our core business of providing reliable, cost-effective power



RICHARD JENNISON
Board President



RICHARD MCLEON
General Manager

CONTINUED ON PAGE 4

Executive Report

CONTINUED FROM PAGE 3

and finished 2021 with \$59,930,131 in utility plant with a total of \$35,286,431 in long-term debt. The cooperative had \$18,976,716 in energy sales and an operating margin of \$393,295, (a “surplus” of around 2.1%).

The Merriam Webster dictionary defines the word cooperative as:

- ▶ Mutual assistance in working toward a common goal.
- ▶ A farm, business, or other organization which is owned and run jointly by its members, who share the profits or benefits.

Cooperatives are non-profit. That’s the way we were founded and that’s the way we continue to operate. If we make more than we need, we pay it back to you, our owners. I am very happy to report that last year the cooperative returned \$451,140 of equity to members in our largest capital credit retirement in many years.

Unfortunately, the year ended as it started, and on Dec. 15, 2021, a massive windstorm with wind gusts of up to 105 mph raced across most of Kansas. Poles broke and wildfires started in the high wind and drought conditions. Lane-Scott lost hundreds of poles as 1,540 members lost power. Our crews worked long hours, alongside other cooperatives, to restore power as quickly as possible.

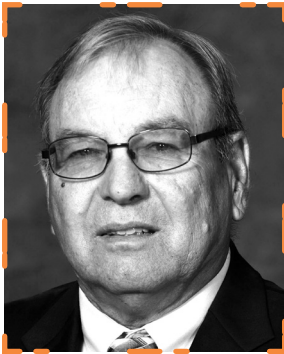
We never know what the future holds, but we know that as a cooperative we are stronger together as we work toward our common goal of keeping the lights on and the costs reasonable. We continue our commitment to our communities and to keeping local dollars local while we investigate new technologies and efficiencies to keep your rates affordable and your reliability high.

The year 2021 was a difficult, frustrating and rewarding year. Your cooperative took a few hits, like everyone else, but maintained low rates and high reliability. We expanded services and supported our communities. I am honored to be a part of the Lane-Scott Electric Cooperative family and to work alongside these great individuals, serving you.

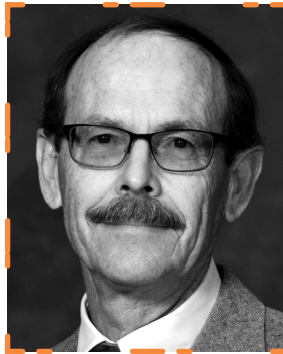


2021 ANNUAL REPORT

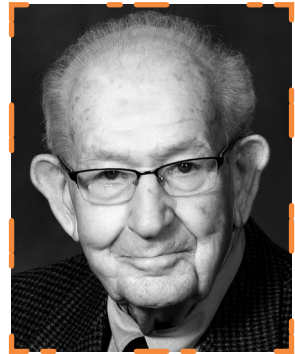
Cooperative Trustees



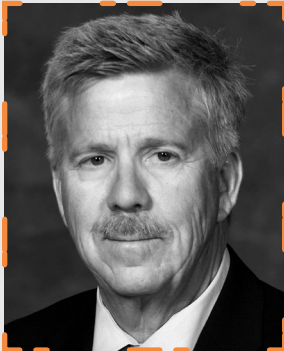
RICHARD JENNISON
Board President
Lane & Gove counties



CRAIG RAMSEY
Vice President
Scott & Logan counties



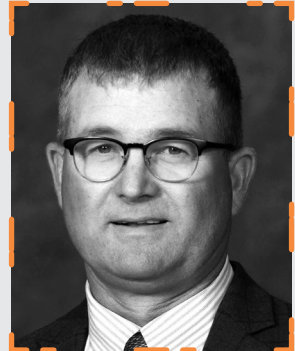
PAUL SEIB JR.
Secretary
Ness & Rush counties



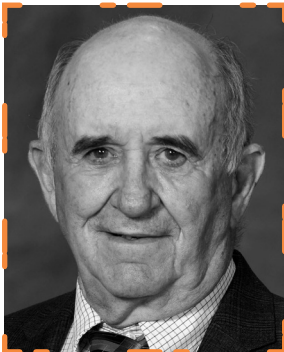
ERIC DOLL
Treasurer
Finney & Hodgeman counties



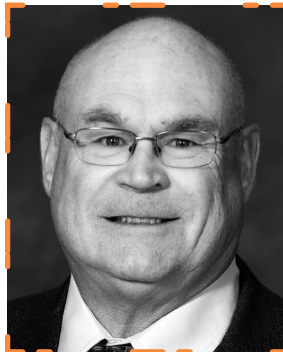
RANDY EVANS
Trustee
Lane & Gove counties



CHAD GRIFFITH
Trustee
Scott & Logan counties



HAROLD HOSS
Trustee
Ness & Rush counties



RAD ROEHL
Trustee
Lane & Gove counties



RICHARD SOREM
Trustee
Finney & Hodgeman counties

Sharing Success in the

Through a partnership with CoBank, one of our national partner banks, Lane-Scott began the CoBank Sharing Success Grant Program in 2020. The program is designed to provide grants to charitable organizations and causes in our local communities.



CoBank is a national nonprofit cooperative bank owned by the rural American cooperatives it serves. Since the Sharing Success Program was established in 2012, CoBank and its customers have together contributed more than \$50 million to groups such as volunteer fire departments, local schools, and hunger relief programs to name a few. In 2021, CoBank matched Lane-Scott Electric's \$2,000 donation awarding four recipients each with a \$1,000 grant.

The 2021 recipients were: **FRANK STULL AMERICAN LEGION AUXILIARY**, to install a handicap ramp in the American Legion and Auxiliary meeting room; **LANE COUNTY LIONS CLUB** enhanced their signature program providing meals to the youth





Communities We Serve



and homebound adults of Lane County; **NESS COUNTY FIRE DISTRICT NO. 1** for firefighting equipment; and **WESTERN KANSAS CHILD ADVOCACY CENTER** to help purchase education and prevention resources. These grants were distributed in July 2021.

Applications are accepted at the beginning of each calendar year from 501(c)(3) non-profit organizations, and other organization's such as schools, government organizations like counties, municipalities, and their agencies or departments. Use of the grants must serve a public purpose and benefit a community or communities that receive electric service from Lane-Scott or whose purpose benefits our members.

Our Employees

RICHARD MCLEON
General Manager

KATHY LEWIS
Manager of Financial Services

REBECCA CAMPBELL
Billing Clerk

CARRIE BORELL
Information Technology

ANN MARIE JENNINGS
Member Service Coordinator

DIANA KUHLMAN
Cashier

KALO MANN
Master Electrician

MARK MCCULLOCH
HVAC Technician

MICHAEL POLLOCK
Master Electrician

NATE BURNS
Engineering Coordinator

KASEY JENKINSON
Crew Chief

BEN MANN
Crew Chief

MYRON SEIB
Crew Chief

DAL HAWKINSON
Journeyman Lineman

CHAD RUPP
Journeyman Lineman

CHRIS TERHUNE
Journeyman Lineman

KEVIN BRADSTREET
Journeyman Lineman

LEIGHTON AYERS
Journeyman Lineman

BLAKE MCVICKER
Apprentice Lineman

DELLON SHELTON
Apprentice Lineman

SCOTT BRIAND
Warehouse

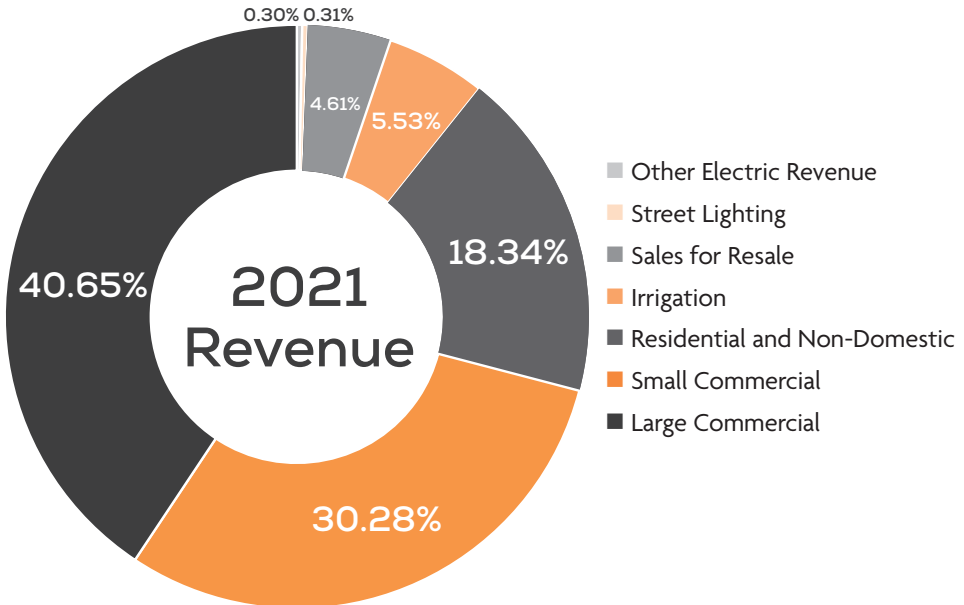
STACEY FOOS
Part-time Custodian

Financial Report

Statement of Operations

FOR YEAR ENDING DEC. 31, 2021

	2021	2020	2019
Income			
Operating Revenue	\$18,976,716	\$16,137,299	\$17,827,108
Expenses			
Cost of Power	\$11,294,294	\$9,219,252	\$10,467,955
Operations	\$4,083,651	\$4,015,321	\$3,720,981
Depreciation & Amortization	\$1,844,094	\$1,650,032	\$1,599,510
Interest	\$1,338,351	\$1,339,441	\$1,320,115
Miscellaneous	\$23,031	\$40,819	\$14,349
Total Expenses	\$18,583,421	\$16,264,865	\$17,122,910
Operating Margins	\$393,295	-\$127,566	\$704,198
Non-Operating Margins	\$2,120,608	\$615,870	\$1,340,935
Patronage Capital or Margins	\$2,513,903	\$488,304	\$2,045,133





Balance Sheet AS OF DEC. 31, 2021

ASSETS	2021	2020	2019
Total Utility Plant	\$59,930,131	\$58,392,568	\$56,926,974
Less Depreciation	(19,410,940)	(17,927,950)	(16,568,059)
Net Value of our System	\$40,519,191	\$40,464,618	\$40,358,915
Other Property & Investments	\$13,253,022	\$12,143,151	\$12,113,711
Cash & Temporary Investments	\$5,735,208	\$6,090,136	\$3,003,584
Receivables	\$1,610,859	\$1,420,778	\$1,390,602
Pre-Payments	\$42,428	(\$1,093)	(\$589)
Materials & Supplies	\$473,727	\$328,131	\$341,360
Other Current Assets	\$178,091	\$259,737	\$450,005
Deferred Debits	\$2,878,839	\$578,382	\$778,909
Total Assets	\$64,691,365	\$61,283,840	\$58,436,497
LIABILITIES & EQUITY			
Long Term Debt	\$37,593,001	\$36,884,920	\$33,968,143
Capital Leases	\$0	\$310,413	\$459,945
Accounts Payable	\$1,209,779	\$830,964	\$1,081,433
Consumer Deposits	\$112,956	\$121,550	\$112,413
Other Current & Accrued Liabilities	\$1,239,767	\$734,456	\$722,020
Total Liabilities	\$40,155,503	\$38,882,303	\$36,343,954
Equities & Margins	\$24,535,862	\$22,401,537	\$22,092,543
Total Liabilities & Equity	\$64,691,365	\$61,283,840	\$58,436,497

Property Taxes Paid By County

County	2021	2020	2019	2018
Finney	\$64,667	\$63,666	\$29,163	\$27,362
Gove	\$13,823	\$12,744	\$11,890	\$12,122
Hodgeman	\$42,363	\$40,731	\$38,465	\$37,331
Lane	\$310,413	\$333,702	\$325,103	\$325,427
Logan	\$1,171	\$1,127	\$1,083	\$1,018
Ness	\$283,852	\$331,063	\$317,417	\$287,402
Scott	\$90,818	\$87,294	\$86,616	\$85,889
Rush	\$35,677	\$21,134	\$20,682	\$19,220
TOTALS	\$842,784	\$891,461	\$830,419	\$795,771

2021 Annual Meeting

The 2021 Annual Meeting of the Members of Lane-Scott Electric Cooperative, Inc. was held on Tuesday, July 20, 2021, at the Lane County Fairgrounds in Dighton, Lane County, Kansas. The meeting commenced at 7:52 p.m., pursuant to notice mailed to all members in accordance with the bylaws of the cooperative.

The meeting was called to order by President Richard Jennison. President Jennison welcomed those in attendance and introduced guests including Tom Ruth and Nolan Numrich of Western Cooperative Electric; Alan Westfall of Stanion Electric; Doug Shepherd of Kansas Electric Cooperatives, Inc. (KEC); Jim Minnix, Kansas Representative. Sunflower Electric Power Corporation was represented by Stuart Lowry, Clare Gustin and Annie Erbert.

President Jennison next introduced the members of the board of trustees, general manager and legal counsel.

Joseph Gasper, legal counsel, certified notice of the annual meeting was mailed to members at each members' address as it appears on the records of the cooperative and reported 143 members were in attendance constituting a quorum.

President Jennison referred the members to the printed minutes of the 2020 annual meeting appearing in the notice of the annual meeting. On motion duly made, seconded, and carried, the reading of the minutes of the 2020 annual meeting was waived and the minutes were approved as printed.

President Jennison referred the members to the printed treasurer's report. On a motion duly made, seconded, and carried, the reading of the treasurer's report was waived, and the treasurer's report was approved as printed.

President Jennison recognized Lane-Scott employees and thanked them for their hard work.

Michael Pollock and Chris Terhune were recognized for their 15 years of service.

Kathy Lewis was recognized for her 30 years of service.

Manager McLeon announced the winners of the 2021 Continuing Education Scholarship as follows: Kaden Bradstreet, Kyle Doll, Alysson Foos, Patrick O'Toole, Eli Rupp and Kiley Whipple. The scholarships were awarded in the amount of \$1,500 this year due to cancellations of the Electric Cooperative Youth Tour to Washington, D.C. and Cooperative Youth Leadership Camp.

The Dighton KidWind BTU Crew consisting of Cordell Davis, Hank Davis, Westin Johnson and Charlie Vogel were introduced. They won the state competition, and competed and received recognition at the national competition for their turbine named "Patricia." The young men made a presentation of their turbine design and construction.

Manager McLeon presented his manager's report with highlights as follows:

- ▶ 2020 was a difficult year due to the pandemic and natural disasters.



Minutes

- ▶ Energy sales fell by \$1.7 million for the year, which required decreasing expenses to compensate.
- ▶ Rates remained 16% below the state average.
- ▶ The office was temporarily closed for part of the year and technology was used to allow employees to work remotely.
- ▶ Care packages were sent to military servicemen from the service territory.
- ▶ Customer satisfaction for Lane-Scott was 89% according to an independent survey.
- ▶ Winter Storm Uri in February caused significant disruption to the power grid. Natural gas prices spiked, which resulted in high electric charges as well. The average monthly power cost is approximately \$750,000 which spiked to \$4 million in February. The additional cost recovery is being collected from members over 42 months unless they wish to pay it off in a lump sum.
- ▶ Despite the difficulties in 2020, Lane-Scott remains financially sound. President Jennison then called for additional registrations. There were no additional registrations.

President Jennison introduced the guest speaker, Doug Shepherd, vice president of management consulting services at KEC and asked him to speak. Highlights of his presentation are as follows:

- ▶ KEC consists of 30 electric cooperatives.
- ▶ KEC is celebrating its 80th anniversary this year.
- ▶ KEC works with its member co-ops to assist with various cooperative issues, mutual aid and working with legislators on cooperative matters.
- ▶ The *Kansas Country Living* magazine is published by KEC and is a cost-effective way for Lane-Scott to communicate with its members.
- ▶ KEC provides educational opportunities for Lane-Scott staff and trustees as well as providing safety training and regulatory compliance.
- ▶ Lane-Scott was incorporated in 1941 becoming active in 1946 with the purchase of the Healy municipal system. A generator was purchased in 1949 and in 1952 service to Dighton was begun.

Attorney Gasper presided over the election of trustees and proposed bylaw amendments. The members of the nominating committee met and submitted names of the following individuals as nominees for three trustee positions: Richard Jennison and Sara McWhirter, to represent Lane and Gove counties; Craig Ramsey, representing Scott and Logan counties; and Harold Hoss, representing Ness and Rush counties.

Attorney Gasper called for additional nominations. There were no additional nominations.

- ▶ The ballots will be counted by an anonymous group of members and the results will be printed in the Dighton Herald, Ness County

Continuing Education



EMMA BORELL is the daughter of Tory and Melinda Borell and a current graduate from Dighton High School. She will be attending Fort Hays State University, participating in the Hays Honors College Program, working toward a bachelor's degree with a major in music education and a minor in English. Eventually, she would like to return to a rural town to teach high school or junior high.



DYLAN BRUNTZ is the son of Joel and Melina Bruntz from Bazine. Dylan completed his first year at Fort Hays State University this year and was a graduate of Ness City High School in 2021. Dylan's goals are to graduate from Fort Hays State with a degree in agricultural business, eventually returning home to own a farm and ranch.



TAYLOR CABLE is the son of Emily Hrabec and a graduate of Ness City High School. Taylor will be attending Pratt Community College to complete the Electric Power Technology Program. After graduating, he plans to work for a local cooperative.

2022 Cooperative Youth Leadership



LILLIAN PAYNE



MARK TUCKER

After two years of not being able to sponsor local youth to attend the Washington D.C. Electric Cooperative Youth Tour or Cooperative Youth Leadership Camp due to COVID-19 restrictions, Lane-Scott is excited that we will again be sponsoring two



Scholarship Recipients



AMY FOOS is the daughter of Bryan and Jennifer Foos, graduating from Ness City High School this year. She plans to attend Wichita State University to pursue a degree in elementary education with the intent to obtain her master's degree while working in a rural school district.



JENA RATLIFF is the daughter of Jason and Lona Ratliff and a graduate from Ness City High School. Jena plans to attend Sterling College to study pre-law/criminal justice with the intent to continue on to law school.



ALEXA REINHARDT is the daughter of Derek and Jennifer Reinhardt, also a graduate from Ness City High School. She is attending Sterling College to major in elementary education and to play basketball. She plans on obtaining her master's degree, eventually returning to a rural community to teach in an elementary classroom while coaching volleyball and basketball.

Camp Winners

students to attend camp this year!

LILLIAN PAYNE from Ransom and **MARK TUCKER** from Dighton were selected to attend the camp in Steamboat Springs, Colorado. Mark and Lillian will join almost 80 students from Kansas, Oklahoma, Colorado and Wyoming for a leadership camp like no other. In addition to traditional camp activities like white water rafting, sports, and a talent show, they will get the opportunity to view a high voltage display, learn about electric safety, attend leadership seminars, tour a solar farm, and watch a Hawk Quest presentation.

Mark and Lillian will talk about their trip at the 2023 annual meeting.

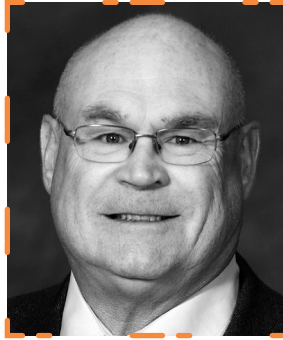
Board Candidates

FINNEY & HODGEMAN COUNTIES



ERIC DOLL, representing Finney and Hodgeman counties, is a lifelong resident of Finney County having graduated from Garden City High School and Fort Hays University. He and his wife, Shelly, have three children and 11 grandchildren. He is the owner/operator of Doll Land & Cattle, Inc. Eric is an incumbent trustee who has served on the Lane-Scott Electric Board since 1995.

LANE & GOVE COUNTIES



RAD ROEHL represents Lane and Gove counties. He graduated from Dighton High School and Kansas State University with a bachelor of science in agriculture. He and his wife, Kathryn, are lifelong residents of Lane County, have three grown sons, and farm in the surrounding area. He is a past member of the Farmers Co-op Elevator board. Rad is an incumbent trustee who has served on the Lane-Scott Electric Board since 2009.

LOGAN & SCOTT COUNTIES



CHAD GRIFFITH, representing Scott and Logan counties, graduated from Scott Community High School in 1986 and from Kansas State University with a degree in business administration-finance in 1991. He and his wife, Suzanne, have four children and currently own and operate a farm and ranch in the area. Chad is an incumbent trustee who has served on the Lane-Scott Electric Board since 2014.



BRING THIS CARD TO THE ANNUAL MEETING

Registration Card
& Prize Drawing
TICKET

2021 Annual Meeting Minutes

CONTINUED FROM PAGE 11

News and posted on the Lane-Scott Facebook page.

President Jennison called for unfinished business. There was no unfinished business. President Jennison called for new business. There was no new business.

President Jennison thanked John Ross Catering Company and Howard Richards for the meal and public address system respectively.

There being no new business, President Jennison called for a motion to adjourn. By motion duly made, seconded, and carried, the meeting was adjourned at 8:38 p.m. on July 20, 2021.

At various times during the meeting, attendance prizes were given away to members by drawing. The winners were: Gary Shapland, Bruce Huber, Larry Myers, Cheyenne Township Fire Station, Daniel McSwan, Ilene Norton, Calvin Ehmke, Steve Lockman, Joyce Shull, Victor Penka Family Trust, Lynn Schmidt, Eugene Boone, Nicholas Doll, Boyd Shupe, Marlece O'Brien, Brownell American Legion, John Heath, James Johnston, Deanne Shull and Ian Lund.

Official Notice of Annual Meeting

The Annual Meeting of the Members of Lane-Scott Electric Cooperative, Inc. will be held at the Lane County Fairgrounds, Tuesday, July 19, 2022, in Dighton. The events will begin with free fair rides at 6 p.m., a catered meal by John Ross & Co. Signature Catering at 6:30 p.m., and the business meeting to follow.

The election of three trustees, approval of the minutes of the 2021 annual meeting, the treasurer's report and manager's report are all on the agenda. Voting will take place at the annual meeting only this year.

The committee on nominations, appointed by the board of trustees, has nominated the following members as candidates for the offices of trustees. Representing Lane and Gove counties, **RAD ROEHL** (incumbent); representing Finney and Hodgeman counties, **ERIC DOLL** (incumbent); representing Scott and Logan counties, **CHAD GRIFFITH** (incumbent).

Other nominations may be made by petition to the nominating committee at least 45 days prior to the nominating committee meeting. Of the persons nominated, and any other nominations made by petition, it will be necessary to elect three trustees to succeed the persons whose terms expire at the meeting.

Lane-Scott Electric Cooperative, Inc.
P.O. Box 758
Dighton, KS 67839-0758

RETURN SERVICE REQUESTED

PRESORTED
FIRST CLASS MAIL
U. S. POSTAGE PAID
TOPEKA, KANSAS
PERMIT NO. 651

Name
Account Number
Address
City, State Zip

QR Code

Lane-Scott
Electric Cooperative
A Touchstone Energy® Cooperative

**THIS IS YOUR REGISTRATION CARD AND PRIZE DRAWING TICKET
PLEASE BRING IT TO THE ANNUAL MEETING.
THE CARD WILL BE SCANNED TO CONFIRM YOUR MEMBERSHIP.**