



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been set for August 3, 2020 at 7:00 p.m.

Proposed Agenda:

1. Call to Order
2. Reorganization and Election of Officers – J. Gasper
 - a. Officer election
 - b. Appointments
 - i. Sunflower Board
 - ii. KEC Board
3. Reading and Approval of Minutes
4. Presentation of Check Register
5. Presidents Report
6. Attorneys Report
7. Sunflower EPC Report
8. KEC Report
9. General Managers Report
10. Old Business
11. New Business
 - a. Annual Meeting Update
 - b. Board Policy 202, Board Meetings – Review
 - c. Board Policy 203, Director Compensation Policy – Review
 - d. KECHIT Update
 - e. Load Forecast Study
12. Safety Report – KEC Compliance Visit
13. Adjourn

Upcoming Events:

LSEC Board Meeting	August 3	Dighton, KS
NCSC Virtual Annual Meeting	August 6	on-line
NRUCFC Special Membership Meeting	August 14	on-line
Sunflower Board	August 18-19	Hays, KS

**MINUTES OF THE REGULAR JUNE 2020
MEETING OF THE BOARD OF TRUSTEES
OF THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

CALL TO ORDER

A regular meeting of the Board of Trustees of the Lane-Scott Electric Cooperative, Inc., was held on Monday, June 1, 2020, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 7:01 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Harold Hoss, Ed Gough, Eric Doll, Richard Sorem, Chad Griffith, Paul Seib Jr. and Craig Ramsey. Also present Richard McLeon IV, Kathy Lewis, Randy Robbins, Auditor and Joseph Gasper, Attorney.

AUDITOR REPORT

Randy Robbins, Auditor with Bolinger, Segars, Gilbert & Moss L.L.P presented the 2019 audit report to the board. Highlights of his presentation include the following:

- The auditor reviewed the 2018 numbers and conducted an audit on the 2019 numbers as this was a first year audit for the auditor.
- The audit was performed on the year ending December 31, 2019. The audit was clean and is an unmodified report of the audit findings.
- The audit was performed entirely off-site due to the Covid shutdown.
- An adjustment to the 2018 report was made as set out in note 22 of the report. This adjustment was made to reflect the equity contribution and income or loss for MKEC that had not been recognized since 2001.
- The balance sheet shows the electric plant in service is \$56,940,682. Unbilled revenue is a new line on the balance sheet and reflects unbilled revenue on December 31 which was for 6 days in 2019. The unbilled revenue was \$179,807. Assets total \$58,436,499. Total equities are \$22,092,544, with total long term debt of \$33,080,089 for total equities and liabilities of \$58,436,499.
- The statement of income shows total patronage capital at year-end of \$21,618,403. Total operating revenues were \$17,904,590, with total operating expenses of \$15,806,148. Interest on long term debt totaled \$1,316,148. G&T capital credits are \$983,794. A transfer of \$69,860 was made to other equity. This was uncollected billing from a billing error at Lane-County Feeders and Healy Coop that was offset with capital credits in prior years.

- The statement of cash flow showed an increase of cash of \$1,708,454 for a total of cash and cash equivalents of \$3,003,584 at year end.
- Depreciation at year end was \$1,980,540.
- MKEC showed patronage capital of \$513,484, capital contributions of \$57,847 and contributed capital of \$365,193.
- In 2013 Lane-Scott participated in the NRECA R&S prepayment plan with a contribution of \$1,607,008 amortized over ten years. The amortization expense was \$160,701 for the year.
- Assigned patronage capital totals \$21,119,585 with \$2,296,101 retired and \$2,794,919 assignable for total patronage capital of \$21,618,403.
- Unadvanced loan funds of \$4,555,483 were available through loan commitments with FFB as of year end.
- Lane-Scott has a \$4,000,000 line of credit with CFC at a variable interest rate and a \$1,000,000 line of credit with CoBank with a variable interest rate. There was no outstanding money on either line of credit at year end.
- Note 21 showed the 2018 adjustment for unbilled revenue at year as restated.
- A copy of the compliance letter to RUS was included in the report.
- There were no issues with working with staff or management on the audit.
- Six adjustment were made but there are no concerns with any of the adjustments.
- A question was raised on how MKEC would be treated after the merger with Sunflower. Randy answered that he was not certain how Sunflower has treated MKEC under the merger but is working with them to determine how MKEC will be treated in the future.
- A question was raised about the capital credits that remain assignable. Randy answered that they are capital credits from Sunflower. There will need to be further discussion on how to deal with the older Sunflower capital credits.

A motion to enter executive session with the auditor to discuss the audit was made, duly seconded and carried at 7:40 p.m. The board came out of executive session at 7:48 p.m.

Randy Robbins and Kathy Lewis left the meeting at the completion of the audit report.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on May 4, 2020. *Hearing no corrections, President Jennison declared the minutes stand approved as printed.*

President Jennison called for action on the minutes of the special meeting held on May 18, 2020. *Hearing no corrections, President Jennison declared the minutes stand approved as printed.*

CASH DISBURSEMENTS

President Jennison called for questions regarding the check list for the month.

There were no questions regarding the checks.

PRESIDENT'S REPORT

President Jennison had no current items to report.

ATTORNEY'S REPORT

Attorney Gasper reported that a settlement had been made through discussions by Manager McLeon with the owner of Frigid Creme. A settlement agreement and confidentiality agreement had been entered and Lane-Scott paid the settlement rather than submitting to Federated.

Attorney Gasper is working with Dale Pike on the substation lease for the Dighton Sub.

REPORT OF SUNFLOWER DELEGATE

A copy of the Sunflower report was included in the board packet and emailed to the trustees.

Paul Seib Jr., Lane-Scott's delegate to Sunflower, also reported the following:

- Al Tamimi presented information regarding payment allocation on transmission. Manager McLeon added that this is in part due to the power generated for export out of state causing congestion issues. Work continues to try to have the expense of the additional transmission be paid by the areas that the power is being exported to.

KEC REPORT

Trustee Hoss reported that a KEC meeting was held May 6&7 and a written report of the meeting was included in the board packet.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- The engineering report on the Hineman did not condemn the tower. The estimate for repairs is \$57,800 and should be made within a month.
- Lane-Scott has received permission from the City of Dighton to work directly with KMEA regarding the O&M agreement.
- Lane-Scott received notice from Sunflower that Lane-Scott had been underbilled for the City of Dighton in the amount of \$101,839.39 since April, 2019. During that time Sunflower overbilled Lane-Scott by \$146,274.53. Sunflower changed out a meter and did not get the billing calculation correct for the new meter. The City of Dighton expressed concerns to Sunflower over a year ago that they felt the billing was too low.
- Four more oil and gas meters were disconnected in April bringing the total to 40 accounts.
- 14 members are claiming past due payments due to Covid-19. The total past due is \$2,728.73. The current rule is to allow up to 12 months to make payments on the past due account.
- The NRECA regional meeting has been cancelled and is expected to have a virtual meeting week. The training classes are being held on-line at a reduced rate.
- KEC is cancelling the summer meeting.
- Cybersecurity awareness training has begun for all employees.
- There has been no progress on Border States due to the Covid-19 shutdown.
- Work is being done to raise a two mile section on a clearance project. This was in response to a member call. This will be part of the last draw down on the current FFB loan.
- The operating margins for the month were a negative \$15,797. April sales of \$1,235,571 were down \$49,740 from the 9-year average and down \$360,026 from April 2019. The large oil companies are pumping much lower amounts but are starting to ramp back up production.
- Despite the lower sales, Lane-Scott is only \$32,974 below budget year-to-date.
- The numbers for the irrigation and C&I are not correct and an update will be sent out with the correct numbers.
- Bartlett Grain signed a contract with resale for \$15,000 for a bunker aeration project.
- The August date will be the regular date on the 1st Monday.

RECEIPT OF MANAGER'S REPORT

The board received the Manager's report as indicated herein, and there were no follow-up questions.

SAFETY REPORT

A safety report was included in the board packet.

There were no additions to the safety report.

OLD BUSINESS

1. Annual Meeting

- The county fair has been cancelled but Lane-Scott is still on target to have an in-person annual meeting.
- The plan is to have a mail in ballot in the notice to be safe.
- The big tent and picnic table will be rented and the food is still on as normal.

2. Youth Leadership Camp

- The youth leadership camp has been cancelled for the year. The \$1,800 deposit will be refunded and after Lane-Scott expenses there will be approximately \$1,500 per camper remaining. Staff provided three options and recommended the third option. The options are: 1. Award each with a \$1,500 scholarship and the option to apply for the YLC or youth tour next year; 2. Hold next years YLC spot for them without having to reapply and no contest next year; and Give each the option of either taking the scholarship or attending YLC next year.
- *After discussion of the options a motion to adopt option number 1 to award each with a scholarship of \$1,500 and allow them to apply for the YLC and Youth Tour next year was made, duly seconded and carried.*

NEW BUSINESS

1. Audit

- *A motion to approve the 2019 audit as presented to the board by Randy Robbins, was made, duly seconded and carried.*

2. 2020 Equity Study

- Manager McLeon presented the 2020 equity study he prepared by highlighting the executive summary.

- There are three methods of measuring equity which are 1. Equity as a percentage of Total Assets (EPA); 2. Equity as a percentage of Capitalization (EPC); or 3. Distribution Equity (DE).
- The 2018 CFC key trend ratio analysis was used in the study. Lane-Scott tends to be below the Kansas median for the ratios but are close to the Sunflower group ratios. This is impacted, in part, by the Aquila acquisition which did lower equity ratios in the Sunflower coops.
- The bottom line is that Lane-Scott is in good shape overall with the construction financed through long term debts. There is room for improvement and a balance must be made between goals on plant growth, capital credit retirements, member rates and TIER goals.
- Lane-Scott is approximately 13% under the Kansas average retail rates.

Lane-Scott will be installing a meter at the Dighton substation.

A question on the hours worked for Lane-Scott by the resale department and whether the numbers are accurate was made. Manager McLeon is going to review the hours and report back on this question.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 8:53 p.m., on Monday, June 1, 2020.

**MINUTES OF THE REGULAR JULY 2020
MEETING OF THE BOARD OF TRUSTEES
OF THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

CALL TO ORDER

A regular meeting of the Board of Trustees of the Lane-Scott Electric Cooperative, Inc., was held on Monday, July 6 1, 2020, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 7:00 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Harold Hoss, Ed Gough, Eric Doll, Richard Sorem, Chad Griffith, Paul Seib Jr. and Craig Ramsey. Also present Richard McLeon IV and Joseph Gasper, Attorney.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on June 1, 2020. *A correction in bullet point 5 of the auditor report should reflect that the electric plant is \$56,940,682. Hearing no further corrections, President Jennison declared the minutes stand approved as corrected.*

CASH DISBURSEMENTS

President Jennison called for questions regarding the check list for the month.

There were no questions regarding the checks.

PRESIDENT'S REPORT

President Jennison had no current items to report.

ATTORNEY'S REPORT

Attorney Gasper reported that he would visit with Manager McLeon to review the Kansas Covid legislation regarding limitation on liability and Lane-Scott's compliance.

Attorney Gasper explained the voting process for the election of trustees at the annual meeting since the ballots were mailed this year. The ballots will be collected at the annual meeting and added to those received by mail. An announcement will be made at the meeting that the voting is closed to any

additional ballots. A committee of three members will count the ballots and the winner will be announced via social media and local newspapers.

REPORT OF SUNFLOWER DELEGATE

A copy of the Sunflower report was included in the board packet and emailed to the trustees.

Paul Seib Jr., Lane-Scott's delegate to Sunflower, also reported the following:

- Corey Linville reported that property is being purchased for the new solar plants.
- There are currently \$60 million of projects ongoing at this time.
- Farm Bureau is working with various entities to try to attract business to western Kansas.

KEC REPORT

Trustee Hoss reported that there had been no KEC meeting.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- Lane Scott earned a no lost time accident award from Federated for no lost time since June 15, 2017 for a total of 120,743 hours.
- The annual meeting is still on schedule for in person meeting. There will be hand sanitizer and masks available for attendees.
- The NRECA virtual regional meeting will be October 12-16.
- All employees have completed the initial general cyber security training.
- Bids are being requested for the door access cyber control center and for camera security.
- The server has been upgraded to be able to "push" updates to employee systems.
- The Hineman tower repairs were completed July 3. A final cost was unavailable for the meeting. The improvements make the tower eligible for commercial communication attachments.
- Many maintenance and small projects were completed to be included in the final W8 loan draw.
- Nate and Carrie continue to work with NISC on the outage management system software. The final stages of integration of the systems is coming near to completion. The Windmill system does not communicate directly with the NISC system so there will be some over reporting of outages which is expected to be approximately 10%. The only solution to this

would be to have duplicate mapping systems which would be an expensive proposition.

- The website software has been upgraded and Ann Marie is learning the new software.
- The City of Dighton underbilling makes the May sales misleading. The patronage capital is \$127,076 but taking out the underbilling,, the actual margins were closer to \$9,908. This is well above the 9-year May average loss of \$77,070.
- The small commercial shows a decrease from the average prior three years. This is due primarily to decrease in oil production. Saddlehorn appears to be going ahead with their expansion.
- OPCO LLC has a past due of \$24,561.31 who promised to make a payment last week. No payment has been received and this will be turned over to collections.
- Retail services showed a loss of \$15,514.31 in May. 66.8% of hours were billed. Kalo was out on quarantine for a portion of May.
- Interest earned was \$3,941, most of which is from the cushion of credit.
- There have been 15 line clearance project for the year. This has consisted of 116 pole replacements and 54,900 feet of line at a cost of \$208,000.

RECEIPT OF MANAGER'S REPORT

The board received the Manager's report as indicated herein, and there were no follow-up questions.

SAFETY REPORT

A safety report was included in the board packet.

There were no additions to the safety report.

NEW BUSINESS

1. Loan W8 Final draw

- The final draw for the W8 loan is a request for \$577,755 and the balance is \$536,730. The request will be for greater than the balance and it will be the discretion of RUS on what amount will be granted. As of July 1, the 30 year rate was 1.255%. There are a few jobs remaining and they can either be completed and paid out of cash or can be re-evaluated for the next work plan. Preliminary work for the next work plan will begin after the first of the year. Bids for engineering firms will be sought.

2. City of Dighton billing

- Sunflower changed out a meter on the City of Dighton sub and failed to change the multiplier resulting in an underbilling of the City. The City notified Sunflower shortly after the installation and Sunflower indicated the billing was correct.
- The amount of underbilling to the City is \$117,168.
- Manager McLeon met with the City and discussed the options of payment in full, payment over 12 months or a non-cash transaction of capital credits. The use of capital credits was discussed with the auditor and legal counsel and they both accepted the option.
- *A motion to approve the following resolution authorizing the City of Dighton to offset the underbilling with capital credits, was made, duly seconded and carried.*

WHEREAS the City of Dighton (“the City”) is a member in good standing of the Lane-Scott Electric Cooperative, Inc, (“the Cooperative”), and

WHEREAS a metering error BY Sunflower Electric Power Company (“Sunflower”) from April 2019 through April 2020 resulted in an underbilling to the City of Dighton amounting to \$117,168.08, and

WHEREAS the City brought such error to the attention of Sunflower in May of 2019 and was told the metering was correct, and

WHEREAS the Cooperative has the right to recoup the underbilling from the City, and

WHEREAS the City could be financially constrained to pay the underbilling in lump sum or in 12 monthly payments and the potential exists for bad debt in this situation, and

WHEREAS neither the Cooperative Bylaws nor Board Policy No 113, Capital Credits prohibit nor address proactively offsetting current debt to avoid a bad debt situation for the good of the member and the Cooperative, and

WHEREAS the City has a current Capital Credit balance of \$370,121.42, and

WHEREAS the Auditors and Legal Counsel of the Cooperative have reviewed and approved this transaction.

BE IT THEREFORE RESOLVED that the Board of Trustees hereby approves the payment of this debt from the members Capital Credit balance.

3. Generac

- Manager McLeon has discussed the proposal for Lane-Scott to become an authorized Generac service center and dealer with various coops that are in the program. Pioneer sells and services Kohler brand generators. The consensus of the dealers is that it is not a big profit center, but other than some members not servicing their generators, the feelings were positive.
- A review of the numbers indicate that two units would need to be sold in the first year to break even and one unit per year after that to break even.
- *A motion to move forward with the resale department becoming an authorized Generac dealership and service center was made, duly seconded and carried.*

4. NCSC NRUCFC Delegates

- *Manager McLeon was appointed voting delegate for the NCSC and CFC virtual meetings.*

5. 2019 Retail Service Study

- The study looked at the actual cost and profitability of the retail service department.
- Using activity based costing, the department posted a net profitability of \$276,309 for 2019 and accounts for 3.46% of total operating revenues which does not affect the tax exempt status.
- The profitability based upon activity was \$276,309 which does not account for 13% of Lane-Scott overhead. When overhead is added back in, it results in a loss of \$12,904,379.
- The board expressed interest in seeing only the actual number of hours worked in the monthly board packet.

The board discussed new trustee orientation. Manager McLeon indicated that KEC has an orientation packet. The board directed that the KEC materials be provided to the new trustee.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 8:02 p.m., on Monday, July 6, 2020.

2.a. Officer Elections (Bylaws, Article VI).

The Officers of the Cooperative are identified in Article VI and are elected annually as soon as practical following the meeting at which trustees are elected.

The current slate of Officers is:

- | | | |
|------|-----------------|-------------------------|
| i. | President: | Richard (Dick) Jennison |
| ii. | Vice-President: | Craig Ramsey |
| iii. | Secretary: | Paul Seib, Jr. |
| iv. | Treasurer: | Eric Doll |

2.b. Appointments.

The Board of Trustees annually appoints Voting and Alternate Delegates to the Kansas Electric Cooperatives, Inc., and Sunflower Electric Power Company.

Current delegates are:

Kansas Electric Cooperatives (KEC):

Voting Delegate:	Harold Hoss
Alternate:	Richard McLeon

Sunflower Electric Power Company ("Sunflower"):

Voting Delegates:	Paul Seib, Jr.	and	Richard McLeon
Alternates:	Richard Jennison	and	Kathy Lewis

07/17/2020 3:27:17 PM

Accounts Payable Check Register

Page 1

06/11/2020 To 07/10/2020

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2103 06/12/2020	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Invoice	184.71
2112 06/12/2020	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
45835 06/16/2020	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	payroll Transfer	50,000.00
45836 06/16/2020	CHK	59	NRECA	Legal Reporting Service Subscription	185.00
45837 06/16/2020	CHK	105	CITY OF NESS CITY	Monthly Invoice	26.00
45838 06/16/2020	CHK	107	CINTAS CORPORATION #449	Monthly Invoice - Dighton	371.70
45839 06/16/2020	CHK	116	IES COMMERCIAL INC	Ness City Pole Change Outs	98,388.25
45840 06/16/2020	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming and Removal	3,992.10
45841 06/16/2020	CHK	175	CBC LAWN CARE	Lawn Care	2,231.03
45842 06/16/2020	CHK	903	NISC	Monthly Invoice	554.39
45843 06/16/2020	CHK	1225	CINTAS CORPORATION	Monthly Invoice	1,283.95
45844 06/16/2020	CHK	9999	MICHELLE BARRERA	INACTIVE REFUND	230.94
45845 06/16/2020	CHK	9999	DANIELLE LEE	INACTIVE REFUND	142.10
45846 06/16/2020	CHK	9999	JAMIE SWANSON	INACTIVE REFUND	46.46
45847 06/16/2020	CHK	9999	SIERRA WOODS	INACTIVE REFUND	99.17
2104 06/18/2020	WIRE	274	VERIZON WIRELESS	Monthly Invoice	341.75
2105 06/18/2020	WIRE	274	VERIZON WIRELESS	Monthly Invoice	360.11
2106 06/18/2020	WIRE	1229	SCHABEN SANITATION	Monthly Invoice	452.03
45848 06/19/2020	CHK	5	SUSAN BENNETT	CAPITAL CREDIT ESTATE RETIRE	107.87
45849 06/19/2020	CHK	5	VICKI CLINE	CAPITAL CREDIT ESTATE RETIRE	330.49
45850 06/19/2020	CHK	5	CAROL PFANNENSTIEL	CAPITAL CREDIT ESTATE RETIRE	27.71
45851 06/19/2020	CHK	5	WENDY D RATHBUN	CAPITAL CREDIT ESTATE RETIRE	53.93
45852 06/19/2020	CHK	5	JASON A RATHBUN	CAPITAL CREDIT ESTATE RETIRE	53.95
45853 06/19/2020	CHK	5	JAMES SCHUGART	CAPITAL CREDIT ESTATE RETIRE	27.70
2107 06/22/2020	WIRE	1271	CARDMEMBER SERVICE	Monthly Invoice	1,438.59VOID
2134 06/22/2020	WIRE	1271	CARDMEMBER SERVICE	Monthly Invoice	1,384.62
2102 06/23/2020	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Invoice	89.02
2108 06/23/2020	WIRE	101	ATMOS ENERGY	Monthly Invoice	50.75
45854 06/23/2020	CHK	444	HAYS CAR & TRUCK ALIGNMENT, INC.	Truck #117	1,654.30
2109 06/24/2020	WIRE	121	FED-EX	Monthly Invoice	213.37

07/17/2020 3:27:17 PM

Accounts Payable Check Register

Page 2

06/11/2020 To 07/10/2020

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2110 06/25/2020	WIRE	1290	WEX BANK	Monthly Invoice	89.87
2113 06/25/2020	WIRE	263	KS DEPT OF REVENUE - SALES TAX	KDOR-Sales Tax	9,083.58
2114 06/25/2020	WIRE	264	KS DEPT OF REVENUE - USE TAX	KDOR Use Tax	6.70
45855 06/26/2020	CHK	1	SACRED HEART PTO	Softball Donation	25.00
45856 06/26/2020	CHK	20	BASIN ELECTRIC POWER COOP	Dispatch & Alarm Fees	2,128.66
45857 06/26/2020	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Invoice-subscriptions	2,241.96
45858 06/26/2020	CHK	105	CITY OF NESS CITY	Franchise Fee	4,106.49
45859 06/26/2020	CHK	107	CINTAS CORPORATION #449	Monthly Invoice - Dighton	71.56
45860 06/26/2020	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Removal and Trimming	1,520.80
45861 06/26/2020	CHK	135	CITY OF BAZINE	Franchise Fee	1,009.80
45862 06/26/2020	CHK	150	CHRIS TERHUNE	KEC Walk Thru	20.00
45863 06/26/2020	CHK	160	SHULL OIL COMPANY	Monthly Fuel Invoice	4,053.56
45864 06/26/2020	CHK	198	OTIS ELEVATOR COMPANY	Maintenance	138.37
45865 06/26/2020	CHK	238	ILLINOIS MUTUAL	Premiums	98.96
45866 06/26/2020	CHK	253	FARM CREDIT LEASING SERVICES COR	Truck Lease Pymts	9,548.69
45867 06/26/2020	CHK	293	CHAMBLESS ROOFING INC	Roof Repair	195.30
45868 06/26/2020	CHK	361	ANN M JENNINGS	Oil change #105	78.39
45869 06/26/2020	CHK	445	ROADRUNNER AUTOGLASS & WINDSH	Windshields for #132 & 174	490.31
45870 06/26/2020	CHK	1225	CINTAS CORPORATION	Monthly Invoice - Dighton	165.78
45871 06/26/2020	CHK	1293	DAL HAWKINSON	CDL Renewal	35.88
2111 06/30/2020	WIRE	1187	MIDWEST ENERGY	Monthly Invoice	89.95
45872 07/01/2020	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	60,000.00
45873 07/01/2020	CHK	73	STANION WHOLESALE ELEC CO INC	Monthly Invoice	25,902.86
45874 07/01/2020	CHK	79	POSTMASTER	Prepaid postage acct-Annual Mtg	160.68
45875 07/01/2020	CHK	235	LEIGHTON AYERS	CDL Renewal	38.00
45876 07/01/2020	CHK	261	LOCKE SUPPLY CO	Monthly Invoice	786.99
45877 07/01/2020	CHK	361	ANN M JENNINGS	Masks for Annual Mtg	53.08
45878 07/01/2020	CHK	380	GRAINGER	Monthly Invoice	479.30
45879 07/01/2020	CHK	424	FOOS AUTO & TIRE LLC	Truck # 193	21.70
45880 07/01/2020	CHK	427	DIGHTON HERALD LLC	Advertising	40.00

07/17/2020 3:27:17 PM

Accounts Payable Check Register

Page 3

06/11/2020 To 07/10/2020

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
45881 07/01/2020	CHK	803	ALTEC INDUSTRIES, INC	Truck # 136	2,707.77
45882 07/01/2020	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Supplies	313.93
45883 07/01/2020	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	153.31
2115 07/02/2020	WIRE	281	INTERNAL REVENUE SERVICE	RegISTRATION/Tags ofr #112 & #136	694.00
2116 07/02/2020	WIRE	274	VERIZON WIRELESS	Monthly Invoice	313.74
2120 07/07/2020	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA Gr 1- July Group Ins	2,586.16
2121 07/07/2020	WIRE	180	NRECA	NRECA Gr 1 Adm Fee - July Gr Ins Adm Fee	208.09
2117 07/08/2020	WIRE	1267	AFLAC	Monthly Invoice	473.54
2118 07/08/2020	WIRE	168	ONLINE INFORMATION SERVICES, INC	Monthly Invoice	77.89
2119 07/08/2020	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS - Group Insurance	35,733.87
45884 07/10/2020	CHK	1	SACRED HEART SCHOOL	Donation Fall Festival	100.00
45885 07/10/2020	CHK	14	OFFICE SOLUTIONS, INC	Monthly Invoice	282.99
45886 07/10/2020	CHK	15	ERIC DOLL	July Board Meeting	390.25
45887 07/10/2020	CHK	30	HAROLD HOSS	July Board Meeting	384.50
45888 07/10/2020	CHK	32	WESCO RECEIVABLES INC	Monthly Invoice	1,576.97
45889 07/10/2020	CHK	40	KANSAS ELECTRIC COOPERATIVES	KEC Dues	14,130.70
45890 07/10/2020	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Invoice	206.93
45891 07/10/2020	CHK	55	NESS COUNTY NEWS	Advertising	83.00
45892 07/10/2020	CHK	60	PAUL SEIB JR	July Board Meeting	387.95
45893 07/10/2020	CHK	63	RICHARD JENNISON	July Board Meeting	364.95
45894 07/10/2020	CHK	79	POSTMASTER	prepaid postage-Annual Mtg	50.00
45895 07/10/2020	CHK	96	STEPHENS LUMBER - DIGHTON	Monthly Invoice	102.99
45896 07/10/2020	CHK	105	CITY OF NESS CITY	June Postage and paystation	615.85
45897 07/10/2020	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	191.03
45898 07/10/2020	CHK	116	IES COMMERCIAL INC	Ness City Pole Changouts	41,934.00
45899 07/10/2020	CHK	117	NESS CITY FARM & FEED	Monthly Invoice	18.43
45900 07/10/2020	CHK	169	AMERICAN ELECTRIC-GARDEN CITY	Monthly Invoice	112.49
45901 07/10/2020	CHK	179	RAD ROEHL	July Board Meeting	360.35
45902 07/10/2020	CHK	184	JOHNSTONE SUPPLY	Monthly Invoice	2,022.69
45903 07/10/2020	CHK	187	S&W SUPPLY DIVISION	Monthly Invoice	67.66

07/17/2020 3:27:17 PM

Accounts Payable Check Register

Page 4

06/11/2020 To 07/10/2020

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
45904 07/10/2020	CHK	202	CHAD GRIFFITH	July Board Meeting	393.13
45905 07/10/2020	CHK	220	LANDIS+GYR TECHNOLOGY, INC	June Saas Monthly Fee	750.00
45906 07/10/2020	CHK	222	TOUCHSTONE ENERGY COOPERATIVE	Coop Web Builder	2,500.00
45907 07/10/2020	CHK	272	LEWIS AUTOMOTIVE GROUP INC	Monthly Invoice	669.53
45908 07/10/2020	CHK	304	STECKLINE COMMUNICATIONS INC	Advertising	100.00
45909 07/10/2020	CHK	306	BORDER STATES INDUSTRIES INC	Monthly Invoice	9,391.70
45910 07/10/2020	CHK	325	HODGEMAN COUNTY 4-H SALE	Livestock Sale Donation	100.00
45911 07/10/2020	CHK	383	HUXFORD POLE AND TIMBER CO INC	Monthly Invoice	12,759.18
45912 07/10/2020	CHK	387	WESTERN FUEL & SUPPLY	Monthly Fuel charges	271.25
45913 07/10/2020	CHK	406	RICHARD MCLEON	Mileage reimbursement-Sunflower Mtg	113.85
45914 07/10/2020	CHK	427	DIGHTON HERALD LLC	Subscription	59.00
45915 07/10/2020	CHK	446	COLEEN'S TROPHIES AWARDS & GIFTS,	Employee/Trustee Gifts	67.55
45916 07/10/2020	CHK	447	FASTTRAC TELECOM SERVICES, LLC	Tower Repair	57,800.00
45917 07/10/2020	CHK	460	MARKS NELSON LLC	KS Dir Unit Value Appeal	3,176.00
45918 07/10/2020	CHK	506	K&J FOODS	Monthly Invoice	194.57
45919 07/10/2020	CHK	773	BRETZ'S INC	Monthly Invoice	7.16
45920 07/10/2020	CHK	790	SOLOMON CORPORATION	Monthly Invoice	11,964.17
45921 07/10/2020	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fee	67.20
45922 07/10/2020	CHK	1152	ED GOUGH	July Board Meeting	357.48
45923 07/10/2020	CHK	1169	WASHER SPECIALTIES CO.	Monthly Invoice	117.99
45924 07/10/2020	CHK	1171	MARCONE APPLIANCE PTS CO B 177	Monthly Invoice	77.69
45925 07/10/2020	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	2,372.35
45926 07/10/2020	CHK	1197	GARDEN CITY WHOLESALE SUPPLY	Monthly Invoice	5,673.30
45927 07/10/2020	CHK	1213	NRECA GROUP ADMIN	FSA Fees	15.00
45928 07/10/2020	CHK	1225	CINTAS CORPORATION	Monthly Invoice-Ness City	137.75
45929 07/10/2020	CHK	1248	COMPLIANCE ONE	Drug & Alcohol Testing	115.50
45930 07/10/2020	CHK	1251	TECHLINE, LTD	Monthly Invoice	12,462.55
45931 07/10/2020	CHK	1263	RICHARD SOREM	July Board Meeting	399.45
45932 07/10/2020	CHK	1287	COLLINS STEEL	Monthly Invoice	63.02
45933 07/10/2020	CHK	1299	DEANNE SHULL	Cookies for Board Meeting	72.00

07/17/2020 3:27:17 PM

Accounts Payable Check Register

Page 5

06/11/2020 To 07/10/2020

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
45934 07/10/2020	CHK	1300	CRAIG RAMSEY	July Board Meeting	378.75
45935 07/10/2020	CHK	1303	LANE COUNTY IMPLEMENT, INC	Monthly Invoice	40.15

Total Payments for Bank Account - 2 : (121) 515,128.92

Total Voids for Bank Account - 2 : (1) 1,438.59

Total for Bank Account - 2 : (122) 516,567.51

Grand Total for Payments : (121) 515,128.92

Grand Total for Voids : (1) 1,438.59

Grand Total : (122) 516,567.51

07/15/2020 9:40:40 am

Payroll/Labor Check Register

Page 1

Pay Date: 06/01/2020 To 06/30/2020

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
5	KATHERINE E LEWIS	06/14/2020	5060	4,958.76	88.00	0.00	1,287.32	33.00	1,214.38	2,457.06	
							368.51	0.00	2,916.03	985.00	DD
										100.00	DD
										1,372.06	DD
17	DAVID L HOWARD	06/14/2020	5061	4,476.15	97.00	0.00	450.54	37.00	1,356.71	2,668.90	DD
							341.55	0.00	2,128.65		
21	CARRIE M BORELL	06/14/2020	5062	2,361.91	89.00	0.00	310.19	10.93	399.93	1,651.79	DD
							175.74	0.00	1,827.42		
22	REBECCA L CAMPBELL	06/14/2020	5063	2,172.72	88.00	0.00	365.52	5.50	392.27	1,414.93	
							157.31	0.00	1,767.97	300.00	DD
										1,114.93	DD
26	RICHARD A MCLEON	06/14/2020	5064	9,375.00	88.00	0.00	337.02	109.64	3,373.24	5,664.74	DD
							725.57	0.00	3,245.72		
34	KALO M MANN	06/14/2020	5065	3,421.60	90.00	0.00	699.91	44.32	763.49	1,958.20	DD
							261.23	0.00	1,772.52		
35	NATHAN A BURNS	06/14/2020	5066	4,803.13	88.00	0.00	883.85	37.47	1,187.37	2,731.91	DD
							368.48	0.00	2,171.47		
50	KASEY R JENKINSON	06/14/2020	5067	3,766.40	88.00	0.00	667.50	15.73	781.05	2,317.85	DD
							283.55	0.00	2,419.07		
55	BENJAMIN L MANN	06/14/2020	5068	4,408.40	97.00	0.00	648.76	15.48	877.30	2,882.34	DD
							336.60	0.00	1,781.78		
74	DAL S HAWKINSON	06/14/2020	5069	4,254.93	97.00	0.00	512.31	5.49	1,166.16	2,576.46	DD
							320.14	0.00	2,367.11		
81	DEANNE R SHULL	06/14/2020	5070	1,790.80	88.00	0.00	297.78	34.17	337.31	1,155.71	DD
							135.58	0.00	1,001.87		
84	MICHAEL S POLLOCK	06/14/2020	5071	3,393.40	89.50	0.00	711.42	6.81	577.17	2,104.81	
							254.33	0.00	2,238.40	100.00	DD
										25.00	DD
										25.00	DD
										25.00	DD
										1,929.81	DD
85	CHAD A RUPP	06/14/2020	5072	3,635.28	88.00	0.00	516.33	21.67	741.82	2,377.13	DD
							270.16	0.00	2,367.11		
89	CHRIS R TERHUNE	06/14/2020	5073	4,192.97	97.00	0.00	477.15	15.83	1,307.89	2,407.93	DD
							316.19	0.00	2,330.76		
91	LARRY D KRAFT	06/14/2020	5074	3,821.18	91.00	0.00	449.02	40.01	750.14	2,622.02	DD
							289.60	0.00	2,367.11		
93	MYRON E SEIB	06/14/2020	5075	4,100.02	94.50	0.00	628.60	26.58	777.00	2,694.42	DD
							309.90	0.00	2,367.11		
99	KEVIN A BRADSTREET	06/14/2020	5076	3,635.28	88.00	0.00	419.42	17.16	1,024.95	2,190.91	DD
							279.41	0.00	1,435.00		

07/15/2020 9:40:40 am

Payroll/Labor Check Register

Page 2

Pay Date: 06/01/2020 To 06/30/2020

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
108	MARK R MCCULLOCH	06/14/2020	5077	3,073.07	90.00	0.00	937.55	19.78	721.36	1,414.16	DD
							234.78	0.00	1,387.57		
117	LEIGHTON J AYERS	06/14/2020		4,254.93	97.00	0.00	653.59	11.73	904.36	2,696.98	
			5078				320.62	0.00	2,367.11	150.00	DD
										2,546.98	DD
129	STACEY L FOOS	06/14/2020	5079	161.81	10.50	0.00	0.00	0.00	13.52	148.29	DD
							13.52	0.00	0.00		
130	ANN MARIE JENNINGS	06/14/2020	5080	1,982.64	88.00	0.00	254.38	6.67	367.12	1,361.14	DD
							141.61	0.00	1,499.88		
131	DIANA KUHLMAN	06/14/2020	5081	1,912.24	88.00	0.00	338.06	4.83	295.88	1,278.30	DD
							142.74	0.00	1,184.67		
132	DELLON SHELTON	06/14/2020	5082	2,122.56	88.00	0.00	106.13	1.30	534.35	1,482.08	DD
							162.48	0.00	199.76		
5	KATHERINE E LEWIS	06/29/2020		4,958.76	88.00	0.00	1,287.32	33.00	1,214.38	2,457.06	
			5083				368.51	0.00	2,916.03	985.00	DD
										100.00	DD
										1,372.06	DD
17	DAVID L HOWARD	06/29/2020	5084	4,476.15	97.00	0.00	450.54	37.00	1,356.72	2,668.89	DD
							341.56	0.00	2,128.65		
21	CARRIE M BORELL	06/29/2020	5085	2,361.91	89.00	0.00	310.19	10.93	399.93	1,651.79	DD
							175.74	0.00	1,827.42		
22	REBECCA L CAMPBELL	06/29/2020		2,172.72	88.00	0.00	365.52	5.50	392.25	1,414.95	
			5086				157.29	0.00	1,767.97	300.00	DD
										1,114.95	DD
26	RICHARD A MCLEON	06/29/2020	5087	9,375.00	88.00	0.00	337.02	109.64	3,323.24	5,714.74	DD
							725.57	0.00	3,245.72		
34	KALO M MANN	06/29/2020	5088	3,590.80	93.00	0.00	699.91	44.32	806.37	2,084.52	DD
							274.16	0.00	1,772.52		
35	NATHAN A BURNS	06/29/2020	5089	4,803.13	88.00	0.00	808.85	37.47	1,209.65	2,784.63	DD
							368.48	0.00	2,171.47		
50	KASEY R JENKINSON	06/29/2020	5090	6,708.90	128.50	0.00	667.50	15.73	1,770.26	4,271.14	DD
							508.66	0.00	2,419.07		
55	BENJAMIN L MANN	06/29/2020	5091	4,889.90	105.50	0.00	648.76	15.48	1,043.55	3,197.59	DD
							373.43	0.00	1,781.78		
74	DAL S HAWKINSON	06/29/2020	5092	4,069.04	95.00	0.00	512.31	5.49	1,098.36	2,458.37	DD
							305.92	0.00	2,367.11		
81	DEANNE R SHULL	06/29/2020	5093	1,790.80	88.00	0.00	297.78	34.17	337.30	1,155.72	DD
							135.57	0.00	1,001.87		
84	MICHAEL S POLLOCK	06/29/2020		3,308.80	88.00	0.00	711.42	6.81	556.11	2,041.27	

07/15/2020 9:40:40 am

Payroll/Labor Check Register

Page 3

Pay Date: 06/01/2020 To 06/30/2020

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
			5094				247.86	0.00	2,238.40	100.00	DD
										25.00	DD
										25.00	DD
										25.00	DD
										1,866.27	DD
85	CHAD A RUPP	06/29/2020	5095	6,010.61	122.50	0.00	516.33	21.67	1,532.73	3,961.55	DD
							451.85	0.00	2,367.11		
89	CHRIS R TERHUNE	06/29/2020	5096	4,533.77	102.50	0.00	477.15	15.83	1,435.17	2,621.45	DD
							342.26	0.00	2,330.76		
91	LARRY D KRAFT	06/29/2020	5097	3,635.28	88.00	0.00	449.02	40.01	703.01	2,483.25	DD
							275.38	0.00	2,367.11		
93	MYRON E SEIB	06/29/2020	5098	5,824.71	119.00	0.00	628.60	26.58	1,335.64	3,860.47	DD
							441.84	0.00	2,367.11		
99	KEVIN A BRADSTREET	06/29/2020	5099	5,452.92	113.50	0.00	419.42	17.16	1,702.46	3,331.04	DD
							418.47	0.00	1,435.00		
108	MARK R MCCULLOCH	06/29/2020	5100	2,971.76	88.00	0.00	937.55	19.78	685.54	1,348.67	DD
							227.02	0.00	1,387.57		
117	LEIGHTON J AYERS	06/29/2020		6,475.34	128.50	0.00	653.59	11.73	1,670.15	4,151.60	
			5101				490.48	0.00	2,367.11	150.00	DD
										4,001.60	DD
129	STACEY L FOOS	06/29/2020	5102	104.02	6.75	0.00	0.00	0.00	7.96	96.06	DD
							8.68	0.00	0.00		
130	ANN MARIE JENNINGS	06/29/2020	5103	1,982.64	88.00	0.00	254.38	6.67	367.12	1,361.14	DD
							141.61	0.00	1,499.88		
131	DIANA KUHLMAN	06/29/2020	5104	1,912.24	88.00	0.00	338.06	4.83	295.88	1,278.30	DD
							142.74	0.00	1,184.67		
132	DELLON SHELTON	06/29/2020	5105	2,357.73	94.50	0.00	106.13	1.30	617.49	1,634.11	DD
							180.47	0.00	199.76		
Grand Total:				\$ 175,842.11	4,182.75	\$ 0.00	\$ 23,829.70	\$ 1,042.20	\$ 43,726.04	\$ 108,286.37	
							\$ 13,313.15	\$ 0.00	\$ 86,288.18		



SUNFLOWER ELECTRIC POWER CORPORATION BOARD MEETING SUMMARY

July 17, 2020

SUNFLOWER ELECTRIC POWER CORPORATION BOARD MEETING

CURRENT ACTIVITIES

Jeremy Anderson was introduced as Sunflower's vice president of corporate systems as part of succession planning for Bill Branch, vice president and chief information officer. Currently, Jeremy is overseeing Business Support Systems and Enterprise Infrastructure. He will acquire other responsibilities by year's end.

Board action: The Sunflower Board approved Jeremy Anderson as an officer of Sunflower, serving as Vice President, Corporate Systems.

December Board Meeting

The December Board Meeting is scheduled in Kansas City, MO. Board Members are asked to RSVP via a survey in BoardPaq.

Future Rate Design

James Brungardt and Rich Macke, Power System Engineering, updated the Board on the ongoing wholesale rate design study. The goals of the study include examining various rate design and tariff options to produce a rate structure that best meets the future needs of the combined Sunflower membership; discussing whether it is the appropriate time to implement different options; and having in-depth discussions with Sunflower's Members to examine the wants and needs of each individual Member and exploring the pros and cons of each option.

Prior to 2020, the fixed cost recovery was split between Coincident Peak Demand Charge and Energy Charge. In 2020, the rate design shifted fixed cost recovery out of Energy Charge and into Coincidental Peak Demand Charge. Future rate designs could entail tweaking the rate structure (e.g., changing the summer and winter rates, changing the Demand or Energy Rate), revising the rate structure (e.g., adding a Non-Coincident Demand Rate, Time-of-Use Energy Rate, or Fixed Charge), or implementing a new approach (converting the Demand Rate to Fixed Charge for existing resources with future resource decisions/risks distributed to Sunflower's Members). After a discussion of options, the Board directed further study of Time-of-Use Rates and Non-Coincident Demand Rates.

ICARE2020

Kyle Nelson updated the Board on the demarcation initiative, which began with the need to answer the question of ownership for budgeting purposes but also has implications on Member leases and interconnection agreements, FERC and KCC policies, regional and local tariffs, and local planning.

This document is for the sole use of the intended recipients and contains confidential and privileged information. Any unauthorized review, copy, use, disclosure, or distribution is prohibited.

While new demarcations will not change costs, they may shift costs and may influence both timelines and requirements of Member projects. Due to the complexity of the initiative, staff recommended resetting the milestones, decision points, and schedule of the project and presenting the new information to the Board in October. Members currently have access to a secure file-sharing site that contains FERC functional demarcation files for all Members.

Work continues on a post-2020 corporate strategic vision statement. The Board identified that the vision statement should comprise three themes: rates, managing risk, and furthering the success of our Members and those they serve. The next steps include developing drivers, measures, methodology, and objectives for each of the three themes.

PRESIDENT'S REPORT

Transmission Planning and Policy

SPP's Cost Allocation Working Group approved the recommendation by the Holistic Integrated Tariff Team (HITT) for a byway cost allocation review process. It is anticipated that the Regional State Committee (RSC) will approve the allocation review process on July 27. Sunflower staff are currently preparing studies needed to apply for the waiver process, and in January 2021 Sunflower will apply to reallocate future rate recovery costs for byway projects.

On June 30, FERC accepted the Z2 tariff changes effective July 1, 2020. Agreements authorizing the construction of network upgrades entered into after the effective date will no longer be eligible for Z2 credits. All agreements entered into before the effective date that authorize the construction of network upgrades will continue to be eligible for Z2 credits until they are paid off.

SPP is implementing a process that must be followed for the retirement of generating units. Currently, SPP cannot prohibit the retirement of a unit, but the new process can delay a unit's retirement by 12 months if transmission is impacted by the retirement. Sunflower opposed the process due to the impact on our system by possible wind retirements.

The SPP requires a Load Responsible Entity (LRE) to maintain capacity required to meet its load and planning reserve obligations with a 12% reserve margin. The purpose of the proposed changes is to further define the requirements for demand-response programs and behind-the-meter generation.

The transmission network around Dodge City has experienced ongoing challenges that are impacting the quality of service in the area. Prior to the commencement of the Integrated Market in 2014, the issues were mitigated by the frequent operation of Fort Dodge Station. Staff will discuss the challenges with Members and study both near-term and long-term solutions for the Dodge City, Great Bend, and Liberal areas.

External Affairs and Member Services

Information continues to be gathered for the data center certified site. An on-site visit is anticipated in September.

Financials

Overall Member loads were down 4.10% from budget for the month and 3.64% year to date. Large industrial loads were down 13.86% from budget for the month and 2.88% year to date. Year-to-date operating expenses were down from budget by \$0.9 million.

This document is for the sole use of the intended recipients and contains confidential and privileged information. Any unauthorized review, copy, use, disclosure, or distribution is prohibited.

Transmission margins were down \$5.4 million for the month. A \$5.5 million accrual was made in June due to the estimated Transmission Formula Rate Settlement and the 2020 Transmission Formula Rate True-Up. The total estimated Transmission Formula Rate True-up for 2020 is \$11 million, \$5.9 million for the Formula Rate Settlement and \$5.1 million for the 2020 Transmission Formula Rate True-Up.

Paycheck Protection Program (PPP) Loan

Sunflower entered into the PPP loan agreement for \$10 million on April 22, 2020, and is currently being held in a restricted cash account. To meet the PPP loan forgiveness criteria, the loan must be applied to specific expenses, such as payroll for at-risk jobs. Since Power Supply is the most impacted area because of decreasing load and margins due to COVID-19, staff recommended the PPP funds be applied to Power Supply payroll to best support employee retention. Approximately half of the loan will be applied to the generation FERC accounts payroll expenses incurred from April 22 thru July 3. The Board will revisit PPP loan appropriations on a monthly basis.

Board action: The Sunflower Board approved allocating \$5,077,502.48 from the PPP restricted cash to the generation FERC accounts payroll (50000-55400).

Kansas Electric Cooperatives, Inc. (KEC)

KEC is reviewing the legislative rate study performed by AECOM and will deliver its conclusions to the KEC Members.

The KEC sent a letter to Senator Jerry Moran and Congressman Roger Marshall to encourage legislation that, if passed, could amount to \$10 billion in savings for RUS borrowers.

Voting Delegates for August Virtual Meetings

Board action: The Sunflower Board elected Bruce Mueller as the voting delegate for the CFC Special Membership Meeting on Aug. 6.

Board action: The Sunflower Board elected Bruce Mueller as the voting delegate for the NCSC Annual Membership Meeting on Aug. 14.

8. General Manager's Report

A. Administration

- 1) City of Dighton. The City has told me that the Council will be picking up the underbilling issue at one of their August meetings.
- 2) NRUCFC. Sheldon Peterson has announced his retirement for the first half of 2021. He will be hard to replace.
- 3) The NRECA Virtual Regional Meetings will be October 12-16. We have not been contacted for delegates yet.
- 4) Mutual Aid. We have updated our Mutual Aid agreement with Kansas Electric Cooperatives.
- 5) Credit Card Statement. The Credit Card records are available for the Boards review.
- 6) Mileage Log. Vehicle #105 traveled 642 miles in June with 10 miles personal miles.

B. Information Technology / Cybersecurity highlights

- 1) Most of the month was occupied with various patching, maintenance, and updates
- 2) All Servers have been segregated into a separate VLAN to improve security and performance.
- 3) Carrie established an extra layer of security between the internal network and the Internet external network.
- 4) We have had some failures with our door access control hardware which has prompted and review of our physical access control security processes and logging.

C. Operations.

- 1) Construction. We have finished with the 2012 CWP and are not under a new plan or loan. I have told Nate that we will shift gears away from Construction and into Maintenance for the next year. This will allow us to inspect and check our infrastructure as well as build equity in our system. We will operate out of cash reserves and monthly income until we have a new CWP and Construction Loan package in the third quarter of next year.
- 2) Border States. The implementation is delayed due to COVID-19. Disruptions in the supply chain have made some materials hard to find and travel restrictions have prohibited our Rep. from coming out and helping.

D. Member Services

- 1) Website. Please complete the website customization survey that Ann Marie has prepared if you have not already done so.
- 2) Our member satisfaction survey will Inside Information will begin around August 10th. Survey's will be conducted by phone, mail & online.
- 3) Touchstone Energy National Member Satisfaction Survey: Lane-Scott was approached to participate in their yearly ACSI survey at no-cost. Of our membership, 250 surveys were conducted. We will be receiving an individual co-op report sometime in September.
- 4) Trustee photos are scheduled for the September Board Meeting

E. Finance.

- 1) June posted a \$221,529 loss in Total Margins and a \$280,498 loss in Operating margins. Total kWh Sales were average for June (years 2017-2019) but total sales revenues are down 12.97% (or \$194,332) over the same period. This is largely a timing issue of wholesale power costs. The Sunflower bill comes in after we send our billings out. We can normally project and compensate for the difference. However, in June, our kWh sales increased, and we billed at Mays' lower demand rates. That reduced our revenues. Our wholesale costs increased as Sunflower moved to the higher summer demand rate. The good news is that we will re-capture this "lag" when Sunflower demands drop-off the summer rates because we will bill at higher demand rates than they will bill us.
- 2) Budget. We are now \$231,712 behind our expense budget on Operating Expenses (Part a, Line 21).
- 3) Billing Past Due (July)
 - a. 30 day – \$ 48,217.61 (\$42,924.45 is City of Dighton – underbilling)
 - b. 60 day – \$ 26.30
 - c. 90 day – \$ 22,148.09 (\$21,561.31 is with OPCO, LLC.)

F. Non-Operating Margins. Our year to date Non-operating cash margins are \$105,620 and \$18,198 in Capital Credits and Patronage Dividends.

- 1) Retail Services. Initial figures have posted a \$5,905.45 gain in June.
 - a. Resale Hours. There were 538.5 hours worked and 501.5 billed (93.1%).
 - b. Outstanding Balances. The open balance (60-90 days) is down to \$2,229.48. The biggest "current" piece remains the Black Dog at \$2,026.72.
- 2) Interest earned. We earned \$53,964 in interest.

Respectfully submitted,

Richard

Richard McLeon, MBA
General Manager

11.a. Annual Meeting

The Annual Meeting went well by all accounts. Here is some early information:

- Election. The Candidates receiving the most votes are:
 - Ness and Rush Counties: Mr. Paul Seib, Jr.
 - Finney and Hodgman Counties: Mr. Richard Sorem
 - Lanes and Gove Counties: Mr. Randy Evans
- 85 members present, 87 mail-in ballots counted towards quorum = 172 total. Our five-year attendance average is 151 members.
- Meal. We served approximately 250 people and received a lot of positive feedback about John Ross Catering. Staff reports that they were great to work with.

The registration process with the mail-in ballots went well. If we continue with mail-in ballots, we should consider having them mailed directly to Joe.

The Annual Meeting Report will be presented next month after we have closed the financials for July.

The Lane County Fair Board has moved the 2021 County Fair back one week. If the LSEC Board wishes to continue holding our Annual Meeting in conjunction with the County Fair then we would push the Annual Meeting back to Tuesday, July 20 instead of Tuesday, July 13.

The Cooperative has benefitted from holding the Annual Meeting in conjunction with the Fair by using shared resources such as the big tent and the stage. It also increases our participation in the Annual Meeting.

Staff recommends that the Board set Tuesday, July 20th as the date of the next Annual meeting.

11.b. Board Policy 202, Board Meetings – Review

Board Policy 202, states:

Regular meetings of the board shall be held on the 1st Monday of each month. In the case of conflict with this date, the meeting shall be rescheduled to a date mutually agreed upon by a majority of the board.

Meetings of the Board of Trustees whether regular or special meetings may be held via electronic means with either all or some Trustees attending via electronic means.

The regular meeting is currently held at 7:00pm on the first Monday of each Month at the LSEC office in Dighton, KS. Individual meetings may be rescheduled as conflicts arise.

Remaining dates for 2020 are:

September 14 (moved to 2nd Monday because Labor Day is September 7th)

October 6

November 2 (followed by CFC Strategic Planning on 11/4-5)

December 7

11. c. Board Policy 203, Director Compensation and Benefits – Review

This information is provided should the Board consider amending the rates within the current policy.

This policy was last amended on December 4, 2017 to include rates as summarized in the “Dec-17” column below while the “Jun-20” column reflects the compensation amount adjusted for inflation.

Director Compensation and Benefits

Policy 203

last dated:		Dec-17	Jun-20
Consumer Price Adjustment*:			5.17%
1	Per Diem		
	Meeting Days	\$ 350.00	\$ 368.10
	Travel Days	300.00	315.52
2	Subsistence	100.00	105.17
	(or actual costs)		
3	Travel in POV	IRS rate	
4	Hotel Bills	actual cost	
5	Banquet / luncheon tickets	actual cost	
6	Commercial travel	actual cost	
7	Spouses	actual cost	
	(100% of additional expenses)		
8	Affiliated Boards		
	LSEC Trustee	retained	
	General Manager	given to LSEC	
9	Teleconference Calls	50.00	52.59
10	ADD & Bus. Travel Ins.	covered	
11	Group Health Plan - voluntary	by Director	
	continue afterward?	by Director	
	Spousal continue?	by Spouse	

* source: US Inflation Calculator using range 2017 to 2020.

www.usinflationcalculator.com

11.d. Kansas Electric Cooperatives Health Insurance Trust (KECHIT)

KECHIT is the name of the Blue Cross/Blue Shield health insurance program that administered by Sunflower Electric Power Company. Our insurance is available to all employees as well as Trustees and retirees.

Lane-Scott currently pays 7.5% of employee premiums in the low deductible plan while retirees and Trustees are responsible for 100% of their premiums. This amount goes up to 10% in 2022. The cooperative covers 100% of premiums for employees in the High Deductible plan. The Board approved the following schedule in 2018:

These are 2018 Preliminary Premiums. We won't know for certain what 2018 premiums are until sometime in September.

500/1000 for 2018				
	Emp	EE/Child	EE/Spouse	Family
Med/Vis/Dent Premiums	\$ 605.58	\$ 1,266.77	\$ 1,299.84	\$ 1,956.41

Amount each employee will contribute toward their premium when they choose the 500/1000 Plan

		Emp	EE/Child	EE/Spouse	Family	
Amount of Monthly Contribution Per Employee						
2018 1st Yr	5%	\$ 30	\$ 63	\$ 65	\$ 98	
2019 2nd Yr	5%	\$ 30	\$ 63	\$ 65	\$ 98	Calculation of 2nd -
2020 3rd Yr	7.50%	\$ 45	\$ 95	\$ 97	\$ 147	5th year are based
2021 4th Yr	7.50%	\$ 45	\$ 95	\$ 97	\$ 147	on 2018 premium
2022 5th Yr	10%	\$ 61	\$ 127	\$ 130	\$ 196	amounts

2018 HDHP deductibles are \$2700 single / \$5,400 family

Employees will not contribute any money toward their premium when they choose the HDHP Plan

KECHIT called for a Board conference call on July 21 to discuss the expense of retiree coverage. In recent years retiree claims have increased exponentially thus increasing costs for everyone. Most insurance programs are, and have been, discouraging participation beyond age 65 because Medicare and Supplements are generally considerable cheaper.

The Board has asked the Trust and Blue Cross / Blue Shield to consider various changes to post-65 coverage to save the cooperative benefit dollars. Their study used the end of year 2018 as the "baseline" with a level of paid claims of \$34,242,205.00.

Various options discussed were:

- Change the minimum eligibility for all groups to Age 60 with 25 Years of Service. LSEC is currently at age 55 with 30 years' service for employees, no restriction for Trustees. Projected savings: \$15,500,000.
- Provide coverage for all groups to Age 65 only. Potential Savings: \$16,000,000.
- Provide coverage to age 65 only but grandfather people currently in the plan. Potential savings: 13,500,000.
- No spousal coverage. Potential Savings: \$10,500,000.
- A 10% Premium Load for anyone over age 65. Potential Savings: \$11,500,000.
- Provide coverage to age 65 and changes eligibility to Age 60 with 25 Years of Service for plan entrants within the past 10 years. Potential Savings: \$9,000,000.

These savings assume that all cooperatives follow the same path but it remains up to each cooperative decide their own offering. KECHIT has asked al cooperatives to provide feedback in September as to which direction we would like them to consider.

We currently have eight (7) individuals over age 65 and four (4) below age 65 paying 100% of the monthly KECHIT premium of \$637.44 (\$7,649.28/year). One individual is taking the insurance at a lesser level and paying \$582.02 / month (\$6,984.24/tr).

Kathy, Diana, and I feel strongly about "grandfathering" existing members of the plan and are considering discontinuing coverage at age 65 for participation. We would like to continue spousal coverage to age 65. Any changes would be implemented for the 2022 budgets.

Would anyone on the Board like to provide input?



2020 Load Forecast Study

presented to the Board of Trustees August 3, 2020

*prepared by: Richard A. McLeon, IV MBA
General Manager*

Methodology and Assumptions:

- 1 Data is projected for 15 years.
- 2 The use of eleven years historical data normalizes variations in sales and revenues due to weather and market conditions.
- 3 Eleven years of actual data (2009-2019) taken from the audited Year End Form 7 plotted for each LSEC rate class. Adjustments were made to account for changes due to MKEC additions.
- 4 Baseline "kWh sold" and "YE Served" data for years 2020 to 2034 were calculated using a simple linear regression.
- 5 Revenue per kWh is based on 2019 actual and assumes
rate increases in 2022, 2026, 2030, and 2034:

increase 4.00%

- 6 Increases in revenue solely reflect adjustments to LSEC retail rates. No assumptions or adjustments to revenue were made regarding Sunflower Wholesale rates, taxes, or franchise fees.
- 7 Commercial and Industrial over 1000 kVA includes the P66 Liberty Substation pumping load. According to discussions with P66 and Priority Power, we anticipate this load to energize in February 2022 and run at 1/2 capacity in 2022, then full capacity for 10 years.
- 8 NRECA Economists predict an overall drop in sales of 6.1% in 2020, 6.0% in 2021, and 3.0% in 2022 due to COVID-19. Only the 2020 drop has been incorporated into the study as we do not believe that the effects of the pandemic will be that long lasting.

Overall, we are seeing a 7% drop (\$473,765) in sales through May 2020. This is most likely due to a combination of a mild winter and C&I drops from COVID-19 transportation losses.

Residential	(88,613)	Public Street & Light	(1,423)
Res - Seasonal	(11,306)	Other Sales	(1,438)
Irrigation	144,319	Resale - Dighton	51,498
C&I under 1000kVa	(180,219)		\$ (473,765)
C&I over 1000kVa	(386,583)		

- 9 Due to COVID-19 projected drops, normal anticipated growth rates resume in 2021 except for C&I which resume is 2023.
- 10 Sales for Resale (City of Dighton) 2019 Sales figures are adjusted to account for the Sunflower multiplier metering error (April 2019). Adjustment is from 8,272,195 kWh and \$609,985 to 10,143,859 kWh and \$691,896.

Lane-Scott Electric Cooperative, Inc.
Load Forecast Study 2020

year	Residential				Residential - Seasonal			
	YE Served	kWh sold	rev. / kWh	revenue	YE Served	kWh sold	rev. / kWh	revenue
2009	2,429	23,828,133	0.0992289	2,364,440	773	1,860,800	0.1490375	277,329
2010	2,394	25,816,294	0.1073131	2,770,427	813	1,539,507	0.1711990	263,562
2011	2,382	26,163,815	0.1112923	2,911,830	821	1,564,650	0.1765174	276,188
2012	2,390	25,689,838	0.1098783	2,822,756	832	1,513,603	0.1877712	284,211
2013	2,401	25,719,268	0.1185564	3,049,183	833	1,567,380	0.1877515	294,278
2014	2,382	25,773,703	0.1231061	3,172,901	847	1,549,260	0.1859894	288,146
2015	2,359	25,530,504	0.1185985	3,027,880	863	1,483,540	0.1861008	276,088
2016	2,310	24,248,180	0.1215746	2,947,963	1,118	1,623,349	0.1994001	323,696
2017	2,268	22,960,460	0.1269274	2,914,311	1,132	1,853,346	0.2099543	389,118
2018	2,251	24,701,066	0.1220058	3,013,673	1,142	2,039,375	0.1998230	407,514
2019	2,225	24,196,666	0.1178974	2,852,725	1,141	2,093,679	0.1933964	404,910
2020	2,228	22,659,580	0.1178974	2,671,507	1,194	1,808,672	0.1933964	349,791
2021	2,209	22,689,988	0.1178974	2,675,092	1,236	1,831,210	0.1933964	354,149
2022	2,189	22,720,436	0.1226133	2,785,829	1,279	1,854,029	0.2011323	372,905
2023	2,170	22,750,926	0.1226133	2,789,567	1,322	1,877,132	0.2011323	377,552
2024	2,150	22,781,456	0.1226133	2,793,310	1,364	1,900,523	0.2011323	382,257
2025	2,131	22,812,027	0.1226133	2,797,059	1,407	1,924,206	0.2011323	387,020
2026	2,112	22,842,640	0.1275179	2,912,845	1,449	1,948,184	0.2091776	407,516
2027	2,092	22,873,293	0.1275179	2,916,754	1,492	1,972,460	0.2091776	412,594
2028	2,073	22,903,987	0.1275179	2,920,668	1,535	1,997,039	0.2091776	417,736
2029	2,053	22,934,723	0.1275179	2,924,587	1,577	2,021,925	0.2091776	422,941
2030	2,034	22,965,500	0.1326186	3,045,652	1,620	2,047,120	0.2175447	445,340
2031	2,015	22,996,318	0.1326186	3,049,739	1,663	2,072,629	0.2175447	450,889
2032	1,995	23,027,178	0.1326186	3,053,832	1,705	2,098,457	0.2175447	456,508
2033	1,976	23,058,079	0.1326186	3,057,930	1,748	2,124,606	0.2175447	462,197
2034	1,956	23,089,021	0.1379233	3,184,515	1,791	2,151,081	0.2262464	486,674
Growth rates								
2009-2019	-0.79%	0.13%	1.46%	1.53%	3.57%	1.25%	2.17%	3.66%
2020-2022	-0.59%	0.09%	1.32%	1.41%	2.30%	0.83%	1.32%	2.15%
2023-2034	-0.86%	0.12%	0.99%	1.11%	2.51%	1.14%	0.99%	2.14%

Lane-Scott Electric Cooperative, Inc.
Load Forecast Study 2020

year	Irrigation				C&I Under 1000kVA			
	YE Served	kWh sold	rev. / kWh	revenue	YE Served	kWh sold	rev. / kWh	revenue
2009	304	7,162,095	0.0968464	693,623	1,704	39,230,972	0.0973821	3,820,393
2010	310	7,601,957	0.1059269	805,252	1,757	41,497,830	0.1027239	4,262,818
2011	318	10,822,646	0.1075190	1,163,640	1,820	44,204,909	0.1072359	4,740,353
2012	319	11,138,105	0.1135488	1,264,718	1,871	46,610,683	0.1129148	5,263,034
2013	320	8,370,258	0.1256567	1,051,779	1,932	48,832,624	0.1170165	5,714,222
2014	322	8,796,187	0.1207709	1,062,323	1,930	49,748,211	0.1173823	5,839,560
2015	328	8,177,412	0.1163954	951,813	1,942	47,249,392	0.1127476	5,327,256
2016	331	7,869,704	0.1232833	970,203	1,876	47,833,352	0.1138576	5,446,191
2017	333	8,134,522	0.1340302	1,090,272	1,877	52,018,673	0.1122783	5,840,567
2018	332	7,879,987	0.1291665	1,017,830	1,862	52,942,381	0.1105855	5,854,660
2019	334	7,221,785	0.1296332	936,183	1,856	52,598,388	0.1057280	5,561,123
2020	336	7,268,252	0.1296332	942,207	1,881	51,638,053	0.1057280	5,459,589
2021	337	7,272,908	0.1296332	942,810	1,880	48,539,770	0.1057280	5,132,013
2022	338	7,277,567	0.1348185	981,151	1,880	47,083,577	0.1099571	5,177,175
2023	339	7,282,229	0.1348185	981,779	1,879	48,287,527	0.1099571	5,309,558
2024	341	7,286,894	0.1348185	982,408	1,878	49,522,262	0.1099571	5,445,326
2025	342	7,291,563	0.1348185	983,038	1,877	50,788,571	0.1099571	5,584,566
2026	343	7,296,234	0.1402113	1,023,014	1,876	52,087,259	0.1143554	5,956,460
2027	345	7,300,908	0.1402113	1,023,669	1,876	53,419,156	0.1143554	6,108,770
2028	346	7,305,585	0.1402113	1,024,325	1,875	54,785,109	0.1143554	6,264,974
2029	347	7,310,265	0.1402113	1,024,981	1,874	56,185,991	0.1143554	6,425,172
2030	349	7,314,948	0.1458197	1,066,664	1,873	57,622,694	0.1189296	6,853,046
2031	350	7,319,634	0.1458197	1,067,347	1,873	59,096,134	0.1189296	7,028,282
2032	351	7,324,324	0.1458197	1,068,031	1,872	60,607,251	0.1189296	7,207,998
2033	352	7,329,016	0.1501943	1,100,776	1,871	62,157,008	0.1224975	7,614,080
2034	354	7,333,711	0.1562021	1,145,541	1,870	63,746,392	0.1273974	8,121,126
Growth rates								
2009-2019	0.84%	0.06%	2.52%	2.20%	0.74%	2.56%	0.69%	3.02%
2020-2022	0.26%	0.04%	1.32%	1.36%	-0.03%	-3.09%	1.32%	-1.79%
2023-2034	0.34%	0.06%	1.25%	1.31%	-0.04%	2.31%	1.25%	3.61%

Lane-Scott Electric Cooperative, Inc.
Load Forecast Study 2020

year	C&I Over 1000kVA				Public Street & Highway			
	YE Served	kWh sold	rev. / kWh	revenue	YE Served	kWh sold	rev. / kWh	revenue
2009	292	36,821,205	0.0916512	3,374,707	32	449,357	0.1572892	70,679
2010	299	40,325,704	0.1003973	4,048,590	31	448,596	0.1285945	57,687
2011	303	41,245,457	0.1061081	4,376,476	30	448,767	0.1290826	57,928
2012	318	42,374,438	0.1090596	4,621,338	29	448,050	0.1222163	54,759
2013	318	47,179,171	0.1139318	5,375,207	28	447,334	0.1320758	59,082
2014	329	58,572,731	0.1126246	6,596,728	30	448,431	0.1419037	63,634
2015	357	54,703,255	0.1111133	6,078,261	28	446,571	0.1362068	60,826
2016	197	47,803,166	0.1220983	5,836,685	27	444,547	0.1344650	59,776
2017	180	44,232,730	0.1281092	5,666,618	23	442,027	0.1334376	58,983
2018	189	56,451,769	0.1156393	6,528,043	23	441,548	0.1321872	58,367
2019	189	73,111,587	0.0974371	7,123,779	13	440,152	0.1272015	55,988
2020	189	60,335,098	0.0974371	5,878,875	13	413,506	0.1272015	52,599
2021	189	56,714,992	0.0974371	5,526,143	13	412,730	0.1272015	52,500
2022	189	105,005,986	0.1013346	10,640,735	13	411,956	0.1322896	54,497
2023	190	154,998,430	0.1013346	15,706,697	13	411,183	0.1322896	54,395
2024	190	161,476,276	0.1013346	16,363,127	13	410,411	0.1322896	54,293
2025	190	168,224,850	0.1013346	17,046,990	13	409,641	0.1322896	54,191
2026	190	175,255,468	0.1053879	18,469,812	13	408,872	0.1375812	56,253
2027	190	182,579,916	0.1053879	19,241,721	13	408,105	0.1375812	56,148
2028	190	190,210,474	0.1053879	20,045,890	13	407,339	0.1375812	56,042
2029	191	198,159,936	0.1053879	20,883,667	13	406,575	0.1375812	55,937
2030	191	206,441,630	0.1096035	22,626,716	13	405,812	0.1430844	58,065
2031	191	215,069,441	0.1096035	23,572,354	13	405,050	0.1430844	57,956
2032	191	224,057,833	0.1096035	24,557,513	13	404,290	0.1430844	57,848
2033	191	133,436,989	0.1096035	14,625,155	13	403,532	0.1473769	59,471
2034	191	139,013,718	0.1139876	15,845,839	13	402,774	0.1532720	61,734
Growth rates								
2009-2018	-3.70%	4.18%	2.16%	6.01%				
2009-2019	-3.47%	6.69%	0.48%	6.29%	-6.46%	-0.19%	-2.04%	-2.23%
2020-2022	0.00%	20.12%	1.32%	21.60%	0.00%	-0.13%	1.32%	1.19%
2023-2034	0.04%	-0.74%	0.99%	0.06%	0.00%	-0.17%	1.25%	1.08%

Lane-Scott Electric Cooperative, Inc.
Load Forecast Study 2020

year	Other Sales - Public Auth.				Sales for Resale				
	YE Served	kWh sold	rev. / kWh	revenue	YE Served	kWh sold	rev. / kWh	revenue	
2009	52	554,502	0.0967499	53,648	1	10,475,172	0.0654197	685,283	
2010	51	584,474	0.1096747	64,102	1	10,796,258	0.0700111	755,858	
2011	51	585,771	0.1159190	67,902	1	10,789,106	0.0734880	792,870	
2012	49	(48,715)	(0.2105512)	10,257	1	10,574,038	0.0827199	874,683	
2013	48	456,825	0.1271953	58,106	1	10,359,299	0.0854903	885,620	
2014	48	459,223	0.1316376	60,451	1	10,279,430	0.0864460	888,616	
2015	50	468,252	0.1259834	58,992	1	10,319,452	0.0768270	792,813	
2016	50	430,922	0.1304784	56,226	1	9,845,300	0.0810632	798,092	
2017	49	333,842	0.1445624	48,261	1	9,592,032	0.0791704	759,405	
2018	49	364,261	0.1499062	54,605	1	9,814,443	0.0787791	773,173	
2019	49	364,795	0.1439658	52,518	1	10,143,859	0.0682083	691,896	
2020	48	306,069	0.1439658	44,063	1	9,525,084	0.0682083	649,690	
2021	48	293,319	0.1439658	42,228	1	9,497,153	0.0682083	647,785	
2022	48	281,101	0.1497244	42,088	1	9,469,305	0.0709366	671,721	
2023	48	269,391	0.1497244	40,334	1	9,441,539	0.0709366	669,751	
2024	47	258,169	0.1497244	38,654	1	9,413,853	0.0709366	667,787	
2025	47	247,415	0.1497244	37,044	1	9,386,249	0.0709366	665,829	
2026	47	237,109	0.1557134	36,921	1	9,358,726	0.0737741	690,432	
2027	47	227,232	0.1557134	35,383	1	9,331,284	0.0737741	688,407	
2028	46	217,766	0.1557134	33,909	1	9,303,922	0.0737741	686,389	
2029	46	208,695	0.1557134	32,497	1	9,276,640	0.0737741	684,376	
2030	46	200,002	0.1619419	32,389	1	9,249,439	0.0767251	709,664	
2031	46	191,671	0.1619419	31,039	1	9,222,317	0.0767251	707,583	
2032	46	183,686	0.1619419	29,747	1	9,195,274	0.0767251	705,508	
2033	45	176,035	0.1668002	29,363	1	9,168,311	0.0767251	703,439	
2034	45	168,702	0.1734722	29,265	1	9,141,427	0.0797941	729,432	
Growth rates									
	2009-2019	-0.55%	-4.17%	4.43%	-0.19%	0.00%	-0.29%	0.33%	0.08%
	2020-2022	-0.32%	-2.84%	1.32%	-1.54%	0.00%	-0.20%	1.32%	1.12%
	2023-2034	-0.45%	-3.89%	1.25%	-2.72%	0.00%	-0.27%	0.99%	0.72%

Lane-Scott Electric Cooperative, Inc.
Load Forecast Study 2020

year	Total				
	YE Served	kWh sold	%Δ	revenue	%Δ
2009	5,587	120,382,236		11,340,102	
2010	5,656	128,610,620	6.8%	13,028,296	14.9%
2011	5,726	135,825,121	5.6%	14,387,187	10.4%
2012	5,809	138,300,040	1.8%	15,195,756	5.6%
2013	5,881	142,932,159	3.3%	16,487,477	8.5%
2014	5,889	155,627,176	8.9%	17,972,359	9.0%
2015	5,928	148,378,378	-4.7%	16,573,929	-7.8%
2016	5,910	140,098,520	-5.6%	16,438,832	-0.8%
2017	5,863	139,567,632	-0.4%	16,767,535	2.0%
2018	5,849	154,634,830	10.8%	17,707,865	5.6%
2019	5,808	170,170,911	10.0%	17,679,122	-0.2%
2020	5,890	153,954,314	-9.5%	16,048,320	-9.2%
2021	5,913	147,252,071	-4.4%	15,372,720	-4.2%
2022	5,937	194,103,957	31.8%	20,726,100	34.8%
2023	5,961	245,318,357	26.4%	25,929,634	25.1%
2024	5,985	253,049,846	3.2%	26,727,162	3.1%
2025	6,008	261,084,523	3.2%	27,555,737	3.1%
2026	6,032	269,434,492	3.2%	29,553,254	7.2%
2027	6,055	278,112,353	3.2%	30,483,446	3.1%
2028	6,079	287,131,223	3.2%	31,449,932	3.2%
2029	6,103	296,504,751	3.3%	32,454,159	3.2%
2030	6,127	306,247,145	3.3%	34,837,536	7.3%
2031	6,150	316,373,195	3.3%	35,965,190	3.2%
2032	6,174	326,898,293	3.3%	37,136,984	3.3%
2033	6,197	237,853,575	-27.2%	27,652,411	-25.5%
2034	6,221	245,046,827	3.0%	29,604,126	7.1%
Growth rates					
2009-2019	0.35%	3.16%		3.65%	
2020-2022	0.27%	8.11%		8.97%	
2023-2034	0.36%	-0.01%		0.99%	

On-Site Regulatory Compliance Visit
June 18, 2020
(Dighton/Ness City)



Submitted to:
Richard McLeon, General Manager
Lane-Scott Electric Cooperative Inc.

Documentation Review

(Dighton)

PCB Recordkeeping

- Reviewed 2018/2019 Annual Activities Reports and the following recommendations/corrections are listed below;
 - **2018** (items listed below need to be revised on annual activities report)
 - ❖ **Manifest** (#003705218GBF)
 - ❖ **Container ID** (#KS082818-1B)
 - ❖ **Kilograms** (24.5)
[Note: oil only up to 499ppm.]
 - ❖ **Description** (Mineral Oil (less than 500ppm))
 - ❖ **Date Removed From Service** (8/30/2018)
 - ❖ **Date Transported** (9/17/2018)
 - ❖ **Date of Disposal** (9/27/2018)
 - ❖ Revise totals for the year
 - **2019** (no deficiencies found)

EPA 40 CFR Section 761

Regulated Storage Facility

- Recommend leaking/weeping electrical equipment in secondary containment have documented monthly inspections completed.

Kansas Department of Transportation (KDOT)

- Permits for working in the road right-of-way need to be available at the worksite (i.e., blanket (annual) permit for maintenance/emergency work needs to be available on all applicable utility vehicles.)
KDOT Utility Accommodation Policy-2007
[Note: includes specific permit needs to be available at jobsite for work order(s) that are not applicable to blanket permit.]

- Blanket permit (annual) for hauling of overlength loads (poles) needs to be available on applicable utility vehicles (i.e., digger-derricks.)
[Note: K-Trips/365 OS-Only.]

KDOT

Safety Data Sheets (SDS)

- Recommend chemical inventory be completed, updated SDS sheets (to meet current regulation) and have electronic files stored on server.
[Note: includes installing electronic files on PCs and iPads.]

29 CFR 1910.1200

Warehouse and Storage Facilities (Dighton)

Salt Shed

- Shelves, bends and racks need working load limits (WLL) established and visibly marked.
- Designated aisles/walkways need to be established and visibly marked (i.e., painted.)
[Note: includes remarking of existing designated aisle/walkways.]
29 CFR 1910.23
29 CFR 1910.178

Morton

- Overhead storage area (mezzanine) needs working load limits (WLL) established and visibly marked.
[Note: floor, lbs., per square foot.]
29 CFR 1910.22
- Step edges to overhead storage area (mezzanine) need to be marked (i.e., painted.)
[Note: eastside.]
29 CFR 1910.144
- Existing designated aisles/walkways need to be remarked.
29 CFR 1910.23
29 CFR 1910.178
- Several shelves need working load limits (WLL) established and visibly marked (i.e., eastside.)

South Shop

- Existing designated aisles/walkways need to be remarked.
29 CFR 1910.23
29 CFR 1910.178
- Metal rack(s) need working load limits (WLL) established and visibly marked.
- Existing hazard recognition signage at bench grinder needs to be replaced to meet current regulation/standard (i.e., pictograms.)
29 CFR 1910.144
29 CFR 1910.145
ANSI z535
- Temporary wiring (extension cord) for waste oil needs to be unplugged when not in use.
29 CFR 1910.305
- Housekeeping needs to be addressed in mechanics area (i.e., excessive oil on concrete.)

- Electrical disconnect (breaker panel) needs to be readily accessible (i.e., blocked by fan.)
29 CFR 1910.303
NEC Rule 110.26(A) (1)
- Existing emergency eyewash station needs documented monthly inspection completed.
29 CFR 1910.151
ANSI z358.1-09
- Secondary containment is needed for motor oil container (270 gallon) and includes portable waste oil tray.
EPA CFR Part112
[**Note:** refer to current Spill Prevention, Control and Countermeasure (SPCC) Plan.]

Resale

- Designated aisles/walkways need to be established and visibly marked (i.e., painted.)
[**Note:** material stored in aisles needs to be removed to limit tripping hazard.]
29 CFR 1910.23
29 CFR 1910.178
- Electrical disconnect (breaker panel) needs to be readily accessible (i.e., blocked by materials.)
29 CFR 1910.303
NEC Rule 110.26(A) (1)
- Step edges to overhead storage area need to be marked (i.e., painted.)
29 CFR 1910.144
- Existing hazard recognition signage at workbench area needs to be replaced to meet current regulation/standard (i.e., pictograms.)
29 CFR 1910.144
29 CFR 1910.145
ANSI z535

Administrative Facility

(Dighton)

- Means of Egress needs to be addressed (i.e., existing signage (offices/rooms) needs to be installed on wall to meet applicable regulation.)
[**Note:** main level.]
29 CFR 1910.37
NFPA 101-03

Pole Yard and Outside Storage **(Dighton)**

- Numerous pieces of electrical equipment (i.e., voltage regulators, transformers) are being stored directly on the ground, need to be stored on concrete to limit equipment from rusting and potential oil spill or tipping over.
[Note: refer to previous On-Site Regulatory Compliance Visit and RESAP Observation summaries.]

Underground Facility **(Dighton)**

Dollar General

- Protective device (fuse cutouts) at underground (URD) riser installation needs to meet appropriate standards and guidelines (i.e., load break type.)
RUS Bulletin 1728F-806
NESC Rule 381
- Underground (URD) pad mounted transformer needs appropriate signage installed (i.e., Outside “Warning-High Voltage-Keep Out”/inside (primary side) “Danger-High Voltage-Keep Out”).
RUS Bulletin 1728F-806

Underground Facility **(Ness City)**

Dollar General

- Underground (URD) cabinet (feed-through) needs appropriate signage installed (i.e., Outside “Warning-High Voltage-Keep Out”/Inside “Danger-High Voltage-Keep Out”).
[Note: refer to previous RESAP observation summary.]
RUS Bulletin 1728F-806
- Metallic conduit(s) at Underground (URD) riser installation needs to be effectively grounded (bonded) to meet applicable standards and guidelines.
[Note: refer to previous RESAP Observation summary.]
NESC Rule 314B
NESC Rule 360C
RUS Bulletin 1728F-806

Pole Yard and Outside Storage **(Ness City)**

- Wire (conductor) needs to be removed from bushing/lugs of electrical equipment to limit cutting hazards.
[Note: refer to previous On-Site Regulatory Compliance Visit summary.]
[Note: includes covering broken porcelain bushing on electrical equipment.]

- Numerous pieces of electrical equipment (transformers) are leaking/weeping onto concrete.
[**Note:** above mentioned pieces of electrical equipment needs to be in secondary containment and stored inside warehouse facility (i.e., auxiliary warehouse/old power plant).]
[**Note:** refer to previous On-Site Regulatory Compliance Visit summaries.]
EPA 40 CFR Section 761
KDHE

Warehouse and Storage Facilities **(Ness City)**

Main

- Existing designated aisles/walkways need to be remarked.
29 CFR 1910.23
29 CFR 1910.178
- Temporary wiring (2) extension cords) need to be unplugged when not in use.
29 CFR 1910.305
- Step edges to overhead storage area (mezzanine) need to be marked (i.e., painted.)
[**Note:** refer to previous On-Site Regulatory Compliance Visit Summaries.]
29 CFR 1910.144
- Overhead lights (compact florescent) need protective guards in place (i.e., any overhead light 8' above a walking or working surface.)
29 CFR 1910.303
- All flammable materials need to be stored in an appropriate location(s) and in an approved flammable storage cabinet(s).
29 CFR 1910.106

Auxiliary (old power plant)

- Large cavern under concrete floor on which aerial device (large) is being parked.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SAFETY MEETING

July 21, 2020

Chris Terhune called the meeting to order at 9:10am.

Minutes were read: Chad Rupp made a motion to approve the June minutes and Dellon Shelton seconded. June 10th safety meeting minutes were read and approved as printed.

Present: David Howard, Kasey Jenkinson, Ben Mann, Chad Rupp, Chris Terhune, Leighton Ayers, Dellon Shelton, Dee Shull, Carrie Borell, and Ann Marie Jennings

Present via WebEx: Richard McLeon, Nate Burns, Dal Hawkinson, Myron Seib, Kevin Bradstreet, Kalo Mann, Michael Pollock, Kathy Lewis, Rebecca Campbell, and Diana Kuhlman

Absent: Mark McCulloch and Larry Kraft

Truck report of inspections:

105	Richard McLeon	OK
110	Myron Seib	OK
112	Leighton Ayers	OK
117	David Howard	Windshield chip
123	Mark McCulloch	OK
124	Michael Pollock	OK
132	Chris Terhune	OK
135	Kevin Bradstreet	OK
136	Dellon Shelton	OK
143	Michael Pollock	OK
144	Kalo Mann	OK
145	Nate Burns	OK
150	Kasey Jenkinson	OK
173	Chad Rupp	OK
174	Dal Hawkinson	OK
191	Myron Seib	OK
193	Myron Seib	OK
200	Ben Mann	Crack in Windshield
304	Myron Seib	OK
305	Myron Seib	OK

Trailer and Equipment report of inspections:

502	Myron Seib	OK
507	Myron Seib	OK
515	Myron Seib	OK
504	Chris Terhune	OK
505	Chris Terhune	OK
508	Chris Terhune	OK
509	Chris Terhune	OK
513	Chris Terhune	OK
516	Chris Terhune	OK
700	Chris Terhune	OK
701	Chris Terhune	OK
512	Dee Shull	OK
514	Dee Shull	OK

Warehouse, building, and pole yard inspections:

Ness City Warehouse	Myron Seib	OK
Ness Pole Yard & Transformer Dock	Myron Seib	OK
Warehouse	Dee Shull	OK
Pole Yard & Transformer Dock	Dee Shull	OK

Personal Tools: All Passed

Gloves Monthly Test Results: All Passed

Sleeves Quarterly Test Results: All Passed

Substation and Regulator Report: Kasey Jenkinson reported south Laird, Scott Park regulators were replaced. Scott City three phase regulator still needs done. Nate Burns reported Twin Springs ground maintenance did not work well and will have Walker mow around it. North lot shed has weeds growing on the north side and will be spraying the lot.

PCB Report: None to report.

Line Clearance: Beeler, Ness, and Bazine

Accident and Near Misses: Chris Terhune reported Tom Bennett's car port knocked down transformer pole in Healy and Gene Wilkens lien too tore down a transformer pole. Nate Burns reported the City water meter in front of the office was damaged and was repaired by the City of Dighton.

Old Business:

New Business:

- ◆ Richard McLeon reported on governor COVID guidelines. Lane Scott amendment is if an employee is exposed to COVID they will go to Lane County Health Department to be tested and quarantined for one week. If results come back positive, then further quarantine action will be enforced, if negative employee may resume work.
- ◆ Nate Burns discussed Twin Springs transformer had a bad gauge that Sunflower will be replacing because it is still warrantied. A list of bad dock transformers and regulators will be made for Soloman when they are able to pick them up. Work orders are being made for Lane County Feeders new addition connect and Ness County High School remodel for pad mounts.
- ◆ Ben Mann reported Wi-Fi issues in warehouse. Carrie Borell reported the Wi-Fi was budgeted for replacement in 2020 and due to COVID budget purchases being conservative this project has been pushed back and will try to temporarily fix it until it can be replaced.
- ◆ Ann Jennings reported at the August 19 safety meeting she will be taking employee pictures.
- ◆ Chris Terhune reported on our On-Site Regulatory compliance visit results. Roadrunner Auto Glass and Windshield repair will be here tomorrow to replace truck 200 windshield and fix 117 pits. Roadrunner last Wednesday replaced truck 174 and 132 windshields. Reported everyone passed KEC pole top/bucket rescue.
- ◆ Reviewed safety summary.
- ◆ Bruce McAntee discussed hearing conservation program and decibel testing of equipment, COVID hazards and preventions, and accident investigation. Reported on contacts and discussed preventive measures. Reviewed CDL renewals due now may be extended till November.

Meeting adjourned

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Secretary

SAFETY PROGRAM

SAFETY PROJECTS COMPLETED AS OF JULY 2020

1. KEC safety meeting topics concerning hearing conservation program and decibel testing of equipment, accident investigation, and administrative professional conduct. Safety meeting July minutes are included in packet.
2. Carrie Borell contacted Roadrunner Windshield Repairs for trucks #174, 132, 200, and 117 windshields.
3. DJ Lock and Key repaired south office door key fob access entry issue.
4. Carrie Borell did a facility walk thru with Nex-Tech and DJ Lock and Key to review door and camera security options. Verkada virtual facility review for camera security options and door access control hardware and device compatibility with vendors.
5. Carrie Borell updated SRS dispatch procedure of trustee's information.
6. KEC On-Site Regulatory Visit walk thru review of PCB recordkeeping/storage, SDS review, and KDOT requirements. Progress report of completed items:
 - PCB recordkeeping 2018 corrected report information and 2019 had no deficiencies.
 - Morton Building overhead storage area working load limits (WLL) were established and visibly marked. East side step edges were marked and shelves WLL were established and visibly marked. Existing designated aisles/walkways were remarked.
 - South shop extension cord for waste oil unplugged when not in use. Mechanics area housekeeping concerning excessive oil on concrete. Moved fan blocking the breaker panels from being readily accessible.
 - Resale step edges to overhead storage area were marked.
 - Dighton Dollar General underground (URD) cabinet (feed-through) signage installed.
 - Ness Dollar General URD riser installation grounded (bonded) and cabinet (feed-through) signage installed.
 - Ness pole yard transformers leaking/weeping onto concrete put in secondary containments and stored inside warehouse facility.
 - Ness warehouse and storage facilities two extension cords unplugged when not in use.

SAFETY PROJECTS IN PROGRESS AS OF JULY 2020

1. Carrie Borell is working with DJ Lock and Key for 2021 quote for electronic door access control physical security.
2. Chris Terhune is getting a quote from S&S Trailer for the safety demo trailer.
3. Carrie Borell is working with Nex-Tech and J&P Security Security System for 2021 quote options for cameras and door access control, Verkada camera security options, and DJ Lock and Key door access security options. Verkada and Nex-Tech security system device demo and testing review scheduled.
4. Carrie Borell contacted Homeland Security for a protective security advisor assessment.
5. Chris Terhune and Carrie Borell working on FR Clothing vendor clothing options and logo uniformity through all vendors.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION <div style="text-align: right;">KS0042</div>
	PERIOD ENDED June 2020
INSTRUCTIONS - See help in the online application.	BORROWER NAME <div style="text-align: right;">The Lane-Scott Electric Cooperative, Inc.</div>

This information is analyzed and used to determine the submitter’s financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII
(check one of the following)

☐ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

DATE

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	8,631,342	7,933,003	9,142,283	1,211,041
2. Power Production Expense				
3. Cost of Purchased Power	4,975,917	4,423,297	5,453,750	917,215
4. Transmission Expense	4,313	1,071	3,746	159
5. Regional Market Expense				
6. Distribution Expense - Operation	703,615	745,857	690,019	125,189
7. Distribution Expense - Maintenance	321,537	404,080	367,670	79,749
8. Customer Accounts Expense	107,452	95,221	113,218	12,020
9. Customer Service and Informational Expense	15,700	19,250	16,403	6,855
10. Sales Expense	28,871	26,026	37,569	3,345
11. Administrative and General Expense	716,732	657,162	692,352	97,046
12. Total Operation & Maintenance Expense (2 thru 11)	6,874,137	6,371,964	7,374,727	1,241,578
13. Depreciation and Amortization Expense	775,688	814,892	806,590	138,786
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	618,274	662,535	642,745	110,787
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	1,747	998	1,817	163
19. Other Deductions	3,609	5,858	7,936	225
20. Total Cost of Electric Service (12 thru 19)	8,273,455	7,856,247	8,833,815	1,491,539
21. Patronage Capital & Operating Margins (1 minus 20)	357,887	76,756	308,468	(280,498)
22. Non Operating Margins - Interest	122,173	128,461	20,849	53,964
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	61,315	(22,841)	30,000	5,005
26. Generation and Transmission Capital Credits	4			
27. Other Capital Credits and Patronage Dividends	18,032	18,198	20,000	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	559,411	200,574	379,317	(221,529)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION KS0042		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED June 2020		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	31	25	5. Miles Transmission		
2. Services Retired	11	24	6. Miles Distribution – Overhead	2,035.31	2,036.59
3. Total Services in Place	6,045	6,038	7. Miles Distribution - Underground	7.15	7.53
4. Idle Services (Exclude Seasonals)	202	255	8. Total Miles Energized (5 + 6 + 7)	2,042.46	2,044.12
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	57,653,802		30. Memberships	0	
2. Construction Work in Progress	371,182		31. Patronage Capital	21,628,858	
3. Total Utility Plant (1 + 2)	58,024,984		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	17,114,096		33. Operating Margins - Current Year	76,756	
5. Net Utility Plant (3 - 4)	40,910,888		34. Non-Operating Margins	123,818	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	138,242	
7. Investments in Subsidiary Companies	243,578		36. Total Margins & Equities (30 thru 35)	21,967,674	
8. Invest. in Assoc. Org. - Patronage Capital	10,817,833		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	33,802,187	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	221,958		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	6,070,021	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	150,400	
13. Special Funds	0		42. Payments – Unapplied	4,116,389	
14. Total Other Property & Investments (6 thru 13)	11,734,331		43. Total Long-Term Debt (37 thru 41 - 42)	35,906,219	
15. Cash - General Funds	259,748		44. Obligations Under Capital Leases - Noncurrent	262,000	
16. Cash - Construction Funds - Trustee	100		45. Accumulated Operating Provisions and Asset Retirement Obligations	0	
17. Special Deposits	25		46. Total Other Noncurrent Liabilities (44 + 45)	262,000	
18. Temporary Investments	6,041,548		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	1,226,451	
20. Accounts Receivable - Sales of Energy (Net)	1,369,215		49. Consumers Deposits	121,342	
21. Accounts Receivable - Other (Net)	144,938				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	1,369,194	
23. Materials and Supplies - Electric & Other	294,725		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	126,359		52. Current Maturities Capital Leases	99,641	
25. Other Current and Accrued Assets	98,284		53. Other Current and Accrued Liabilities	704,066	
26. Total Current and Accrued Assets (15 thru 25)	8,334,942		54. Total Current & Accrued Liabilities (47 thru 53)	3,520,694	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	676,426		56. Other Deferred Credits	0	
29. Total Assets and Other Debits (5+14+26 thru 28)	61,656,587		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	61,656,587	

LANE-SCOTT ELECTRIC ENERGY SALES STATISTICS FOR JUN 2020

CLASS OF SERVICE	NO. RECEIVING SERVICE		kWh SOLD		AMOUNT BILLED		Y.T.D AVERAGE		SALE PRICE PER kWh Y.T.D.
	Y.T.D. AVG.	THIS MONTH	THIS MONTH	Y.T.D.	THIS MONTH	Y.T.D.	kWh USED	AMOUNT	
Residential Sales	2,231	2,230	2,432,189	10,956,157	\$259,446	\$1,239,242	819	\$92.60	11.31
Residential Sales-Seasonal	50	53	13,094	60,550	\$2,362	\$12,443			
Irrigation Sales	334	333	1,460,062	3,599,986	\$121,486	\$301,156			
Small Commercial	1,841	1,825	3,124,635	23,548,099	\$325,536	\$2,348,656	2,131	\$212.59	9.97
Large Commercial	185	185	2,319,286	16,040,182	\$273,115	\$1,752,802	14,438	\$1,577.68	10.93
Public Street Lighting	13	13	35,906	215,436	\$4,407	\$26,163			
Public Building Sales	49	49	27,976	155,167	\$3,949	\$22,407			
Non-Domestic	1,059	1,061	168,026	983,875	\$30,913	\$182,016			
City of Dighton	1	1	978,614	5,334,604	\$74,244	\$366,875	889,101	\$61,145.90	6.88
Idle Services on rate 90	30	29	0	0		\$945			
Large Industrial	3	3	2,626,960	17,512,710	\$208,473	\$1,292,479	972,928	\$71,804.40	7.38
Irrigation Horsepower Charges	0	0				\$264,332			
Total Energy Sales	5,796	5,782	13,186,748	78,406,766	\$1,303,931	\$7,809,516			9.96
Other Electric Revenue					(\$92,890)	\$123,487			
Total					\$1,211,041	\$7,933,003			

SUBSTATION DATA

Substation	(NCP)KW	kWh Purchased	Cost Per kWh	kWh Sold	Line Loss	Load Factor-P	Load Factor-S
Beeler-Sub 3	5,130	2,879,254		2,235,070	22.37%	77.95%	60.51%
Dighton-Sub 1 - 7200	2,343	1,273,975		1,540,761	-20.94%	75.52%	91.33%
Dighton-Sub 2 - 14400	4,109	2,212,102		2,094,118	5.33%	74.77%	70.78%
Manning-Sub 4	6,332	3,706,745		2,929,974	20.96%	81.31%	64.27%
LS Seaboard-Sub 5	263	111,627		76,942	31.07%	58.95%	40.63%
Twin Springs Lo 7.6-Sub 7	527	165,404		147,265	10.97%	43.59%	38.81%
Twin Springs Hi 14.1-Sub 8	504	165,854		137,844	16.89%	45.70%	37.99%
City of Dighton	2,385	870,935	7.3400	870,935	0.00%	50.72%	50.72%
City of Dighton - WAPA	185	107,679	2.8500	107,679	0.00%	80.84%	80.84%
Alexander 115	2,194	955,258		799,942	16.26%	60.47%	50.64%
Ness City 115	5,501	2,201,958		2,246,218	-2.01%	55.59%	56.71%
Total	29,473	14,650,791	6.2200	13,186,748	9.99%	69.04%	62.14%

RUS/CFC LOAN FUND TRANSACTIONS

MISC.

OTHER STATISTICS

					Y.T.D	M.T.D.
Gross Obligation to RUS	\$ 53,575,159	General Fund Balance	\$45,993	Miles Energized	2044.12	
Pymts Applied Against Principal	\$ 18,949,597	MMDA Investments	\$195,965	Density	2.83	
Net Obligation to RUS	\$ 34,625,562	Cash Available at Month End	\$241,958	kWh Purchased	81,665,014	14,650,791
CFC Line of Credit	\$ -			kWh Sold (Inc. Office Use)	76,838,554	13,193,007
CoBank Line of Credit	\$ -	CFC Investments - CP, SN, MTN	\$5,845,583	Percent of Line Loss	5.91%	9.95%
CFC Note #9004-RUS refinance	\$ 6,060,362	CFC CTC's	\$221,958	Idle Services	255	
CFC Note #9006-RS Prepymt	\$ 555,478			Oper. Revenue Per kWh Sold	10.32	9.18
				Expense Per kWh Sold	10.22	11.31
				Income Per Mile		592.45
				Expense Per Mile		729.67

ACCOUNT AGING

	Current	30-89 Days	90 Plus
Irrigation Accounts Receivable	\$80,349		
Electric Accounts Receivable	\$1,023,482	\$127,975	\$25,161
Retail Accounts Receivable	\$71,404	\$224	\$2,475

2020-Line 25 - Non-Operating Margins

		January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	
Rev.-Electrician & Mat.	415.1	\$15,472.59	\$30,072.11	\$22,131.12	\$16,256.87	\$17,444.15	\$43,910.78							\$145,287.62	415.1
Exp.-Electrician & Mat.	416.1	\$25,241.80	\$31,472.18	\$26,525.09	\$19,061.30	\$26,780.14	\$37,634.53							\$166,715.04	416.1
		(\$9,769.21)	(\$1,400.07)	(\$4,393.97)	(\$2,804.43)	(\$9,335.99)	\$6,276.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$21,427.42)	
Rev.-Appliance Repair	415.2	\$11,413.72	\$6,562.93	\$14,607.11	\$6,185.77	\$16,155.53	\$23,010.39							\$77,935.45	415.2
Exp.-Appliance Repair	416.2	\$13,809.81	\$13,167.26	\$18,849.37	\$10,369.45	\$22,385.60	\$23,411.48							\$101,992.97	416.2
		(\$2,396.09)	(\$6,604.33)	(\$4,242.26)	(\$4,183.68)	(\$6,230.07)	(\$401.09)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$24,057.52)	
Rev.-Member Damages	415.3	\$1,641.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00							\$1,641.57	415.3
Exp.-Member Damages	416.3	\$1,785.22	\$0.00	\$0.00	\$1,424.56	\$0.00	\$0.00							\$3,209.78	416.3
		(\$143.65)	\$0.00	\$0.00	(\$1,424.56)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,568.21)	
Finance Charges	415.5	\$213.65	\$215.01	\$127.41	\$67.63	\$51.75	\$30.29							\$705.74	415.5
MARGIN-Resale		(\$12,095.30)	(\$7,789.39)	(\$8,508.82)	(\$8,345.04)	(\$15,514.31)	\$5,905.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$46,347.41)	
2010-2019 (less 2013) avg:		(\$6,716.41)	(\$1,979.83)	(\$394.96)	(\$2,093.74)	\$1,375.71	\$8,307.97	(\$5,201.07)	\$2,708.80	\$1,250.54	\$3,217.63	(\$1,997.01)	(\$4,867.14)	(\$6,389.52)	
Rev.-City of Dighton	417.0	\$12,437.50	\$12,437.50	\$12,437.50	\$12,437.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$49,750.00	417.0
Exp.-Sup. & Engineering	417.1	\$935.28	\$621.24	\$1,445.09	\$1,932.46	\$994.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,928.89	417.1
Exp.-Material	417.11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	417.11
Exp.-Overhead Lines	417.2	\$4,111.99	\$2,515.62	\$2,590.92	\$3,796.54	\$779.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,794.26	417.2
Exp.-Cons. Accts.	417.3	\$894.56	\$1,039.11	\$58.08	\$341.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,333.65	417.3
Exp.-Line Patrol	417.4	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	417.4
Exp.-Street Lights	417.5	\$1,717.99	\$299.41	\$1,767.97	\$845.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,630.77	417.5
Exp.-Meter Reading	417.6	\$810.02	\$934.38	\$732.35	\$838.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,315.42	417.6
Exp.-Tree Trimming	417.7	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	417.7
Exp.-Trans. & Meters	417.8	\$0.00	\$72.66	\$1,496.82	\$321.61	\$147.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,039.05	417.8
Exp.-Misc.	417.9	\$115.54	\$614.97	\$150.55	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$881.06	417.9
Exp.-Contract	417.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	417.12
Total Expenses		\$8,585.38	\$6,097.39	\$8,241.78	\$8,076.58	\$1,921.97	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32,923.10	
MARGIN-City		\$3,852.12	\$6,340.11	\$4,195.72	\$4,360.92	(\$1,921.97)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,826.90	
Misc. Income	421.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$900.00)							(\$900.00)	421.0
Gain on Disposal	421.1	\$0.00	\$356.00	\$0.00	\$0.00	\$17,500.00	\$0.00							\$17,856.00	421.1
Loss on Disposal	421.2	\$0.00	\$152.00	(\$686.21)	\$0.00	(\$9,741.98)	\$0.00							(\$10,276.19)	421.2
NET NON-OP MARGIN		(\$8,243.18)	(\$941.28)	(\$4,999.31)	(\$3,984.12)	(\$9,678.26)	\$5,005.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$22,840.70)	

	Current Month				YTD Total			
	Billed Hours	Unbilled Hours	Hourly Rate	Total Unbilled Rev	Billed Hours	Unbilled Hours	Hourly Rate	Total Unbilled Rev
Kalo	165	18	\$ 85.00	\$ 1,530.00	570	475	\$ 85.00	\$ 40,375.00
Michael	169	8.5	\$ 85.00	\$ 722.50	645.5	390	\$ 85.00	\$ 33,150.00
Mark	167.5	10.5	\$ 85.00	\$ 892.50	766	272	\$ 85.00	\$ 23,120.00
	501.5	37		\$ 3,145.00	1981.5	1137		\$ 96,645.00

LANE-SCOTT ELECTRIC
RESALE OPEN BALANCE (60-90 days)
as of 07/28/2020

NAME	CURRENT AMOUNT DUE	ACTION TAKEN	LAST PAYMENT	
Black Dog Restaurant	\$ 2,026.72	last pmt was May		
Vernon McBee	\$ -	Payments	\$ 173.54	6-Jul
E.R. Redburn	\$ 202.76	Payments	\$ 252.73	15-Jun
Stephen Riffle	\$ -	Payments	\$ 274.62	20-Jul
.	\$ 2,229.48		\$ 700.89	

Operations Report

July 2020

We had another successful Annual meeting with the coolest weather I can recall. It was looking a little sparse for attendance in the beginning but picked up by supper time. With the craziness of this year it is strangely comforting to still have some normalcy. Masks, different precautions, new food vendor, and a contested board election any of which could have brought issues but once again our team and the support of our members pulled it off! I would like to congratulate Randy Evens on his appointment to the Lane-Scott board of Directors and welcome him to the Lane-Scott family!

We have been working on planning during the Summer which is another new wrinkle this year. We plan year-round but are usually in the midst of our construction season at this time of year. This year has brought many changes including a downtick in new line additions and connects. We are starting to see inquiries pick up a little, but most are in the planning phase themselves. We are also adjusting to the material supply issues. It has become an “on demand” industry. Manufacturers no longer carry inventory and will only build it once the order has been placed. The Vendors also have reduced their inventories to keep costs competitive. We have been forced to carry more inventory for years to compensate. Prior to this year, the system had been working much faster and allowed us to reduce our inventory. This year has thrown a curve into everything. Factories have been shut down and orders have piled up. This is pushing some of our projects out until materials can be sourced. Hopefully, this will get resolved by years end and we can all sit around and tell stories of what a challenging year 2020 was.

If you have any questions, feel free to call or drop by anytime.

Nate Burns

Manager of Operations

OUTAGE STATISTICS June 2020

CATEGORY	OCCURRENCES			TOTAL OUTAGE HRS.			# of Meters
	14.4 KVA	7.6 KVA	Total	14.4 KVA	7.6 KVA	Total	
PHASE FLOATER	1		1	42		42	21
BIRDS & ANIMALS			0			0	
TREES			0			0	
LIGHTNING\RAIN\WIND	3		3	291		291	291
ICE & WIND			0			0	
SNOW & WIND			0			0	
OCR OR FUSE FAILURE		1	1		39	39	39
TRANSFORMER FAILURE		1	1		60	60	40
BROKEN JUMPER		1	1		135	135	135
PEOPLE CAUSED	1		1	14		14	14
BROKEN POLE			0			0	
POWER SUPPLY			0			0	
SCHEDULED			0			0	
UNKNOWN	1		1	242		242	242
TOTALS		4	9		1546	823	341

ANNUAL CONSUMER OUTAGE HOURS

TOTALS	2013	2014	2015	2016	2017	2018
	22,012	27,418	13,498	19,195	39,638	16,319
	2019	2020				
	25,081	4,190				

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

Transformer Losses 1995-2020

[illegible]

CYBERSECURITY - IT DEPARTMENT

CYBERSECURITY/IT PROJECTS COMPLETED AS OF JULY 2020

1. NRECA RC3 Online Self-Assessment webinar continued cyber security training series concerning detection, response, and recovery processes. Review interpreting reports and graphics, antivirus software, logs, firewalls, plans for disasters and incidents, backups, insurance, and making improvements on processes, procedures, and technologies.
2. ASP iVue server monthly patching and updates.
3. VHQ Verifone server update.
4. KIOSK monthly patching and updates.
5. Adobe update installations.
6. Microsoft update installations.
7. Golden Belt Telephone maintenance upgrade.
8. Segregated all servers to a separate VLAN to enable better security, network performance, and more efficient management.
9. Manage Engine Desktop Central distribution database server set up and added a virtual local area network (VLAN) with implemented firewall rules. A demilitarized zone (DMZ) gateway server subnetwork was created. This will add an extra layer of security between the company internal network and the Internet external network preventing direct exposure. This allows Desktop Central management services to have a secure public internet access while keeping the company's network secure behind the firewall. The DMZ is protected and monitored while allowing IT central management for remote access, troubleshooting, patching, and upgrading of software and hardware on multiple devices at one time or individually as needed.
10. iVue 2.47 upgrade.

CYBERSECURITY/IT PROJECTS IN PROGRESS AS OF JULY 2020

1. Homeland Security protective security advisor assessment for the safety program and discussed combining cybersecurity review at that time as well.
2. Manage Engine Desktop Central software management distribution database server SSL certificate programming. DMZ gateway server access control security implementation. Virtual DMZ management training.
3. DJ Lock and Key door access control cyber security processes and network securities.
4. Nex-Tech, Verkada, and J&P Security door access control and camera cyber security processes and networking security.
5. Cyber Detect and Scan project implementation requirement follow ups.
6. VEEAM cloud base backup project options were reviewed.
7. KEC IT Summit Committee meeting on topics and rescheduling to do a virtual webinar.
8. iVue 2.47 upgrade review security permissions for employee implementations needed after upgrade for employee access.

IT/COMPLIANCE DEPARTMENT

*IT/COMPLIANCE PROJECTS **COMPLETED** AS OF JULY 2020*

1. SmartHub screen tab error issue resolved.
2. Computer and server windows, firmware, and driver updates.
3. iPad AppSuite, system, and app updates.
4. MapWise ESRI ArcGIS upgrade and ESRI licensing review.
5. Document Vault scanning issue resolved. Added legal paper size scan template.
6. New trustee iPad set up and trustee website login set up.
7. KEC member login set up for trustee resources access.
8. Manage Engine Desktop Central distribution database server and secure gateway server static IP designation, SQL installer and license key programming.
9. iVue 2.47 upgrade WebEx, review affected modules and/or employees.

*IT/COMPLIANCE PROJECTS **IN PROGRESS** AS OF JULY 2020*

1. SmartHub test company module.
2. IVR Call Capture calling and Messenger planned outage OMS integration.
3. Document Vault integration with AppSuite.
4. SmartHub outage options set up.
5. DJ Lock and Key, J&P Security, Verkada, and Nex-Tech Security software programming and management.
6. Manage Engine Desktop Central software installation on distributions database server, software programming, testing, and then do beta testing on a few employee devices before installing on all devices.

1. Annual Meeting:
 - a. Served approximately 250 people
 - b. 85 members present, 87 mail-in ballots counted towards quorum = 172 total
 - c. The registration process with the mail-in ballots went well.
 - d. We received a lot of positive feedback about John Ross Catering's meal, and they were great to work with.
2. Donated water bottles for the Fun Run & Lions Club Family Fair.
3. Received Alysson Foos's \$500 scholarship verification letter. Her scholarship is being sent to Tabor College.
4. Trustee pictures are scheduled for the next board meeting.
5. Our member satisfaction survey will Inside Information will begin around August 10th. Survey's will be conducted by phone, mail & online.
6. Touchstone Energy National Member Satisfaction Survey: Lane-Scott was approached to participate in their yearly ACSI survey at no-cost. Of our membership, 250 surveys were conducted. We will be receiving an individual co-op report sometime in September.
7. Back to School Facebook/Instagram contest to give away \$100 VISA card. The contest ends August 7th. The intent of the contest is to help generate more traffic to our pages.
8. Trustee Page on new Website: Follow-up from last meeting's request.
9. Website: Plugging away!

Mileage Log Sheet

Unit 105

June 2020

Date	Reason for trip	destination	odometer		total mileage
			beginning	end	
1-Jun	Begin		41,782		
8-Jun	Dighton City Council	City Hall	41,788	41,789	1
9-Jun	Ness City Rotary / Line Insp.	Ness County	41,789	41,879	90
11-Jun	Ann Marie member visits	east svc area	41,879	41,990	111
12-Jun	Ann Marie member visits	west svc area	41,990	42,039	49
23-Jun	Ness City Rotary / Cities	Ness / Rush Co	42,041	42,182	141
24-Jun	Ann Marie Annual Meeting	Garden City	42,182	42,292	110
25-Jun	Ness City Rotary Fireworks	Ness City	42,292	42,356	64
30-Jun	Ness City Rotary / Line Insp.	Ness City	42,358	42,424	66
	month end			42,424	-

Business 632

Total 642

Personal 10