



To: **Board of Trustees and Attorney**
Lane-Scott Electric Cooperative, Inc.

A regular meeting of the Board of Trustees has been set for March 9, 2020 at 7:00 p.m.

Proposed Agenda:

1. Call to Order
2. Reading and Approval of Minutes
3. Presentation of Check Register
4. Presidents Report
5. Attorneys Report
6. Sunflower EPC Report
7. KEC Report
8. General Managers Report
9. Old Business
 - a. Hineman Tower update
 - b. Strategic Plan Update
10. New Business
 - a. Approval of Construction Contractor
 - b. Approval of Annual Meeting Caterer and gifts
 - c. Ness City Scoreboard Advertisement Opportunity
 - d. Year End Form 7 and End of Year Report
11. Safety Report
12. Executive Session
13. Adjourn

Upcoming Meetings:

KEC Board Meeting	March 11	Salina, KS
Sunflower Board Meeting	March 20	Hays, KS
LSEC Board Meeting	April 6	Dighton, KS

**MINUTES OF THE REGULAR JANUARY 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, February 3, 2020, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:55 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 January 13, 2020. *Hearing no corrections or additions, President Jennison declared the minutes stand approved as printed.*

CASH DISBURSEMENTS

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

Manager McLeon stated that the payroll checks were paper checks rather than direct deposit was due to income tax concerns and the issue will be researched to see if this will continue to be necessary.

There were no questions regarding the checks.

PRESIDENT'S REPORT

President Jennison reported the manager evaluation meeting will be May 18 at 5:30.

President Jennison queried the board about strategic planning for 2020. The strategic planning was discussed and decided to see if CFC would be able to facilitate a strategic planning session in late November or early December.

ATTORNEY'S REPORT

Attorney Gasper had no current items to report.

REPORT OF SUNFLOWER DELEGATE

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

Paul Seib Jr., added the following:

- The MKEC plants are aging and planning on how to deal with the aging plants is ongoing. It will likely take at least two years of planning to complete any new construction.
- The solar plant is progressing as planned.
- Sunflower is evaluating property for an additional solar project.
- The power requirements look good for the next 11-12 years.

KEC REPORT

Trustee Hoss was unable to attend the prior meeting but Manager McLeon reported the following:

- Terry Hobbs is the new president of KEC.
- There were over 200 people attending the annual meeting.
- Representative Adam Smith, chairman of rural development provided lots of demographic information on rural versus urban demographics.
- The effect of de-regulation in Texas was discussed. There are some flaws in the Texas model such as the provider of last resort which can result in expensive rates for low income people.
- Ann Marie will work on a crisis communication plan.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- A copy of the credit card statement was passed to the board.
- The question of the unsecure alert on the Trustee website from last month is related to the upgrade to the website. The actual upgrade will be later in the year but NRECA has set up a secure patch on the existing website that should be in effect the beginning of March.
- The new backup procedure for the new GIS procedure has been set up. The old server did not have the backup capability.
- Sunflower has had some outages that have resulted in some damage to fields to repair the outages. Nate is assisting Sunflower in contacting members to negotiate potential damage claims.

- The construction plans for Liberty are getting close to being finalized for the substation.
- Nate attended the first 34.5 kV task force meeting. Lane-Scott has some 34.5 kV line but it is all located within Lane-Scott territory. There is a question on how this line should be classified and whether it should be uploaded to Sunflower where the cost of improvements would be socialized. The impact of either option is not significant for Lane-Scott due to its unique position. Further analysis of the options need to be evaluated to make sure that Lane-Scott is not negatively affected.
- The 20 year plan expires next year so a new one will be completed which will assist with the analysis of the 34.5 issue.
- The 2019 finances were better than 2018. The operating margins for the year were \$713,146 with G&T capital credits of \$664,581. This results in a patronage capital of \$1,732,408 for the year.
- Year to date ratios are:
 - Equity- 36.46%
 - General Funds Level- 12.33%
 - TIER/OTIER- 2.37/1.56
 - Current Ratio- 1.56
- Depreciation expenses of \$1,593,671 for the year with the new depreciation plan in place.
- The cushion of credit will remain in place as long as the interest rate is advantageous. At the point it becomes not advantageous, the funds will begin to be used to repay RUS loans.
- Resale services show a loss of \$48,473 for the year. This includes all of the Lane-Scott overhead and is not indicative of the actual retail revenue. The actual loss will be updated after the form 7 is finalized.
- The Dighton Grade and High School wind turbine teams will make a presentation on February 13 which Trustees are invited to attend.
- Ann Marie is taking web training to learn the SmartHub Messenger program.

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

- There was no old business before the board.

NEW BUSINESS

- *A motion to set the meeting date of the Lane-Scott Annual Meeting for Tuesday July 14, 2020 was made, duly seconded and carried.*
- Form 990s are filed each year with the IRS to show compensation for Trustees and certain employees of cooperatives. It is important that Trustees keep track of their time spent on cooperative business including, but not limited to, time in meetings, preparation for meetings, traveling to meetings, time spent discussing coop issues with anyone, and time researching and reading cooperative issues. BSGM has provided a form for Trustees to calculate reportable hours and a disclosure questionnaire.
- *A motion to approve the write-off amount total of \$3,123.57 of which \$726.02 is Lane-Scott, \$2,250.77 is MKEC and \$146.78 is Retail was made, duly seconded and carried.*
- Lane-Scott filed a rural development plan in 2001 under the Red Leg program. The initial loans were for fire trucks and secured with bonds. Subsequent loans were made to Sharp Bros Seed and K&J Foods. The current development plan is out of date and will need to be updated for the program to continue in place. In discussion with Doug Bruggeman of USDA Lane-Scott can either update the current plan or terminate the plan and divide the current balance on a *pro rata* basis and return RUS their share of the funds. It would likely take approximately 2 months to update the plan and then submit the plan to USDA for approval. The board discussed the program and its benefits to members, the time and work to update the program as well as the competitiveness of the interest rates in the current climate. *A motion to discontinue the USDA Rural Development program and return RUS its pro rata share of the funds was made, duly seconded and carried.*
- Phillips 66 has been in contact with Lane-Scott with regards to the transmission line on the Liberty project. The plan has been that Lane-Scott will own the substation and Sunflower the switching and transmission line. Phillips has expressed frustration with the time it has taken for Sunflower to finalize the ownership issue of the transmission line and they do not want to own the transmission line. Phillips has inquired about the possibility of Lane-Scott owning the transmission line.
- Lane-Scott does not currently own any transmission line. The other Sunflower members all do own some transmission line. Manager McLeon has researched issues of Lane-Scott ownership of the transmission line and it appears that Lane-Scott can own the line. This line would be exempt from NERC standards and the KCC does not have any regulatory

- requirements for the line. The preference is for Sunflower to own and operate the transmission but other options must be explored if necessary to keep the line from being privately owned which would limit future expansion options.
- The board discussed the issue of owning and operating the transmission line including the cost of repairs to the line, contracting for maintenance and repair, possible insurance coverage on the line, bylaw issues of transmission ownership, possible later transfer of ownership to Sunflower and possible looping projects in the future. Manager McLeon requested the board for guidance on whether they were comfortable with investigating the possibility of Lane-Scott owning the transmission for the Liberty project.
 - The board directed Manager McLeon to continue exploration of the issues of concern for the transmission ownership. If necessary the board is agreeable to making a decision by email if necessary, or having a special meeting.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 8:41 p.m., on Monday, February 3, 2020.

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Accounts Payable Check Register

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01/16/2020 To 02/10/2020

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
45265 01/16/2020	CHK	1	NESS CITY MEDICAL CLINIC	Larry Kraft CDL Physical	265.00
45266 01/16/2020	CHK	1	NESS COUNTY OLD SETTLERS REUNIO	Sponsorship-Diamond Level	500.00
45267 01/16/2020	CHK	23	FEDERATED RURAL ELECTRIC	All Risk Blanket 2020	120,680.00
45268 01/16/2020	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	43,500.00
45269 01/16/2020	CHK	30	HAROLD HOSS	January Board mtg & KEC mtg	1,466.80
45270 01/16/2020	CHK	40	KANSAS ELECTRIC COOPERATIVES	Touchstone Energy Dues	702.24
45271 01/16/2020	CHK	60	PAUL SEIB JR	January Board mtg	187.95
45272 01/16/2020	CHK	63	RICHARD JENNISON	January Board Mtg	164.95
45273 01/16/2020	CHK	105	CITY OF NESS CITY	Monthly Invoice	259.06
45274 01/16/2020	CHK	107	CINTAS CORPORATION #449	Monthly Invoice - Dighton	262.59
45275 01/16/2020	CHK	179	RAD ROEHL	January Board mtg	160.35
45276 01/16/2020	CHK	202	CHAD GRIFFITH	January Board mtg	318.13
45277 01/16/2020	CHK	218	SPENCER PEST CONTROL	Pest Control	360.22
45278 01/16/2020	CHK	222	TOUCHSTONE ENERGY COOPERATIVE	Touchstone dues 2020	5,399.00
45279 01/16/2020	CHK	1152	ED GOUGH	January Board mtg	157.48
45280 01/16/2020	CHK	1225	CINTAS CORPORATION	Monthly Invoice - Ness City	34.12
45281 01/16/2020	CHK	1263	RICHARD SOREM	January Board Mtg	199.45
45282 01/16/2020	CHK	1299	DEANNE SHULL	Board Mtg Cookies	72.00
45283 01/16/2020	CHK	1300	CRAIG RAMSEY	January Board mtg	28.75
1935 01/21/2020	WIRE	274	VERIZON WIRELESS	Monthly Invoice	706.03
1936 01/21/2020	WIRE	1229	SCHABEN SANITATION	Monthly Invoice	452.03
1937 01/21/2020	WIRE	1271	CARDMEMBER SERVICE	Monthly Invoice	8,755.67
1934 01/22/2020	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Invoice	69.01
1940 01/22/2020	WIRE	121	FED-EX	Monthly invoice	96.76
45284 01/23/2020	CHK	1	JETMORE FIRE DEPARTMENT	Firemans Ball Donation	50.00
45285 01/23/2020	CHK	34	AMERICAN SAFETY UTILITY CORP	Clothing Allowance - Dellon Shelton	88.45
45286 01/23/2020	CHK	105	CITY OF NESS CITY	Franchise Fee	4,650.98
45287 01/23/2020	CHK	108	Z BOTTLING CORP	Water for Advertising	489.54
45288 01/23/2020	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Removal & Trimming	5,546.48
45289 01/23/2020	CHK	135	CITY OF BAZINE	Franchise fee	1,126.80

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
45290 01/23/2020	CHK	138	CITY OF UTICA	Franchise Fee	2,216.68
45291 01/23/2020	CHK	139	CITY OF MCCracken	Franchise Fee	2,163.35
45292 01/23/2020	CHK	140	CITY OF BROWNELL	Franchise Fee	519.89
45293 01/23/2020	CHK	141	CITY OF RANSOM	Franchise Fee	4,098.99
45294 01/23/2020	CHK	142	CITY OF ALEXANDER	Franchise Fee	801.52
45295 01/23/2020	CHK	154	NESS COUNTY CLERK	2019 Antenna Site Rent	600.00
45296 01/23/2020	CHK	160	SHULL OIL COMPANY	Monthly Fuel Invoice	4,319.95
45297 01/23/2020	CHK	172	TYNDAL COMPANY, INC.	Clothing Allowance/Kalo & Kasey	462.32
45298 01/23/2020	CHK	205	U O M SCHOOL INC	Underground, Overhead, metering school	850.00
45299 01/23/2020	CHK	226	KANSAS CORPORATION COMMISSION	KSA Qtrly Assestment	339.35
45300 01/23/2020	CHK	253	FARM CREDIT LEASING SERVICES COR	Truck Lease Pymts	14,562.28
45301 01/23/2020	CHK	279	IT1 SOURCE LLC	SaaS Trend Micro	1,806.15
45302 01/23/2020	CHK	383	HUXFORD POLE AND TIMBER CO INC	Monthly Invoice	12,580.30
45303 01/23/2020	CHK	406	RICHARD MCLEON	Mtg Expense	8.55
45304 01/23/2020	CHK	790	SOLOMON CORPORATION	OCR	4,329.15
45305 01/23/2020	CHK	1305	ACRE	ACRE Contribution-McLeon	1,400.00
45306 01/23/2020	CHK	1306	KCRE	KCRE Contribution-Directors	775.00
1938 01/24/2020	WIRE	101	ATMOS ENERGY	Monthly Invoice	147.76
1941 01/27/2020	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	12,758.34
1942 01/27/2020	WIRE	264	KS DEPT OF REVENUE - USE TAX	Use Tax	31.33
1946 01/27/2020	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
1943 01/28/2020	WIRE	1290	WEX BANK	Monthly Invoice	344.26
1939 01/29/2020	WIRE	59	NRECA	401(k) Employer Expense	1,583.25
1945 01/29/2020	WIRE	1187	MIDWEST ENERGY	Monthly Invoice	904.53
1944 01/31/2020	WIRE	183	HIBU INC - WEST	Mnthly Invoice	30.00
1947 02/03/2020	WIRE	274	VERIZON WIRELESS	Monthly Invoice	288.72
45307 02/03/2020	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	51,000.00
45308 02/03/2020	CHK	73	STANION WHOLESALE ELEC CO INC	Monthly Invoice	11,895.69
45309 02/03/2020	CHK	79	POSTMASTER	Postage for Newsletter	109.32
45310 02/03/2020	CHK	134	SOLIDA TREE SERVICE, INC.	Tree removal and Trimming	4,922.49

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Accounts Payable Check Register

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
45311 02/03/2020	CHK	164	FAIRBANK EQUIPMENT INC.	Monthly invoice	416.52
45312 02/03/2020	CHK	184	JOHNSTONE SUPPLY	Monthly Invoice	347.34
45313 02/03/2020	CHK	238	ILLINOIS MUTUAL	Feb Premiums	98.96
45314 02/03/2020	CHK	243	WELL WATCH LLC	Nitrogen	155.88
45315 02/03/2020	CHK	261	LOCKE SUPPLY CO	Monthly Invoice	172.78
45316 02/03/2020	CHK	346	HYSPECO, INC.	Monthly Invoice	146.67
45317 02/03/2020	CHK	361	ANN M JENNINGS	Mtg Exp Crisis Communications	294.78
45318 02/03/2020	CHK	406	RICHARD MCLEON	mtg Exp-KCC & KEC Annual Mtg	442.89
45319 02/03/2020	CHK	1197	GARDEN CITY WHOLESALE SUPPLY	Monthly Invoice	171.46
45320 02/03/2020	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Monthly Invoice	604.61
45321 02/03/2020	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	188.30
45322 02/03/2020	CHK	1299	DEANNE SHULL	Cookies for Board mtg	72.00
1932 02/06/2020	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA Group 1-Feb Group Ins	2,596.59
1933 02/06/2020	WIRE	180	NRECA	NRECA Grp 1 Admin Fee -Feb Grp Admin Fee	209.20
1931 02/07/2020	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS Group Insurance	69,333.61
1948 02/07/2020	WIRE	1267	AFLAC	Monthly Invoice	473.54
1949 02/10/2020	WIRE	18	CITY OF DIGHTON	Monthly Invoice	1,686.48
45323 02/10/2020	CHK	14	OFFICE SOLUTIONS, INC	Monthly Invoice	54.25
45324 02/10/2020	CHK	15	ERIC DOLL	Feb Board Mtg	340.25
45325 02/10/2020	CHK	30	HAROLD HOSS	Feb Board Mtg	384.50
45326 02/10/2020	CHK	34	AMERICAN SAFETY UTILITY CORP	Dellon-clothing	191.03
45327 02/10/2020	CHK	40	KANSAS ELECTRIC COOPERATIVES	KEC dues	11,517.53
45328 02/10/2020	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Invoice	311.21
45329 02/10/2020	CHK	55	NESS COUNTY NEWS	Advertising	113.00
45330 02/10/2020	CHK	60	PAUL SEIB JR	Feb Board Mtg & KEC Annual Mtg	1,669.70
45331 02/10/2020	CHK	63	RICHARD JENNISON	Feb Board Mtg & KEC Annual Mtg	2,512.97
45332 02/10/2020	CHK	96	STEPHENS LUMBER - DIGHTON	Monthly Invoice	305.81
45333 02/10/2020	CHK	98	KANSAS ASSN OF WHEAT GROWERS	Membership	100.00
45334 02/10/2020	CHK	104	HOME OIL CO	Monthly Fuel Invoice	701.95
45335 02/10/2020	CHK	105	CITY OF NESS CITY	Postage & Jan pay station	615.85

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Accounts Payable Check Register

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
45336 02/10/2020	CHK	117	NESS CITY FARM & FEED	Monthly Invoice	1,772.56
45337 02/10/2020	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming & removal	4,182.20
45338 02/10/2020	CHK	169	AMERICAN ELECTRIC-GARDEN CITY	Monthly Invoice	64.48
45339 02/10/2020	CHK	172	TYNDALE COMPANY, INC.	Clothing Allowance-Leighton & Dave	1,293.49
45340 02/10/2020	CHK	179	RAD ROEHL	Feb Board Mtg & KEC Annual Mtg	1,410.35
45341 02/10/2020	CHK	187	S&W SUPPLY DIVISION	Monthly Invoice	158.48
45342 02/10/2020	CHK	202	CHAD GRIFFITH	Feb Board Mtg	393.13
45343 02/10/2020	CHK	234	ELECTRICOMM, INC.	Monthly Invoice	4,718.83
45344 02/10/2020	CHK	272	LEWIS AUTOMOTIVE GROUP INC	Monthly Invoice	37.51
45345 02/10/2020	CHK	304	STECKLINE COMMUNICATIONS INC	Advertising	100.00
45346 02/10/2020	CHK	306	BORDER STATES INDUSTRIES INC	Monthly Invoice	10,921.55
45347 02/10/2020	CHK	309	KANSAS BG LLC	Monthly Invoice	431.40
45348 02/10/2020	CHK	380	GRAINGER	Monthly Invoice	252.59
45349 02/10/2020	CHK	387	WESTERN FUEL & SUPPLY	Monthly Fuel Invoice	86.26
45350 02/10/2020	CHK	392	TRUCK CENTER COMPANIES	Monthly Invoice	1,091.92
45351 02/10/2020	CHK	417	SUNFLOWER ELECTRIC POWER COOP	Twin Springs	33,763.59
45352 02/10/2020	CHK	506	K&J FOODS	Monthly Invoice	347.37
45353 02/10/2020	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fee	49.20
45354 02/10/2020	CHK	1030	THE SCOTT COUNTY RECORD	Advertising	240.60
45355 02/10/2020	CHK	1152	ED GOUGH	Feb Board Mtg	357.48
45356 02/10/2020	CHK	1169	WASHER SPECIALTIES CO.	Monthly Invoice	430.63
45357 02/10/2020	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	687.82
45358 02/10/2020	CHK	1213	NRECA GROUP ADMIN	FSA Fee	7.50
45359 02/10/2020	CHK	1248	COMPLIANCE ONE	Monthly Charge	115.50
45360 02/10/2020	CHK	1251	TECHLINE, LTD	Monthly Invoice	20,332.89
45361 02/10/2020	CHK	1263	RICHARD SOREM	Feb Board Mtg	399.45
45362 02/10/2020	CHK	1300	CRAIG RAMSEY	Feb Board Mtg & KEC Annual Mtg	2,224.92
45363 02/10/2020	CHK	1303	LANE COUNTY IMPLEMENT, INC	Monthly Invoice	390.60

Total Payments for Bank Account - 2 : (118) 515,340.97

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**Accounts Payable
Check Register**

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference			Amount
					Total Voids for Bank Account - 2 :	(0)	0.00
					Total for Bank Account - 2 :	(118)	515,340.97
					Grand Total for Payments :	(118)	515,340.97
					Grand Total for Voids :	(0)	0.00
					Grand Total :	(118)	515,340.97

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Payroll/Labor Check Register

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Pay Date: 01/01/2020 To 01/31/2020

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
34	KALO M MANN	01/14/2020		0.00	0.00	0.00	498.69	44.32	3.39	-502.08	Chk
							3.39	0.00	0.00		
		01/15/2020		0.00	0.00	0.00	498.69	44.32	3.39	-502.08	Chk
							3.39	0.00	0.00		
5	KATHERINE E LEWIS	01/14/2020		4,958.76	80.00	0.00	1,287.32	33.00	1,214.38	2,457.06	
			4832				402.23	0.00	2,916.03	715.00	DD
										100.00	DD
										1,642.06	DD
17	DAVID L HOWARD	01/14/2020	4833	3,528.00	80.00	0.00	415.26	37.00	1,006.69	2,106.05	DD
							293.64	0.00	2,111.01		
21	CARRIE M BORELL	01/14/2020	4834	3,516.47	112.50	0.00	289.08	10.93	689.45	2,537.94	DD
							288.22	0.00	1,816.86		
22	REBECCA L CAMPBELL	01/14/2020		2,012.24	81.00	0.00	343.79	5.50	351.57	1,316.88	
			4835				158.29	0.00	1,758.09	300.00	DD
										1,016.88	DD
26	RICHARD A MCLEON	01/14/2020	4836	8,250.00	80.00	0.00	353.27	109.64	2,853.21	5,043.52	DD
							689.87	0.00	5,311.97		
35	NATHAN A BURNS	01/14/2020	4837	4,803.13	80.00	0.00	884.35	37.47	1,187.37	2,731.41	DD
							402.20	0.00	2,171.47		
50	KASEY R JENKINSON	01/14/2020	4838	3,616.60	83.00	0.00	633.26	15.73	749.13	2,234.21	DD
							296.99	0.00	2,401.95		
55	BENJAMIN L MANN	01/14/2020	4839	3,584.50	82.50	0.00	648.76	15.48	668.44	2,267.30	DD
							298.61	0.00	1,764.66		
74	DAL S HAWKINSON	01/14/2020	4840	3,738.57	86.00	0.00	472.66	5.49	1,060.38	2,205.53	DD
							306.32	0.00	2,350.59		
81	DEANNE R SHULL	01/14/2020	4841	1,628.00	80.00	0.00	231.50	34.17	299.03	1,097.47	DD
							134.40	0.00	993.73		
84	MICHAEL S POLLOCK	01/14/2020		3,008.00	80.00	0.00	681.34	6.81	486.39	1,840.27	
			4842				245.43	0.00	2,223.36	100.00	DD
										25.00	DD
										25.00	DD
										25.00	DD
										1,665.27	DD
85	CHAD A RUPP	01/14/2020	4843	3,304.80	80.00	0.00	483.28	21.67	658.03	2,163.49	DD
							267.28	0.00	2,350.59		
89	CHRIS R TERHUNE	01/14/2020	4844	3,304.80	80.00	0.00	450.71	15.83	985.68	1,868.41	DD
							270.96	0.00	2,317.54		
91	LARRY D KRAFT	01/14/2020	4845	3,304.80	80.00	0.00	415.97	40.01	619.22	2,269.61	DD
							272.98	0.00	2,350.59		
93	MYRON E SEIB	01/14/2020	4846	3,738.56	86.00	0.00	579.03	26.58	691.22	2,468.31	DD
							308.08	0.00	2,350.59		

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Payroll/Labor Check Register

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Pay Date: 01/01/2020 To 01/31/2020

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
99	KEVIN A BRADSTREET	01/14/2020	4847	3,304.80	80.00	0.00	383.07	17.16	908.12	2,013.61	DD
							277.38	0.00	1,418.48		
108	MARK R MCCULLOCH	01/14/2020	4848	2,701.60	80.00	0.00	731.99	19.78	597.52	1,372.09	DD
							225.23	0.00	1,374.06		
117	LEIGHTON J AYERS	01/14/2020		3,304.80	80.00	0.00	620.54	11.73	669.35	2,014.91	
			4849				270.62	0.00	2,350.59	150.00	DD
										1,864.91	DD
129	STACEY L FOOS	01/14/2020	4850	100.17	6.50	0.00	0.00	0.00	7.66	92.51	DD
							8.36	0.00	0.00		
130	ANN MARIE JENNINGS	01/14/2020	4851	1,802.41	80.00	0.00	155.25	6.67	321.44	1,325.72	DD
							139.53	0.00	957.57		
131	DIANA KUHLMAN	01/14/2020	4852	1,738.40	80.00	0.00	51.22	4.83	302.06	1,385.12	DD
							141.27	0.00	656.31		
132	DELLON SHELTON	01/14/2020	4853	2,273.31	88.50	0.00	0.00	1.30	587.64	1,685.67	DD
							189.93	0.00	0.00		
5	KATHERINE E LEWIS	01/30/2020		4,958.76	96.00	0.00	1,287.32	33.00	1,214.38	2,457.06	
			4854				373.32	0.00	2,916.03	715.00	DD
										100.00	DD
										1,642.06	DD
17	DAVID L HOWARD	01/30/2020	4855	4,432.05	99.00	0.00	485.82	37.00	1,340.24	2,605.99	DD
							363.50	0.00	2,146.29		
21	CARRIE M BORELL	01/30/2020	4856	3,978.29	132.50	0.00	331.30	10.93	806.53	2,840.46	DD
							324.61	0.00	1,837.97		
22	REBECCA L CAMPBELL	01/30/2020		2,407.28	97.00	0.00	387.25	5.50	451.71	1,568.32	
			4857				191.28	0.00	1,777.84	300.00	DD
										1,268.32	DD
26	RICHARD A MCLEON	01/30/2020	4858	8,250.00	96.00	0.00	353.27	109.64	2,853.22	5,043.51	DD
							645.16	0.00	3,211.97		
35	NATHAN A BURNS	01/30/2020	4859	4,803.13	96.00	0.00	809.35	37.47	1,209.64	2,784.14	DD
							386.38	0.00	2,171.47		
50	KASEY R JENKINSON	01/30/2020	4860	4,108.80	96.00	0.00	701.74	15.73	861.78	2,545.28	DD
							334.45	0.00	2,436.19		
55	BENJAMIN L MANN	01/30/2020	4861	4,108.80	96.00	0.00	648.76	15.48	801.35	2,658.69	DD
							338.32	0.00	1,798.90		
74	DAL S HAWKINSON	01/30/2020	4862	4,306.57	101.50	0.00	551.97	5.49	1,271.45	2,483.15	DD
							348.31	0.00	2,383.64		
81	DEANNE R SHULL	01/30/2020	4863	1,953.60	96.00	0.00	264.06	34.17	375.70	1,313.84	DD
							161.57	0.00	1,010.01		
84	MICHAEL S POLLOCK	01/30/2020		3,722.40	98.00	0.00	741.50	6.81	655.23	2,325.67	

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Payroll/Labor Check Register

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Pay Date: 01/01/2020 To 01/31/2020

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
			4864				305.08	0.00	2,253.44	100.00	DD
										25.00	DD
										25.00	DD
										25.00	DD
										2,150.67	DD
85	CHAD A RUPP	01/30/2020	4865	3,965.76	96.00	0.00	549.38	21.67	825.58	2,590.80	DD
							322.08	0.00	2,383.64		
89	CHRIS R TERHUNE	01/30/2020	4866	4,461.49	104.00	0.00	503.59	15.83	1,408.18	2,549.72	DD
							363.67	0.00	2,343.98		
91	LARRY D KRAFT	01/30/2020	4867	4,027.73	97.00	0.00	482.07	40.01	802.50	2,743.16	DD
							331.78	0.00	2,383.64		
93	MYRON E SEIB	01/30/2020	4868	3,996.74	96.50	0.00	678.18	26.58	744.97	2,573.59	DD
							325.81	0.00	2,383.64		
99	KEVIN A BRADSTREET	01/30/2020	4869	3,965.76	96.00	0.00	455.77	17.16	1,146.99	2,363.00	DD
							330.74	0.00	1,451.53		
108	MARK R MCCULLOCH	01/30/2020	4870	3,241.93	96.00	0.00	786.02	19.78	773.58	1,682.33	DD
							270.37	0.00	1,401.08		
117	LEIGHTON J AYERS	01/30/2020		4,523.45	105.00	0.00	686.64	11.73	971.00	2,865.81	
			4871				368.17	0.00	2,383.64	150.00	DD
										2,715.81	DD
129	STACEY L FOOS	01/30/2020	4872	107.87	7.00	0.00	0.00	0.00	8.26	99.61	DD
							9.02	0.00	0.00		
130	ANN MARIE JENNINGS	01/30/2020	4873	2,162.88	96.00	0.00	155.25	6.67	412.81	1,594.82	DD
							169.61	0.00	957.57		
131	DIANA KUHLMAN	01/30/2020	4874	2,086.08	96.00	0.00	51.22	4.83	388.65	1,646.21	DD
							170.33	0.00	656.31		
132	DELLON SHELTON	01/30/2020	4875	2,315.52	96.00	0.00	0.00	1.30	602.56	1,712.96	DD
							193.46	0.00	0.00		
5	KATHERINE E LEWIS	01/30/2020	11475	2,500.00	0.00	0.00	0.00	0.00	191.25	2,308.75	Chk
							206.85	0.00	0.00		
Grand Total:				\$ 155,907.61	3,835.50	\$ 0.00	\$ 22,019.49	\$ 1,042.20	\$ 37,038.32	\$ 96,849.80	
							\$ 12,728.47	\$ 0.00	\$ 82,234.82		

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> <hr/> PERIOD ENDED January 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	1,507,636	1,421,196	1,523,714	1,421,196
2. Power Production Expense				
3. Cost of Purchased Power	890,267	756,262	908,958	756,262
4. Transmission Expense	1,343	240	624	240
5. Regional Market Expense				
6. Distribution Expense - Operation	115,409	113,280	115,003	113,280
7. Distribution Expense - Maintenance	71,783	47,041	61,278	47,041
8. Customer Accounts Expense	21,574	10,812	18,870	10,812
9. Customer Service and Informational Expense	3,150	2,357	2,734	2,357
10. Sales Expense	2,739	5,055	6,262	5,055
11. Administrative and General Expense	96,660	133,060	115,392	133,060
12. Total Operation & Maintenance Expense (2 thru 11)	1,202,925	1,068,107	1,229,121	1,068,107
13. Depreciation and Amortization Expense	128,710	133,075	134,432	133,075
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	100,390	107,615	107,124	107,615
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	287	163	303	163
19. Other Deductions	1,213	1,229	1,323	1,229
20. Total Cost of Electric Service (12 thru 19)	1,433,525	1,310,189	1,472,303	1,310,189
21. Patronage Capital & Operating Margins (1 minus 20)	74,111	111,007	51,411	111,007
22. Non Operating Margins - Interest	3,111	5,572	3,475	5,572
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(6,605)	(8,243)	5,000	(8,243)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends				
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	70,617	108,336	59,886	108,336

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 January 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	2	7	5. Miles Transmission		
2. Services Retired	1	2	6. Miles Distribution – Overhead	2,035.31	2,036.59
3. Total Services in Place	6,021	6,044	7. Miles Distribution - Underground	7.15	7.53
4. Idle Services (Exclude Seasonals)	176	232	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	54,137,871		30. Memberships	0	
2. Construction Work in Progress	2,902,881		31. Patronage Capital	20,702,656	
3. Total Utility Plant (1 + 2)	57,040,752		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	16,707,740		33. Operating Margins - Current Year	111,007	
5. Net Utility Plant (3 - 4)	40,333,012		34. Non-Operating Margins	(2,672)	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	139,151	
7. Investments in Subsidiary Companies	244,067		36. Total Margins & Equities (30 thru 35)	20,950,142	
8. Invest. in Assoc. Org. - Patronage Capital	10,299,258		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	(4,323)		38. Long-Term Debt - FFB - RUS Guaranteed	30,261,045	
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)	6,345,436	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	150,400	
13. Special Funds	0		42. Payments – Unapplied	4,015,919	
14. Total Other Property & Investments (6 thru 13)	10,766,461		43. Total Long-Term Debt (37 thru 41 - 42)	32,740,962	
15. Cash - General Funds	256,087		44. Obligations Under Capital Leases - Noncurrent	266,138	
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)	266,138	
18. Temporary Investments	3,107,661		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	1,399,418	
20. Accounts Receivable - Sales of Energy (Net)	1,343,550		49. Consumers Deposits	119,463	
21. Accounts Receivable - Other (Net)	573,583				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	1,227,181	
23. Materials and Supplies - Electric & Other	348,238		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	131,679		52. Current Maturities Capital Leases	126,730	
25. Other Current and Accrued Assets	7,730		53. Other Current and Accrued Liabilities	795,987	
26. Total Current and Accrued Assets (15 thru 25)	5,768,653		54. Total Current & Accrued Liabilities (47 thru 53)	3,668,779	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	757,895		56. Other Deferred Credits	0	
29. Total Assets and Other Debits (5+14+26 thru 28)	57,626,021		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	57,626,021	

2019-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												\$15,472.59	415.1
Exp.-Electrician & Mat.	416.1	\$25,241.80												\$25,241.80	416.1
		(\$9,769.21)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$9,769.21)	
Rev.-Appliance Repair	415.2	\$11,413.72												\$11,413.72	415.2
Exp.-Appliance Repair	416.2	\$13,809.81												\$13,809.81	416.2
		(\$2,396.09)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$2,396.09)	
Rev.-Member Damages	415.3	\$1,641.57												\$1,641.57	415.3
Exp.-Member Damages	416.3	\$1,785.22												\$1,785.22	416.3
		(\$143.65)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$143.65)	
Finance Charges	415.5	\$213.65												\$213.65	415.5
MARGIN-Resale		(\$12,095.30)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$12,095.30)	
Rev.-City of Dighton	417.0	\$12,437.50												\$12,437.50	417.0
Exp.-Sup. & Engineering	417.1	\$935.28												\$935.28	417.1
Exp.-Material	417.11	\$0.00												\$0.00	417.11
Exp.-Overhead Lines	417.2	\$4,111.99												\$4,111.99	417.2
Exp.-Cons. Accts.	417.3	\$894.56												\$894.56	417.3
Exp.-Line Patrol	417.4	\$0.00												\$0.00	417.4
Exp.-Street Lights	417.5	\$1,717.99												\$1,717.99	417.5
Exp.-Meter Reading	417.6	\$810.02												\$810.02	417.6
Exp.-Tree Trimming	417.7	\$0.00												\$0.00	417.7
Exp.-Trans. & Meters	417.8	\$0.00												\$0.00	417.8
Exp.-Misc.	417.9	\$115.54												\$115.54	417.9
Exp.-Contract	417.12	\$0.00												\$0.00	417.12
Total Expenses		\$8,585.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,585.38	
MARGIN-City		\$3,852.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,852.12	
Misc. Income	421.0	\$0.00												\$0.00	421.0
Gain on Disposal	421.1	\$0.00												\$0.00	421.1
Loss on Disposal	421.2	\$0.00												\$0.00	421.2
NET NON-OP MARGIN		(\$8,243.18)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$8,243.18)	

*HVAC hours worked on Lane-Scott property & distribution system that is not billed to customers

*Electrician hours worked on Lane-Scott property and distribution system that is not billed to customers

Current Month			YTD Total		
Hours	Rate	Total	Hours	Rate	Total
31.5	\$ 85.00	\$ 2,677.50	31.5	\$ 85.00	\$ 2,677.50
43.5	\$ 85.00	\$ 3,697.50	43.5	\$ 85.00	\$ 3,697.50
		\$ 6,375.00			\$ 6,375.00

Billable Hours							
		<u>Mike Pollock</u>	<u>Mike Pollock</u>	<u>Kalo Mann</u>	<u>Kalo Mann</u>	<u>Mark Mc</u>	<u>Mark Mc</u>
<u>Date</u>	<u>Day</u>	<u>416 Billed</u>	<u>416 Charged</u>	<u>416 Billed</u>	<u>416 Charged</u>	<u>416 Billed</u>	<u>416 Charged</u>
January-20	1	Holiday	0			3	4
January-20	2	0	6			0	0
January-20	3	0	Sick			0	0
January-20	6	1.5	8			1	1
January-20	7	2	8			2	2
January-20	8	0	8			4	4
January-20	9	5	8			6	8
January-20	10	4	5.5			4	4
January-20	13	3.5	6			5	8
January-20	14	0	4			5	8
January-20	15	0	6			5	8
January-20	16	3	3			1	8
January-20	17	2.5	7			3	4
January-20	20	7	8			1	3
January-20	21	1	2			5	8
January-20	22	3	8			3	8
January-20	23	6.5	7			4	8
January-20	24	2	8			3	4
January-20	27	4.5	7			5	7
January-20	28	7.5	8			4	7
January-20	29	6	7			4	8
January-20	30	5.5	8			6	8
January-20	31	4.5	7			4	7
TOTAL		69	139 1/2	0	0	78	127
Total 416 Billed		147					
Total 416 Charged		266 1/2					

LANE-SCOTT ELECTRIC
RESALE OPEN BALANCE
January 2020

NAME	AMOUNT DUE	ACTION TAKEN	AMOUNT PAID	
Kalo Mann	\$ 467.21			
Black Dog Restaurant	\$ 2,166.58	Payments	\$ 150.00	29-Jan
George Collins	\$ 111.73	Payments	\$ 100.00	8-Jan
Kami Miller	\$ 138.94	Payments	\$ 200.00	31-Jan
Debbie Bennett	\$ 214.69	Letter sent		
Dee Shull	\$ 194.60	Payments	\$ 75.00	16-Jan
Charlene Salas	\$ 219.44	Payments	\$ 75.00	13-Jan
Stephen Riffle	\$ 445.67	Payments		
Gatson (Dollar General)	\$ 175.10	Letter sent		
.	\$ 4,133.96		\$ 600.00	

Operations Report

February 2020

Production has been slowed by some winter storms, but we have fared well with only a small number of isolated outages. We are ready for wire work on the 3ph conversion on North Highway 23 East of Healy. We will have to allow some drying time for the ditch so we can proceed. We have also been slowed on pole change outs but are trying to catch a few between storms. The much needed and welcome moisture brings our normal winter slow down to address other areas. We have been planning heavily for the construction season. We have two “clearance improvement” projects staked in and waiting for dryer weather. Our efforts to get feedback from the membership are working as both projects were brought to us by area farmers with clearance concerns. We have also been staking in a new 5G cell tower by the Highway 83 and highway 4 intersection in Scott county. A contract has been sent and materials ordered. This project should see completion in April. Slower times also give us the opportunity to focus on internal operations. We met with Sunflowers distribution group and outlined a standard for recloser settings in our electronically controlled reclosers. We have made some improvements to our warehouse and re-organized our materials to better segregate them in preparation of the managed inventory cut over. We are now awaiting BSE to come and label shelving and set min-max levels. We have been working with NISC on mapping and consumer records changes to allow our Outage management system to work better. We are working with the City of Dighton on an electric meter change out program as they are implementing a drive by reading system for both water and electric meters. This will free up several hours of our time to perform improvements on their system instead of reading those meters.

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

Nate Burns

Manager of Operations

OUTAGE STATISTICS January 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	160		160	32
BIRDS & ANIMALS	1		1	20		20	10
TREES			0			0	
LIGHTNING\RAIN\WIND			0			0	
ICE & WIND			0			0	
SNOW & WIND			0			0	
OCR OR FUSE FAILURE		1	1		51	51	51
TRANSFORMER FAILURE			0			0	
BROKEN JUMPER			0			0	
PEOPLE CAUSED			0			0	
BROKEN POLE			0			0	
POWER SUPPLY			0			0	
SCHEDULED			0			0	
UNKNOWN			0			0	
TOTALS	2	1	3	180	51	231	93

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	231				

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

Transformer Losses 1995-2020

[illegible]

8. General Manager's Report – for the month of February (except financials):

A. Administration

- 1) NISC retired and paid 30% of their 2019 Patronage Capital. LSEC received a check in the amount of \$2,480.56.
- 2) Credit Card Statement. The Credit Card records are available for the Boards review.
- 3) Mileage Log. Vehicle #105 traveled 1,781 miles in January with 15 miles personal miles.

B. Information Technology / Cybersecurity highlights

- 1) Data recovery and mitigation has been tested and passed.
- 2) Transition from old ASP web proxy server to new one is completed.

C. Operations.

- 1) We have a new 5G tower by Highway 83 and 4 in Scott County. It should be up in April.
- 2) The wet weather has us staking some "clearance improvement" projects. We are trying to identify, stake, and get materials needed so we can build once the ground dries out. We want them done before people hit the fields.
- 3) Several internal processes are being reviewed. These include recloser settings, inventory levels, and our mapping procedures.
- 4) We are assisting the City of Dighton's new meter reading system.

D. Member Services

- 1) The Committee selected the Youth Tour and Leadership Camp winners. They are:
 - i. Youth Tour - Jobi Roemer, Healy, KS & Carlee Flax, Ransom, KS
 - ii. Leadership Camp - Kayler Getz, Quinter, KS & Anabeth Ratzlaff, Ingalls, KS
 - iii. Alternates - Caitlin Smee, Ness City & Hailey Hunter, Ness City
- 2) SmartHub and Messenger. Ann Marie and Carrie have established a SmartHub Notification program where we can now communicate with our members through the SamrtHub application or through e-mail. Members can Opt-out of the notices if they wish. Once we get the Outage Management System talking to the rest of our NISC system, we will be able to notify members of outages and restorations, and efforts.
- 3) We distributed USDA LIEAP applications to senior centers and churches to have available for members in financial need.

The January Financials:

E. Finance. January was a good month.

- 1) Gross Margins (operating Revenue less Cost of Purchased Power and Transmission Expense) were up \$159,826 over December and \$48,668 over January 2019.
- 2) Controllable Expenses were down \$24,575 from December and up \$250 from January 2019.
- 3) General Funds level. 12.94% (5-year ratio: 7.31%)

F. Non-Operating Margins

- 1) Retail Services. Retail Services posted \$15,472.59 in January Revenue but an overall loss of \$12,095.30 for the month. This loss included \$6,375.00 in payroll worked on the LSEC distribution system and all LSEC overhead. I will update and provide the 2019 Profit:Loss analysis to the Board in April.
 - i. Resale Hours. There were 266.5 hours worked and 147 billed (55.2%)
 - ii. Resale Outstanding Balances. We received \$600.00 in payments bringing the open balance down to \$4,133.96. The biggest piece remains the Black Dog Restaurant downtown Dighton at \$2,166.58.
- 2) City of Dighton. We show a profit of \$3,852.12 in the O&M Agreement. This is a 31% margin.

Respectfully submitted,

Richard

Richard McLeon, MBA
General Manager

9. a. Hineman Tower Update.

The Cooperative has been leasing land south of Dighton from the Hineman family for \$100.00 per year since at least 1992. That amount is equal to \$183.87 in today's dollars. The Cooperative constructed a tower on the leased land many years ago. This is the only tower that LSEC owns and operates.

We were contacted by Mrs. Fay who is Conservator for Mrs. Hineman. They do not want to sell us the land but wish to re-negotiate the contract and proposed the following terms:

1. A 5-year contract with now evergreen clause
2. A \$1,000.00 per year payment, and
3. 10% of any revenues earned by the cooperative on tower rentals.

On September 30, 2019 the Cooperative entered a Lease Extension Agreement through April 1, 2020 for the purpose of negotiating and executing a new lease agreement.

The Cooperative currently leases tower space to several entities including the Lane County Emergency Management. These rents amount to \$1,220 per year. Paying the lease they have requested equals \$1,122 per year. This leaves \$98.00 for tower maintenance. Our last maintenance was in July 2019 and cost \$2,841.89.

I polled the local Coop GM/CEOs to see what they are paying on tower land leases. All told me that they do not lease, but rather own their tower sites. Having nothing to go on, I have asked Joe to reach out to Mrs. Fay and offer a 5-year contract at \$500.00 to 750.00 per year with no add-ons.

Joe will have a report at the Board meeting for the Board's action.

TOWER AND GROUND LEASE AGREEMENT

THIS AGREEMENT, is entered into effective the ____ day of _____, 2020, by and between **ANN E. HINEMAN-FAY as Conservator of ELIZABETH C. HINEMAN**, Owner-Landlord ("Hineman"), and **LANE-SCOTT ELECTRIC COOPERATIVE, INC., a Kansas Corporation**, Tenant-Lessee ("Lane-Scott").

1. Premises: Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, certain land on which the Tenant has previously constructed a radio tower on (collectively, the "Premises"), more accurately described as follows:

A tract of land situated in the Northwest Quarter of Section 6, Township 19 South, Range 28 West of the 6th P.M. Lane, County, Kansas, together with right of ingress and egress therefrom, more particularly described as follows:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 6, TOWNSHIP 19 SOUTH, RANGE 28 WEST AND THENCE SOUTH ALONG THE CENTER LINE OF HIGHWAY NUMBER 23, 2,040 FEET; THENCE EAST 287 FEET; THENCE SOUTH 120 FEET TO THE BASE OF THE TOWER.

THE GUY WIRES WILL EXTEND THREE DIRECTIONS FROM THE ABOVE TOWER WITH DIMENSIONS SHOWN ON THE ATTACHED SKETCH;

2. Uses: The premises as described herein shall be used by Tenant for the constructing, maintaining, upgrading, repairing, operating, inspecting, and removing the radio tower and attachments thereto as well as for guy wires for the said tower.
3. Term: The term of the lease shall be Five (5) years from the date of this agreement unless terminated pursuant to the terms of this agreement.
4. Access: Tenant and sub lessees of space on the tower shall have the right of ingress and egress to the tower across Landlord's property. Tenant shall be responsible for maintenance of the road, including mowing if necessary.
5. Notice: All notices or demands are deemed to have been given or made when delivered in person or mailed by certified, registered, or express mail, return

receipt requested postage prepaid, United States mail, and addressed to the applicable party as follows:

Lane-Scott Electric
410 S. High Street
P.O. Box 758
Dighton, KS 67839

Elizabeth C. Hineman
c/o Ann E. Hineman-Fay
P.O. Box 962
Dighton, KS 67839

6. Rental Payment: Tenant in consideration of leasing of the premises as set forth herein, covenants and agrees with Landlord to pay Landlord, or Landlord's successors in interest, as rent for the same, the annual rate of Seven-Hundred-Fifty Dollars (\$750.00) due and payable on the 1st day of April of each year.
7. Sublease of Tower Space: The parties agree that space on the Tower placed on the premises by Tenant is currently sub-leased to parties outside of this agreement. The parties agree that Tenant shall have the right to sub-lease space on the Tower for placement of equipment without further permission from Landlord. Landlord shall be entitled to a list of all sub-lessees and the type of equipment they have placed upon the Tower upon any request made by Tenant.
8. Airport Construction: Lane-County Kansas has explored the possibility of construction of a new airport near the existing Tower. In the event that a new airport shall be constructed, and the Tower will have to be removed from the premises due to it being located in proximity to the new airport, then this lease agreement shall terminate upon the time the Tower is removed from the premises and remediation is complete.
9. Utilities: Landlord shall not be responsible for any utilities associated with the Tower.
10. Maintenance: Tenant shall be solely responsible for maintenance of the Tower, fencing, access road, and accessory buildings on the premises. Tenant shall be responsible for mowing of grass and weeds on the premises.
11. Remediation: Tenant further covenants and agrees that at the expiration of the term of this lease, it will give peaceable possession of the premises to Landlord in as good condition as it originally was, and will not make or suffer any waste thereof, nor assign this lease (except to any other electrical cooperative corporation organized and operating under the provisions of K.S.A. 76-4601 *et seq.*)
12. Fixtures: Landlord covenants and agrees that no part of the improvements constructed, erected, or placed by Tenant on the Leased Premises shall be or become, or be considered as being, affixed to or a part of Landlord's real property; and any and all provisions and principles of law to the contrary notwithstanding, Landlord specifically intends to covenant and agree and does

hereby covenant and agree that all personal property and improvements of every kind and nature constructed, erected, or placed by Tenant on the Leased Premises shall be and remain the property of Tenant.

13. Default: If Tenant shall fail to compensate Landlord for the use of the premises, or if Tenant shall fail in the performance of any of the other terms, covenants or conditions of this lease, Tenant shall be deemed in default, and if such default shall continue uncured for a period of thirty (30) days after written notice from Landlord to cure such default, Landlord at its option may declare, without further demand, declare Tenant's tenancy terminated, and all the right, title and interest of Tenant hereunder shall wholly cease and expire, and Tenant shall immediately quit and surrender the leased premises to Landlord and Landlord may enter or take possession of the premises.
14. Governing Law: This agreement shall be construed and enforced in accordance with the laws of the state of Kansas.
15. Binding: The covenants herein shall extend and be binding upon the heirs, executors, administrators, successors and assigns (if any) of the parties to this lease.

IN WITNESS WHEREOF, Landlord has hereunto set their hands and has caused this lease to be signed and Tenant has caused this lease to be signed on its behalf by its President thereunto duly authorized to do so, and to be attested by its secretary, and has caused its corporate seal to be thereunto affixed, the day and year first above written.

ANN E. HINEMAN-FAY, Conservator of Elizabeth C.
Hineman
Owner-Landlord

STATE OF KANSAS, COUNTY OF LANE, ss:

The foregoing instrument was acknowledged before me on the ____ day of _____, 2020, by ANN E. HINEMAN-FAY, as Conservator of the Elizabeth C. Hineman.

Notary Public

My Appointment Expires:

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
By Richard Jennison, President,
Tenant-Lessee

Attest:

Paul Seib, Jr., Secretary

STATE OF KANSAS, COUNTY OF LANE, ss:

BE IT REMEMBERED, that on this _____ day of _____, 2020, before me, the undersigned, a Notary Public, in and for the County and State aforesaid, came RICHARD JENNISON, President of Lane-Scott Electric Cooperative, Inc. a corporation duly incorporated and existing under and by virtue of the laws of the State of Kansas, who is personally known to me to be such officer, and who is personally known to me to be the same person who executed, as such officer, the foregoing agreement on behalf of said corporation, and such person duly acknowledged the execution of the same to be the act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.

NOTARY PUBLIC

My Appointment Expires: _____

9. b. Strategic Plan Initiatives Update

March 9, 2020

The board of directors and management of Lane-Scott Electric Cooperative (Lane-Scott EC or cooperative) met at its headquarters office in Dighton, Kansas on February 12-13, 2019 to think strategically about the cooperative's future. The planning session was facilitated by CFC's Aaron Stallings and Mike Lewis. The goals of the session were to achieve consensus on the strategic goals Lane-Scott EC will focus on during the next three years and develop an implementation plan for the strategic goals. Following completion of the planning session as described above, the planning group achieved consensus on the following strategic goals.

Number	Primary Strategic Goals
1	Continuous improvement of the safety program, to include construction height requirements review.
2	Craft a long-term comprehensive technology plan focused on maximizing utilization, resource requirements, and the outage management system.
3	Develop a financial plan to include a long-term forecast, equity management plan, rates (formulary and decoupling) and capital credits (discounting).
4	Create a comprehensive member communication / engagement plan to include social media, information content and outage notification.
5	Implement a succession plan for key employees (accounting and operations management) and board members (potential nominating committee utilization for appointments) to include education and development focus.

Implementation and Overview.

Lane-Scott has limited staff and financial resources. This requires me to prioritize the primary Strategic Goals based on their immediate focus on risk, rates, and reliability. We are working on all of them but have dedicated the most effort as follows:

- Goal 1: Continuous improvement of the safety program, to include construction height requirements review.
- Goal 3: Develop a financial plan to include a long-term forecast, equity management plan, rates (formulary and decoupling) and capital credits (discounting).
- Goal 2: Craft a long-term comprehensive technology plan focused on maximizing utilization, resource requirements, and the outage management system.

- Goal 4: Create a comprehensive member communication / engagement plan to include social media, information content and outage notification.
- Goal 5: Implement a succession plan for key employees (accounting and operations management) and board members (potential nominating committee utilization for appointments) to include education and development focus.

This focus makes the Goals manageable and attainable. So far, I estimate that we are progressing as follows:

Goal 1 (Safety)	85% completed
Goal 2 (Technology)	40% completed
Goal 3: (Financial)	80% completed
Goal 4: (Communications)	Plan is completed
Goal 5: (Succession Plan)	20% completed

1. Safety Goals:

Primary:

Continuous improvement of the safety program, to include construction height requirements review.

Objective: Benchmark program, assure line heights are not only NESC compliant but above known harvest hazards.

Status: Underway (85% completed)

Benchmarking

We have established benchmark information with the help of Federated Insurance. This data measures the effectiveness of the Safety Program as a measure of whether employees are getting hurt on the job. This is different from the NRECA RESAP or KEC Safety inspections that are designed to be proactive and can be subjective. The OSHA information is available from 2016 to 2018 and Workman's Compensation information is available from 2012 through 2019.

year	OSHA			Workmans Comp Experience Modifier
	DART - days away, restricted, transferred duties	Lost Work Days Rate - days away from work	Recordable Incident Rate	
2012				0.87
2013	-	-	17.22	0.84
2014	4.37	4.37	21.83	1.05
2015	-	-	13.20	1.08
2016	-	-	-	1.06
2017	4.66	4.66	4.66	0.79
2018	-	-	4.95	0.79
2019				0.85
averages	1.51	1.51	10.31	0.92

Safety Strategic Plan

The Cooperative has developed a Safety Program Strategic Plan to meet the Boards Goals and to address deficiencies noted by KEC during Compliance inspections.

Line Clearances

NESC Table 232-1 sets the standard for line clearances. Standard clearance for a field is 18.5 feet for energized line and 15.5 feet for the neutral. However, for vehicles over 14 feet tall, the clearance is the known vehicle height plus 4.5 feet

for energized line and plus 1.5 feet for the neutral. Maintaining a good clearance requires members to let us know how tall their equipment stands. This limits our ability to determine if we have good clearance, so we are trying to educate our members on clearances.

- Communications. Ann Marie has implemented the following related specifically to overhead line clearances:
 - Kansas Country Living. Articles in February and April 2019
 - Bill Stuffer. February 2019
 - Commitment to Zero campaign. Information sent to 593 General Service Small and General Service Large members. Also, articles in Dighton and Ness City Newspapers.
 - LSEC website. Posts on Commitment to Zero and “Safety – Line Safety”
 - Facebooks posts. Twenty-one posts specific to Overhead Line Safety during 2019.
 - Safety Demonstrations at Lane County Feeders, Ranger Feeders, Emergency responders for Lane and Ness counties.
- Federated Rural Exchange Insurance has published an Application Guide for the NESC Table which we have provided for all employees. This guide outlines all clearance scenarios identified by the Table.
- Work Orders. Nate has created Work Order # 5463 in October so we can track clearance related jobs. During 2019, we had about 20 jobs related to improving clearances.

Safety is an area where we will never be “done”.

2. Technology Goals

Primary:

Craft a long-term comprehensive technology plan focused on maximizing utilization, resource requirements, and the outage management system.

Status: Underway (40% completed)

We have begun to analyze and maximize internal network infrastructure to include Cloud utilization, server infrastructure, and AMI-FR. This will be an on-going effort as we continually grow dependent on technology. Specific items are addressed below.

Supporting:

1. NISC maximization. Objective: Determine if purchased NISC modules are being utilized and if not, why?

Status: Underway (30% completed)

We have multiple projects underway with NISC. Among them are:

- Merger of LSEC and MKEC accounting and Bookkeeping system (ABS - Kathy), and Customer Information system (CIS - Rebecca). The ABS merger was completed January 2, 2020 and the CIS is scheduled for April/May 2020. This will reduce staff workload by removing the current duplication in bookkeeping and billing records and reporting.
- Engineering and Operations (E&O). Nate is working with NISC to integrate our metering and mapping systems. They currently do not “speak” to each other or to the CIS system. This prevents us from automating SmartHub outage notices, posting outage maps, updating our WindMil model, analyzing outages, etc. This project is necessarily secondary to the ABS / CIS merger. NISC will be here the week of June 15th to review our system.
- Meter Data Management System (MDMS). LSEC has been paying about \$300.00 per month for a MDMS and storing the hourly data. We are not mining the data but may need it for the Long-Range Engineering Plan and Cost of Service Study. I will meet with Guernsey

in New Orleans and determine how much we should save and whether it is useful. If not, we will discontinue the MDMS until such time as we can use it.

2. SCADA implementation and integration. Objective: Analyze and evaluate our capability to implement SCADA to include costs.

Status: Underway (10% completed)

We are setting up some basic infrastructure to implement Supervisory Control and Data Acquisition (SCADA) technology using radio transmitters to get the data back to LSEC. This information is going into a separate software program. Once the NISC ABS and CIS projects are completed, integrating this data into operations and CIS are part of the current E&O review.

3. CyberSecurity. Objective: Develop a comprehensive plan to protect LSEC cyber assets.

Status: Underway (80% completed)

Carrie has created a layered electronic security parameter (ESP) and we have moved the IT assets to a server room upstairs to enhance the physical security parameter (PSP). We have established a redundant daily back-up of cyber information to speed restoration in the event of a system failure. Our data is backed up in the NISC Cloud and on a LSEC server.

LSEC is participating in programs with NRECA and Sunflower to develop better plans and policies, “test hack” our system, and educate all employees.

CyberSecurity will never be “done” but we are comfortable with our current status.

3. Financial Goals

Primary:

Develop a financial plan to include a long-term forecast, equity management plan, rates (formulary and decoupling) and capital credits (discounting).

Objective: Develop a comprehensive Financial Plan with appropriate timetables to assure fiduciary responsibilities are met.

Status: Underway (80% completed)

A formal, comprehensive financial plan has not been developed. However, a Ten (10) Year Financial Forecast has been prepared along LSEC Policy guidelines with the assistance of CFC. This Forecast will be updated annually. An Equity management Plan is being drafted along with a Capital Credits retirement plan. A Cost of Service Study is being budgeted for 2022.

Supporting:

1. Depreciation Study. Objective: Combine LSEC and MKEC assets.

Status: Completed

A Depreciation Study was completed in 2019 and presented to the Board. This was the necessary first step to the merger of the LSEC / MKEC records.

2. Equity Management. Objective: Determine adequate Equity levels.

Status: Underway (draft: 50% completed)

LSEC Membership Policy 115 Capital Credits, f.1) and 2) states:

General Capital Credits Retirements. *The Cooperative will generally retire capital credits with the goals of:*

- 1) *maintaining an adequate equity level as determined by the Board;*

- 2) *retiring some capital credits each year, provided the financial condition will not be impaired thereby with the goal of working toward and maintaining an equity level of 40%;*

The Equity (as a percent of assets) equation is:

$$\frac{\text{Margins and Equities (C36)}}{\text{Total Assets (C29)}}$$

This ratio measures margins as a percentage of total assets so growing utility plant lowers Equity. Therefore, growing margins faster than plant improves this ratio. We have been working to reduce the growth of controllable expenses to improve margins. The new projected pumping loads will have the greatest impact on Equity (without raising rates across the board). The Financial Forecast includes these new loads and holds controllable expenses to reasonable growth rates. These controls project a 40% Equity level at year-end 2021.

3. Capital Credits Plan. Objective: Develop a plan for the retirement of capital credits (rotation and discounted).

Status: Underway (draft: 15% completed)

The Financial Forecast also included a retirement of capital credits beginning in 2022. This amount is originally \$750,000 and increases by 2.0% every year thereafter. We are also looking at offering discounted capital credits for estates. Typically, I have advised passing G&T retirements through to members as we receive them. Our G&T payments are more complicated because they are paying dividends based on profitability, not necessarily retiring capital credits. This is a different kind of cat, so Kathy has reached out to BSGM for advice and assistance.

4. Financial Forecast. Objective: Prepare and maintain a 10-year Financial Forecast.

Status: Completed

A 10-year Financial Forecast was completed in 2019 with the assistance of CFC.

4. Communications Goals

Primary:

Create a comprehensive member communication / engagement plan to include social media, information content and outage notification.

Objective: Prepare a comprehensive Communications Plan and Budget to measure and improve member engagement.

Status: The Plan is completed.

Implementation is well under way with the cooperative using its website, Facebook, and Twitter accounts to reach members. Outage notification is being handled through those mediums but will be greatly improved once we get the OMS system working with SmartHubs' communications abilities.

Supporting:

1. Key Accounts Program. Objective. Identify Key Accounts and develop a positive relationship with them.

Status: 25% complete

A Key Account database has been created based on kWh sales. We have reached out to them twice and are developing relationships based on their needs. We have also developed a list of the cities within our service area and I reach out to them on a regular schedule. So far I have made personal contact with:

- Cities: Dighton, Ness City, Ransom, and Utica
- Counties: Lane, Scott, Ness, and Finney

2. Retail Wheeling Legislation. Objective. Stay abreast of legislation and inform membership.

Status: 50%

We have developed relationships with Senator Taylor and Rep Hineman. We are working with the KEC staff and plan to use our Twitter and Facebook presence to quickly communicate issues with members.

5. Succession Planning Goals

Primary:

Implement a succession plan for key employees (accounting and operations management) and board members (potential nominating committee utilization for appointments) to include education and development focus.

Objective: Develop a general succession plan for key employees and Board members.

Status: Underway (20% completed)

Potential employee retirements have been analyzed along with current staffing levels to identify training and personal needs. Succession planning for Key employees is being addressed with additional delegations of duties and identifying training needs. We are currently growing in the HR area and have tasked Diana with learning the duty.

Board member succession planning has not been addressed beyond drafting a plan for preparing for a Board member vacancy.

Supporting:

1. Long-Term Wage and Salary Plan. Objective: Conduct a Wage and Salary review to assure wages are adequate and competitive.

Status: Underway (35% completed)

Using previous models, a wage and salary grade table has been prepared. Further, cost of living adjustments based on the Consumer Price Index have been integrated into the Financial Forecast. We may need to bring in a HR Consultant at some point to compare data among cooperatives.

Wages should be compared to industry data to assure wages are fair and adequate representing levels of responsibility and market conditions.

2. Determine Industry Benchmarks. Objective: Develop a Plan to benchmark wages and benefits of employees.

Status: Underway (10% completed)

Benchmarks from NRECA have been reviewed and identified a discrepancy in our job descriptions. This has deflected the review to the bigger issue of the Job Descriptions. Most Job Descriptions have not been updated or reviewed in many years and are generally out of date with current requirements and/or functions. I will have Diana begin working on this in 2021 after she has grown into the HR function a little more.

Other Supporting / Minor goals:

1. Retail Services Study. Objective: Determine if Retail Services is profitable or not.

Status: Underway (70% completed)

An investigation of Retail Services billing showed that certain overhead expenses were applied to retail services that did not apply to them while some that did apply were not. The net effect was that it overstated the expense of their services. We started tracking actual expenses and presented a preliminary report to the Board in August 2019. This was shared with the Retail Services Staff. Once 2019 books are closed, an updated report will be prepared and presented to the Board.

2. Economic Development Opportunities, to include a review of rates and Line Extension. Objective: Search for revenue opportunities and prepare advantageous but profitable rates and line extension fees.

Status: Underway (20% completed)

A Cost of Service Study (COSS) to review all Rates, fees, and Line Extension is budgetarily scheduled for 2022 using 2021 as the base year. This is important because it is the first "Philips 66" year and should reflect a fairly "normalized" year for LSEC going forward. Other items:

- The Philips 66 load will require the Board's approval of a new Rate Class which I have prepared based on initial information from SEPC. The SEPC rate was taken directly from Wheatland EC and will need to be reviewed in the COSS.
- The City of Dighton wholesale rate will be up for contract in five (5) years. SEPC is offering a new Wholesale rate which they are pushing to several cities, so I asked SEPC to generate some numbers for me regarding the City of Dighton. The numbers they generated showed a \$104,000/year total reduction to the City with approximately \$64,000 of the reduction from SEPC wholesale rates and \$40,000 from LSEC distribution rates. This reduced our annual margin from the city to \$35,000.
- We have met with the Kansas Secretary of Commerce regarding economic development issues and how we can be prepared to address any opportunities. We have some work to do to be ready but are working toward that goal.

- We have met with the USDA regarding Economic Development Loan Program and have a better understanding of how the program currently works. Upon reviewing the program, LSEC has decided to discontinue our participation. However, we are working with multiple economic development agencies and are actively referring prospects to them.

3. Bylaw / Policy Review. Objective: Assure Bylaws and Policies are current.

Status: Underway (25% completed)

Bylaws. I am currently going through the Bylaws correcting misspellings and standardizing the numbering scheme.

Policies. I have also begun reviewing our policies and identified several that need updating. I will work out a schedule with Joe.

10. a. Approval of Contractor for Pole Change-outs

We would like to hire IES Commercial as a Contractor to perform Ordinary Replacements including the change out of identified poles in Ness City, Kansas. Those poles were identified last fall by our pole inspection program. We may use them for other projects while they are on the system. IES is requested because they have worked for LSEC before and did a good job.

Their proposal includes providing a 5-man crew during March for Ness City at an expected cost of \$20,000 to \$25,000.

This will be included in the 2020 Construction Budget which has \$472,400 for Ordinary Replacement projects and will be reimbursed in our existing FFB loan. The current loan extension ends in August 2020.

They will be required to meet all Federated and RUS contractor specifications.

Staff requests that the Board approve the IES Commercial proposal and direct staff to hire IES Commercial.



IES Commercial, Inc.
120 S. Lincoln St.
P.O. Box 27
Holdrege, NE 68949
T: 308 995 4462
F: 308 995 8771
www.ies-co.com

February 3, 2020

Nate Burns
Operations Manager
Lane-Scott Electric Cooperative, Inc
410 S. High St
Dighton, KS 67839

Re: Ness City. KS Pole Change Out

IES is pleased to quote the following rates to replace approximately 10-16 rejected poles and transfer any associated transformer(s), service(s) and street light(s) to new poles in Ness City, as discussed with Mr. Burns.

A flat rate of \$120.50 per man hour will apply to all hours worked, to include mobilization & demobilization of trucks & equipment. This is an all-inclusive "blended" rate. This rate includes all equipment, tools, labor (up to a forty hour work week), and supervision to perform the work requested. New construction will be in accordance with the Lane-Scott's standard practice for municipal type distribution construction. The Owner will be responsible for establishing ROW, easements and staking line routes & anchors. Documentation of hours worked can be provided with the billings. Any applicable sales taxes will be added to the billings.

Typically, a 5 man crew will consist of the following:

- 1 - Superintendent (as needed)
- 1 - Foreman
- 3 - Linemen
- 1 - Groundman

All necessary digger/derrick(s), aerial bucket(s), wire stringing equipment, wire reels, trailers, tools, and support vehicles.

Support personnel will be billed at reduced rates:

Superintendent - \$98.00 per hour.

Equipment transport driver - \$115.00 per hour

Assistance will be required from any phone or cable companies personnel with transferring their lines or equipment to new poles or exposing their buried utilities. IES can provide assistance to the cable companies if req'd. The Owner will provide all material and utility locates needed for the project, prior to our crew's arrival. Due to the inability to accurately locate sewer lines IES will not be responsible for damage when installing poles/anchors. A certificate of insurance will be issued prior to any work being performed.



Feel free to contact us with any questions or concerns.

Please indicate your acceptance of this proposal by signing below and return, via e-mail. A signed copy of the agreement will be returned to you.

Acceptance:

By: IES Commercial, Inc.

By: Lane-Scott Electric Cooperative, Inc.

Signature

Signature

Title

Title

Dated: _____

Dated: _____

Payments shall be made each thirty days as the work progresses. The entire amount of the contract shall be paid within thirty days after completion.

Service and Finance Charges are applicable on past due accounts at the rate of 1 ½ percent per month on amounts thirty (30) days past due, which is equal to an annual percentage rate of 18 percent. Such charges are shown as "service charge".

IES Commercial does not accept liability for consequential damages, indirect damages, or for economic loss of any kind.

Note: This Proposal may be withdrawn by us if not accepted within 30 days of proposal date.

10. b. Approval of Annual Meeting Caterer and Member Gift

Our Annual Meeting actual expenses have been:

Specific Annual Meeting expenses:

Expense	2014	2015	2016	2017	2018	2019
Member Gifts	\$ 5,180.00	\$ 6,944.23	\$ 4,466.93	\$ 4,757.48	\$ 7,697.87	\$ 8,451.06
Meal	4,163.78	5,353.43	5,669.13	5,669.13	5,153.75	5,370.75
Tent Rental	623.00	690.00	600.00	600.00		
Labor	8,753.33	13,219.49	12,656.06	12,650.11	16,049.35	13,734.56
Advertising	897.65	388.00	414.10	493.27	704.66	837.74
Transportation	81.75	29.11	61.29	174.51	215.72	317.05
Energy Gift Certs	400.00	400.00	350.00	-	-	
Brochure	3,864.89	3,951.90	2,958.59	3,697.19	4,189.38	4,617.48
LSEC Shirts	-	562.38	-	70.13	-	218.16
Service Awards	-	-	-	378.66	-	-
Nominating Committee	-	-	-	-	1,001.11	1,085.25
Total	\$ 23,964	\$ 31,539	\$ 27,176	\$ 28,490	\$ 35,012	\$ 34,632

Over the past 6 years we have spent an average of about \$11,500 on combined member gifts and the meal. Last year that amount was \$13,822. Our budget for 2020 is \$11,900.00. Ann Marie contacted three caterers: John Ross, Webs BBQ, and Planks BBQ. Hoss BBQ provided last year and was not interested in bidding.

John Ross was the only one that can provide a whole hog. None of the recommendations include desert. The menus are attached for your review, but we are recommending any of the following:

1. John Ross – choices include
 - a. Whole Hog with water bottles, estimated cost: \$ 7,999.00
 - b. Pulled Pork with water bottles, estimated cost: \$ 6,024.00
 - c. Sliced Brisket and Sliced Sausage w/ water, est. cost: \$ 8,151.00
2. Webs BBQ – choices include
 - a. Brisket, estimated cost: \$ 5,468.00
 - b. Pulled pork, estimated cost: \$4,861.00

Planks BBQ is not recommended because they do not assist with service of any kind.

We are also recommending a Bamboo Cutting Board for the Annual Meeting Member Gift. A 12"x 9"x 1/2" Cutting Board that is laser engraved with the LSEC logo would cost \$1,992.50 (250 x \$7.75) plus freight. Along with this we are recommending a Stainless Scraper / Chopper at \$977.50 plus freight.

These recommendations have a total cost range of \$ 7,831 to \$11,121 and are within our \$11,900.00 budget.

Staff asked the Board to approve the Annual Meeting gifts and select a Caterer and meal.

Budget \$5400

John Ross

*Example Pricing w/ basic sides (price could change if items substituted)

Pulled Pork \$9.75 / plate
Bacon Potato Salad Est. \$5,924 including 12% gratuity and 8.5% sales tax
Cowboy Beans
Watermelon Wedges
Sweet Corn Salad
Potato Chips
Serviceware - plates, napkins, silverware, toothpicks

Sliced Brisket \$11.50 / plate
Bacon Potato Salad Est. \$6,836 including 12% gratuity and 8.5% sales tax
Cowboy Beans
Watermelon Wedges
Sweet Corn Salad
Potato Chips
Serviceware - plates, napkins, silverware, toothpicks

Whole Hog \$13 / plate
Bacon Potato Salad Est. \$7,899 including 12% gratuity and 8.5% sales tax
Cowboy Beans
Watermelon Wedges
Sweet Corn Salad
Potato Chips
Serviceware - plates, napkins, silverware, toothpicks

Sliced Brisket \$13.25 / plate
Sliced Sausage Est. \$8,051 including 12% gratuity and 8.5% sales tax
Cowboy Beans
Cheesy Spuds
Cucumber Salad
Dinner Rolls w/ honey butter & cranberry jalapeno jam
Serviceware - plates, napkins, silverware, toothpicks

Other considerations:

Sides would be serve your own, unless we want to provide employees to serve.

If a whole hog - they would provide workers to cut, shred & serve.

Water not included in price. They advised it would be cheaper for us to provide water bottles.

Additional \$100.00 for water bottles and ice

To included brownies or another dessert - add approx. \$1.25 per quote

Additional \$755 w/ tax and gratuity

John Ross Menu, Garden City, KS

Cold Hors d'oeuvres Preference

- ☐ Motor Boat'n Cracker Mix
- ☐ Fresh Veggie Platter
- ☐ Fresh Fruit Platter
- ☐ State Fair Grapes
- ☐ Cheese Platter
- ☐ Italian Meat Platter
- ☐ Shrimp Cocktail
- ☐ Shrimp Cocktail Shooters
- ☐ Panna Cotta Shooters
- ☐ Cheesecake Bites
- ☐ Cake Pops
- ☐ Antipasto Kabobs
- ☐ Hummus with Fresh Vegetables
- ☐ Bruschetta with Toasted Baguette
- ☐ Guacamole with Homemade Chips
- ☐ Homemade Salsa
- ☐ Cucumber Salsa w/ Homemade Chips
- ☐ Ceviche
- ☐ Ceviche Shots

Hot Hors d'oeuvres Preference

- ☐ Spinach & Artichoke Dip w/ baguettes
- ☐ BBQ Meatballs
- ☐ Mini Beef Wellingtons
- ☐ Cajun Kabobs
- ☐ Sausage Kabob
- ☐ Bacon Wrapped Shrimp
- ☐ Caramel Apple & Cheese Bites
- ☐ Sundried Tomato and Cheese Phyllo Bites
- ☐ Mini Sausage & Pepperjack Cheese Wellingtons
- ☐ Crab Dip w/ Baguette
- ☐ Spinach and Artichoke Stuffed Mushrooms
- ☐ BBQ Bacon Wrapped Water Chestnuts
- ☐ Homemade Jalapeno Poppers
- ☐ Bacon Wrapped Scallops
- ☐ Frank in a Blanket w/ Mustard
- ☐ Dry Rubbed Baby Back Ribs
- ☐ Build your Own Slider Station (Brisket, Pulled Pork, Beef Tenderloin or Tri Tip)

Applewood Smoked BBQ Preference

- ☐ Sliced Brisket
- ☐ Pulled Pork
- ☐ Dry Rubbed Spare Ribs
- ☐ Dry Rubbed Baby Back Ribs
- ☐ Dry Rubbed Chicken Drum Legs
- ☐ Texas Hill Country Sliced Sausage
- ☐ Jalapeno Dry Rubbed Chicken Drum Legs
- ☐ Whole Pig (with the apple, too!)
- ☐

Starch Preference

- Cheesy Spuds
- Cowboy Beans (Flavorful pinto beans with roasted green chiles— goes great with BBQ!)
- Mashed Potatoes
- Loaded Mashed Potatoes (with bacon and chives)
- Roasted Potatoes
- Pork and Green Chile Tamales
- Cheddar Au Gratin Potatoes
- Homemade Mac & Cheese
- Assorted Potato Chips (great for BBQ luncheons!)

Fresh Vegetables

- Green Beans w/ bacon and caramelized sweet onion
- Fresh Green Beans sautéed
- Sweet Corn
- Sweet Corn on the Cob
- Creamed Corn
- Sautéed Garlic Mushrooms
- Roasted Asparagus
- Roasted Zucchini & Squash

Salad Preference

- Spicy Slaw
- Texas Cucumber Salad (Cucumbers, tomatoes, sweet onions, marinated in apple cider vinegar)
- Fresh Mixed Greens (with sweet peppers, onions, cucumbers & tomatoes)
- Creamy Cucumber Pasta Salad
- Fruit Salad
- Watermelon Wedges
- Cucumber Salad (Cucumbers mixed with tomatoes and sweet onions in a homemade dill ranch sauce)
- Cottage Cheese Salad (Cottage cheese with cherry tomatoes, sweet peppers, sweet onions, celery and assorted spices)

Meats & Carving Stations Preference

- Beef Carving Station - Tri Tip
- Beef Carving Station - KC Roll
- Beef Carving Station - Beef Tenderloin
- Beef Carving Station - Prime Rib
- Pork Carving Station - Pork Tenderloin
- JR's Favorite Meat Loaf
- BBQ Meatballs
- Shredded Chuck Roast
- Jumbo Shrimp
- Sausage Kabobs (Texas sausage, pineapple, sweet onions, sweet peppers)
- Beef Kabobs (Steak, onions , sweet peppers, pineapple)

Planks BBQ, Garden City, KS

*Sides can be switched around as desired

Whole hog not available

Brisket
Pulled Pork
Baked Beans
Potato Salad
Buns
BBQ Sauce

\$6.90 / plate
Est. \$4,192 including 12% gratuity and 8.5% sales tax

Brisket
Ribs
Baked Beans
Coleslaw
Buns
BBQ Sauce

\$7.74 / plate
Est. \$4,703 including 12% gratuity and 8.5% sales tax

Brisket
Sausage
Baked Beans
Mac-n-cheese
Buns
BBQ Sauce

\$6.29 / plate
Est. \$3,882 including 12% gratuity and 8.5% sales tax

Other considerations:

To add cake (either chocolate sheet cake, carrot cake or apple or peach cobbler - add \$1.20 / plate

Additional \$723 w/ tax & gratuity

This doesn't include service of any kind. They would just deliver the food, we would be in charge of setting it out & either people serve themselves or we serve.

Drinks & tableware not included. Additional cost.

Additional \$140 for plates, napkins & silverware
Additional \$100 for water bottles & ice

Webs BBQ - Holcomb, KS

*Sides & desserts can be switched around as desired

Whole hog not available

Brisket
New Orleans potatoes
Green beans with bacon
Tossed salad
dinner rolls
cherry cobbler

\$9.00 / person
Est. \$5,468 including 12% gratuity and 8.5% sales tax

Pulled pork
Potato salad
Baked beans
coleslaw
dinner rolls
brownies

\$8.00 / person
Est. \$4,861 including 12% gratuity and 8.5% sales tax

Pulled beef
garli mashed potatoes
cream cheese corn
tossed salad
dinner rolls
chocolate cake

\$8.50 / person
Est. \$5,165 including 12% gratuity and 8.5% sales tax

Other considerations:

This is full service

Includes tea/water/coffee

Includes paper products & condiments



Bamboo Cutting Board - Large

Item #149133-L



400 @ \$7.51 = \$3004

1 color(s) to choose from!

This item has one color option: Bamboo

Minimum Quantity	50	150	250	500	1000	2500	5000
Your Price	\$9.19	\$7.99	\$7.75	\$7.35	\$6.49	\$5.69	\$5.29

Where should we place your design?



Top

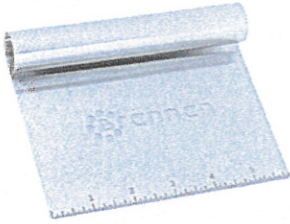
- Easily chop, dice or mince vegetables, cheese and meats without taking up too much counter space.
- Use this promotional cutting board to protect your counter or table surfaces.
- Two-tone bamboo board is naturally heat- and bacteria-resistant.
- Due to natural variations in the grain, laser engraved imprints may have slightly different shades.
- For a smaller cutting board, please see item #[149133-S](#).
- Size: 12" x 9" x 1/2".
- Your price includes a laser engraved imprint at the top of the cutting board.
- Set-up charge: add \$55.
- Imported.
- Ready to ship in : 5 business days *.

* Excludes art preparation time, applies only to orders of 500 items or fewer.



Nice bamboo board for the money

Visit 4imprint.com or call toll free 1-877-446-7746 to order or for questions.



Stainless Scraper/Chopper

Item #129076



[4 stars\(1\)](#)

500 @ \$5.75 = \$2300

1 color(s) to choose from!

This item has one color option: Stainless Steel

Minimum Quantity	75	150	250	500	1000	2500	5000
Your Price	\$7.45	\$6.15	\$5.89	\$5.65	\$5.19	\$4.35	\$3.99

Where should we place your design?



Side

- Every kitchen needs a reliable scraper and chopper.
- This stainless steel is a great tool for pastries, veggies and cutting pizza.
- Features a 5" ruler with markings every 1/16" to help you accurately measure ingredients.
- A simple oxidized tool that can be remarkably helpful in the kitchen!
- Size: 4-1/2" x 5-7/8" x 1".
- Your price includes a laser engraved imprint centered on the scraper/chopper.
- Set-up charge: add \$55.
- Imported, logo applied in USA.
- Ready to ship in : 5 business days *.

* Excludes art preparation time, applies only to orders of 500 items or fewer.

Visit 4imprint.com or call toll free 1-877-446-7746 to order or for questions.

10. c. Ness City Scoreboard Advertisement Opportunity

Derek Reinhardt (the Ness City Schools Superintendent) approached me at the Ness City Rotary Club meeting about Lane-Scott sponsoring a Scoreboard Advertisement for the Eagles.

The school is raising funds to replace the football and basketball scoreboards with two sponsorship levels:

- \$1,000.00 for a banner to hang in the gym or football grandstands.
- \$3,000.00 for an advertising panel on one of the scoreboards (sponsor choice).

The school anticipates that the scoreboards will last 15-20 years and that the banners and panels will be displayed for the life of the scoreboards.

We feel that this is a unique opportunity for LSEC to increase our presence in Ness City for a decade or more. The population of Ness City is estimated at 1,348 (in 2017) and the county population is estimated at 2,869. This represents most of our residential members (2,225 total).

Staff asked the Board to approve the donation of \$3,000.00 to the Ness City High School for a panel advertisement on the scoreboard of the Boards' choice.

Scoreboard Advertisement Opportunity

NCHS is working on replacing the existing score board on the football field and in the high school gym. Due to the age and use of the score boards, it is becoming harder and harder to repair issues with the boards, and replace light bulbs. Our goal is to fully fund the cost of these boards by providing advertising opportunities for local businesses and families. Ultimately, we would like to secure funding for the project so the boards can be replaced over this next summer. The cost to replace and install the basketball score boards are \$19,415, and the cost to replace and install the football score board is \$28,055. There are two ways to advertise or sponsor this project.

A \$1000 sponsorship/advertisement will get the name of the business/family on banner that hangs in the gym or out at the football grandstands. This will provide the sponsor with a 6" x 36" space to list their name.

The other way to sponsor is to purchase an advertising panel that will be attached to the scoreboard of the sponsors choice. The advertisement panels on the basketball score boards measure 2' x 5' and there will be 8 spots available for advertisement. The advertisement panels on the football score board measure 2' x 6', and there will be 6 spots available for advertisement. The sponsor will be able to fill that panel with any advertisement they wish for their business or family. Each panel will cost the sponsor \$3000.

The panels and banners will be displayed for the life of the score board, in general this is 15-20 years. If you are interested in either sponsorship/advertisement, or would like more information please contact Derek Reinhardt or Tom Flax at the school.





End of Year Reports

2019

Presented to the Board of Trustees on March 9, 2020.

End of Year Summary

year	Operating Revenue and Patronage Capital	Wholesale Power & Trans cost	Net Revenue: (Operating Revenue less Cost of Wholesale Power)	Wholesale power as a % of Revenue	Payroll		Debt Service		Depreciation and Amortization (non-cash)		Consumer Price Index (% change, Dec-Dec)
	YEF7 Part A, 1	YEF7, A, 3+4			YEF7 H, 4+5+6	% of Net Rev.	YEF7 N, (d)	% of Net Rev.	YEF7, A, 13	% of Rev.	
2008	11,812,653	8,015,511	3,797,142	67.86%	1,641,435	43.23%	725,425	19.10%	722,422	19.03%	0.10
2009	11,369,139	7,343,325	4,025,814	64.59%	1,672,584	41.55%	1,112,809	27.64%	794,970	19.75%	2.70
2010	13,057,889	8,492,759	4,565,130	65.04%	1,668,170	36.54%	1,677,509	36.75%	813,571	17.82%	1.50
2011	14,446,759	9,183,381	5,263,378	63.57%	1,741,103	33.08%	1,309,502	24.88%	958,300	18.21%	3.00
2012	15,223,186	9,888,818	5,334,368	64.96%	1,688,428	31.65%	10,077,459	188.92%	1,113,616	20.88%	1.70
2013	16,371,981	10,593,398	5,778,583	64.70%	1,816,556	31.44%	1,269,380	21.97%	1,196,962	20.71%	1.50
2014	18,005,804	11,688,793	6,317,011	64.92%	1,830,042	28.97%	2,421,853	38.34%	1,373,925	21.75%	0.80
2015	16,605,232	10,246,789	6,358,443	61.71%	1,863,088	29.30%	2,682,323	42.19%	1,439,471	22.64%	0.70
2016	16,464,867	9,978,762	6,486,105	60.61%	1,930,483	29.76%	2,315,276	35.70%	1,473,729	22.72%	2.10
2017	16,786,658	9,726,371	7,060,287	57.94%	1,901,842	26.94%	2,283,481	32.34%	1,496,428	21.20%	2.10
2018	17,802,551	10,706,172	7,096,379	60.14%	1,888,300	26.61%	2,418,556	34.08%	1,517,330	21.38%	1.90
2019	17,781,223	10,474,321	7,306,902	58.91%	1,903,667	26.05%	2,560,898	35.05%	1,599,510	21.89%	1.80
10 yr average:	16,254,615	10,097,956	6,156,659	62.2%	1,823,168	30.0%	2,901,624	49.0%	1,298,284	20.9%	1.71
5 yr average:	17,088,106	10,226,483	6,861,623	59.9%	1,897,476	27.7%	2,452,107	35.9%	1,505,294	22.0%	1.72
5-year Growth Rate:	1.42%	0.44%	2.98%		0.44%		-0.91%		2.22%		31.43%

- notes:
- (21,328) (231,851) 142,342
 - Operating (Gross) revenues are growing faster than Wholesale Power and Transmission costs.
 - Net Revenue increased \$210,523 over 2018. This is largely due to a decrease in wholesale power and transmission costs.
 - In 2019 we spent 58.91¢ of every member dollar collected on power costs.
 - Payroll increased by \$15,367 (0.81%).
 - Debt Service increased by \$142,342. This is the additional principle and interest paid due to FFB loan draw downs.
 - Depreciation and Amortization costs increased \$82,180. A portion of the increase in this non-cash expenses is the merger of assets between LSEC and MKEC.
 - The Consumer Price Index increased 1.8% in 2019. As a reminder, the SW&S Plan included a 2.75% across the board increase for all employees (except the GM). The goal was to increase payroll by the CPI plus 1.0%. Actual would have been 2.8% so we got pretty close.

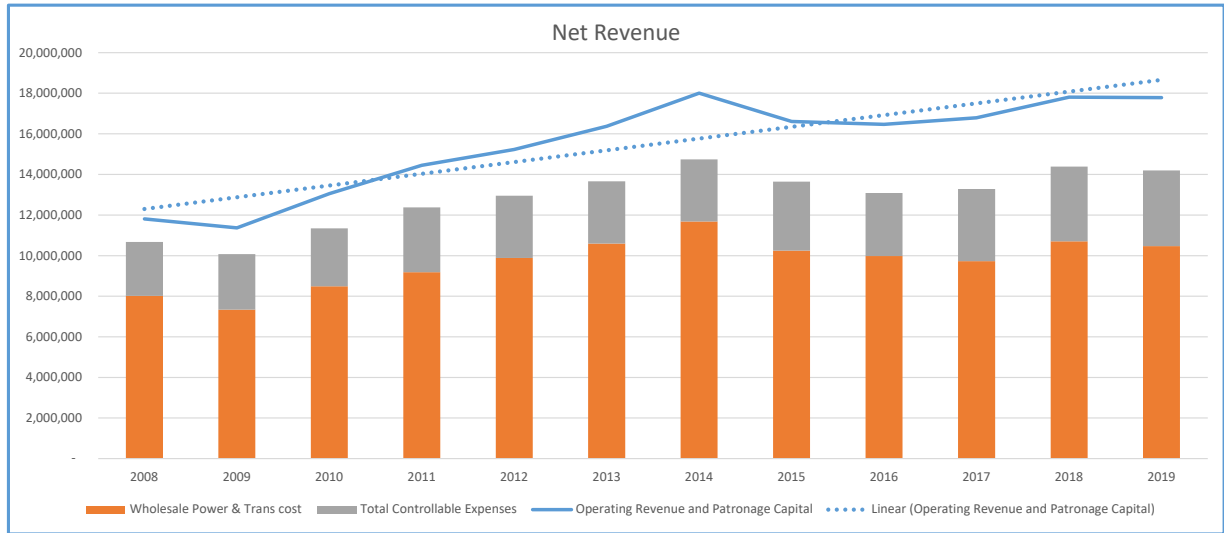
Controllable Expenses These are the six areas where we have direct monthly control of expenses.

year	Distribution Expense		Customer Accounts Expense	Customer Service and Information	Sales Expense	Admin and General	Controllable Expense total		Net Revenue
	Operations	Maintenance							
	YEF7 Part A 6	YEF7 Part A 7	YEF7, A 8	YEF7, A 9	YEF7, A 10	YEF7, A 11	dollars	Δ%	Δ%
2008	705,737	549,448	340,415	34,135	65,744	966,476	2,661,955		
2009	749,129	445,424	370,864	33,634	92,622	1,038,804	2,730,477	2.6%	6.0%
2010	817,044	434,147	428,731	24,482	117,944	1,028,951	2,851,299	4.4%	13.4%
2011	847,318	600,870	465,020	33,641	124,329	1,126,698	3,197,876	12.2%	15.3%
2012	921,788	478,658	428,125	26,780	123,791	1,089,961	3,069,103	-4.0%	1.3%
2013	849,454	461,989	384,297	28,698	128,825	1,214,460	3,067,723	0.0%	8.3%
2014	826,555	624,239	272,628	32,288	138,419	1,152,864	3,046,993	-0.7%	9.3%
2015	1,120,051	684,691	230,195	31,962	139,116	1,195,508	3,401,523	11.6%	0.7%
2016	1,010,944	492,823	237,995	32,648	137,585	1,198,220	3,110,215	-8.6%	2.0%
2017	1,318,249	626,505	214,121	27,439	137,315	1,237,887	3,561,516	14.5%	8.9%
2018	1,335,652	747,446	205,976	33,716	81,169	1,270,909	3,674,868	3.2%	0.5%
2019	1,315,720	687,659	221,834	32,354	55,317	1,405,953	3,718,837	1.2%	3.0%
10 yr average:	1,036,278	583,903	308,892	30,401	118,381	1,192,141	3,269,995	3.4%	6.3%
5 yr average:	1,220,123	647,825	222,024	31,624	110,100	1,261,695	3,493,392	4.4%	3.0%
5-year Growth Rate:	3.49%	0.09%	-0.73%	0.25%	-12.05%	3.52%	1.87%		

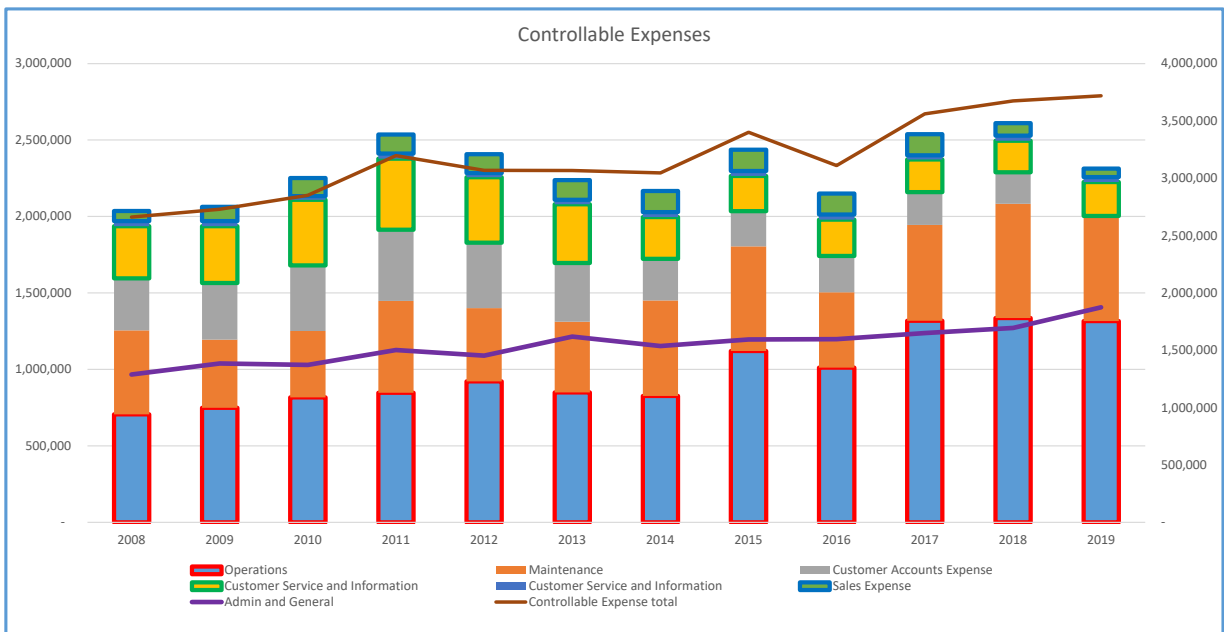
- notes:
- Controllable Expenses**
 - O&M expenses are down \$79,719.
 - Customer expenses are up \$15,858 reflecting staff additions (Diana splits her time between Customer accounts and A&G, while Ann Marie splits her time between CustSvc&Info, Sales, and A&G).
 - Customer Service and Information and Sales Expenses are down \$27,214 due to staff management.
 - A&G is up \$135,044. This is the result of the GM overlap of three months, and additional staffing (Diana and Ann Marie)

Controllable expenses are up \$43,969 or 1.2%.
 - Controllable Expenses to Net Revenue**
 - Net revenue increases outpaced controllable expenses 3.0% to 1.2%.
 - Over the past five years controllable expenses have outpaced net revenue 4.4% to 2.9%. In 2019 that trend reversed with net revenue increasing 2.9% while controllables were up 1.2%.

Net Revenue is up \$210,523 or 2.9%.



This graph illustrates the relationship of Total Operating Revenue (blue line) to Wholesale Power and Transmission costs (bars). The linear trendline for Revenues (blue dotted line) is growing faster than G&T and Controllable expenses.



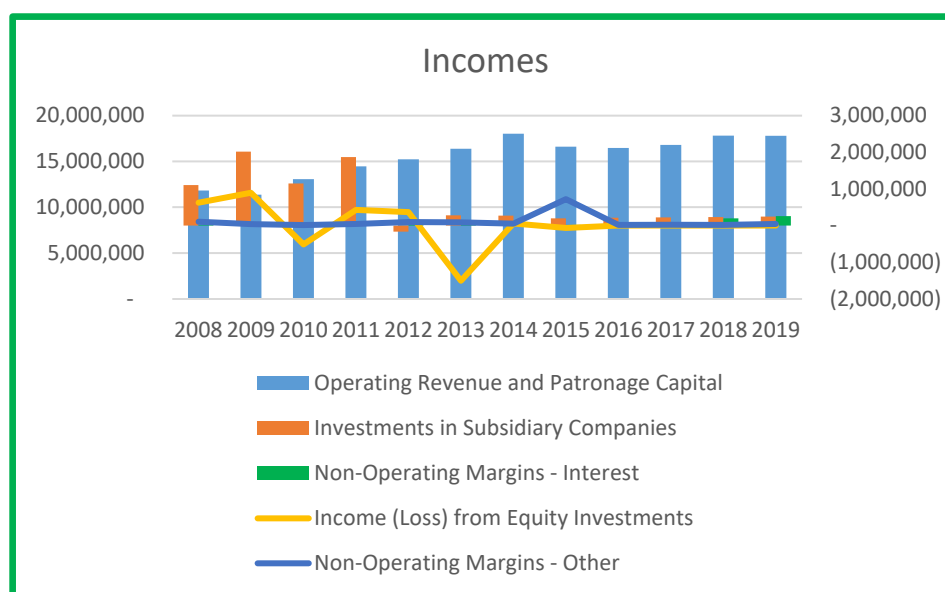
The Controllable expenses graph shows those expenses that we have immediate control of in daily operations. The graph breaks down Controllable Expenses into its' seven components and identifies A&G and Operations as the fastest growing areas.

Incomes

year	Operating Revenue and Patronage Capital	Investments in Subsidiary Companies	Non-Operating Margins - Interest	Income (Loss) from Equity Investments	Non-Operating Margins - Other	Total	
	YEF7 Part A, 1	YEF7, C 7	YEF7, A 22	YEF7, A 24	YEF7, A 25		
10 year	2008	11,812,653	1,102,505	17,977	622,934	105,371	13,661,440
	2009	11,369,139	2,013,342	14,740	896,370	39,401	14,332,992
	2010	13,057,889	1,144,283	14,599	(517,319)	12,928	13,712,380
	2011	14,446,759	1,866,948	13,872	428,018	42,276	16,797,873
	2012	15,223,186	(168,793)	22,376	365,591	95,071	15,537,431
5 year	2013	16,371,981	276,137	21,526	(1,505,139)	84,380	15,248,885
	2014	18,005,804	270,152	15,192	53,579	50,805	18,395,532
	2015	16,605,232	196,234	17,445	(66,212)	720,312	17,473,011
	2016	16,464,867	210,451	23,317	-	17,783	16,716,418
	2017	16,786,658	221,993	39,032	-	21,510	17,069,193
	2018	17,802,551	230,130	195,137	-	17,999	18,245,817
	2019	17,781,223	244,067	256,084	-	40,355	18,321,729
10 yr average:		16,254,615	449,160	61,858	(124,148)	110,342	16,751,827
5 yr average:		17,088,106	220,575	106,203	(13,242)	163,592	17,565,234

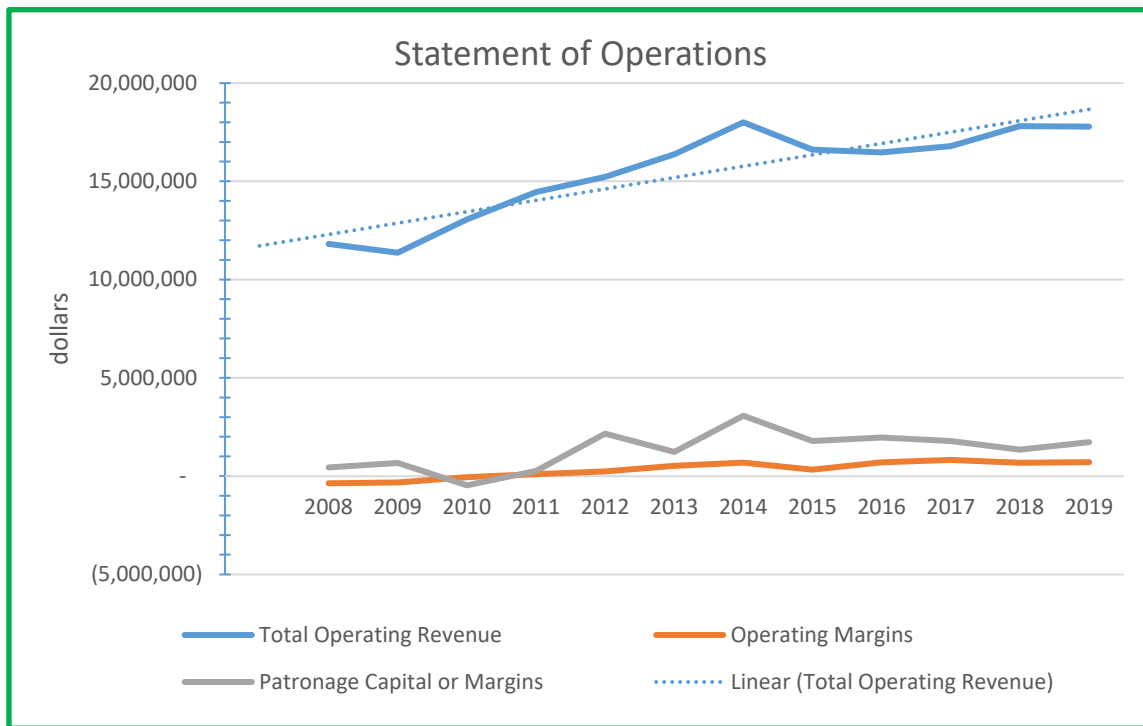
5-year Growth Rate:	1.42%	4.88%	273.59%	-20.00%	-18.88%	0.97%
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- notes:
- a The 2015 increase in Non-Operating argins - Other is repayment from High Line Losses.
 - b The 2018 increase in Non-Operating Margins - Interest is from RUS Cushion of Credit.
 - c The Investment in Subsidiary Companies is largely capital credits at CFC (about \$185,178). The balance is Capital credits owed to High Line Services.



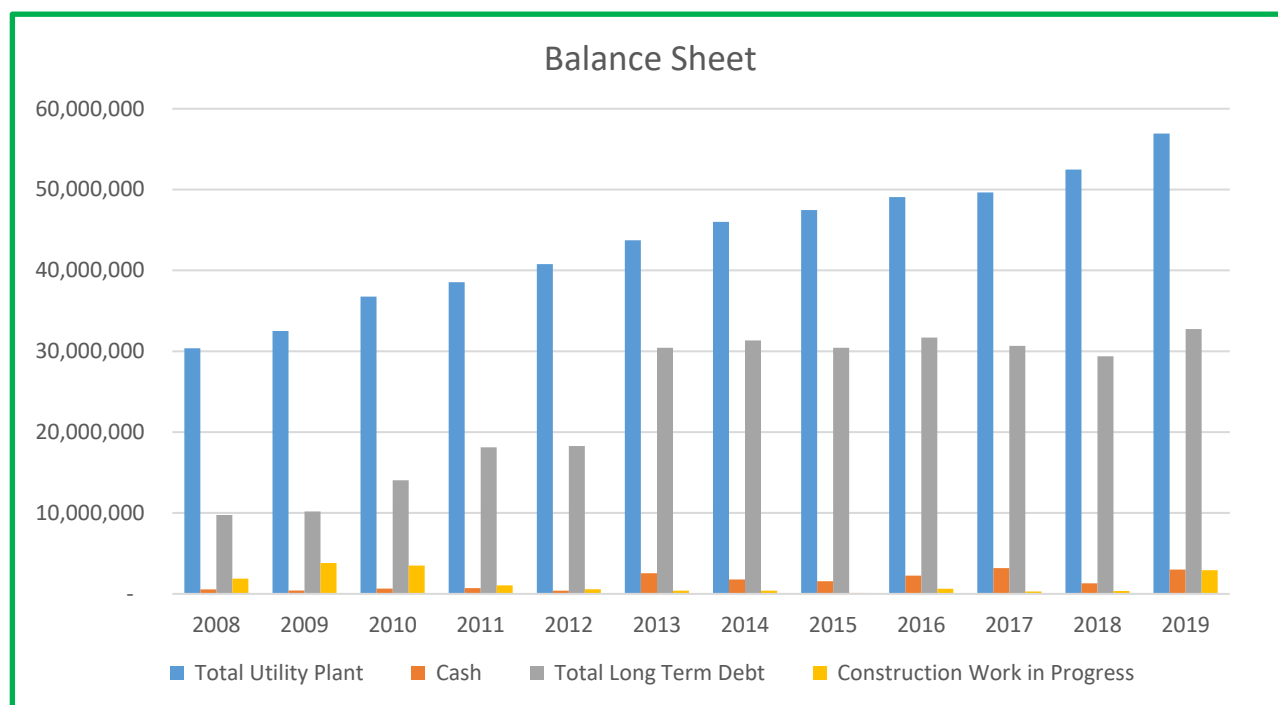
Statement of Operations

year	Total Operating Revenue	Operating Margins	Operating Margins:Total Margins	Patronage Capital or Margins
	F7A, 1	F7A, 21	Margins	F7A, 29
2008	11,812,653	(362,579)	-3.07%	439,545
2009	11,369,139	(327,227)	-2.88%	670,098
10 year 2010	13,057,889	(52,624)	-0.40%	(469,921)
2011	14,446,759	101,209	0.70%	262,268
2012	15,223,186	234,239	1.54%	2,155,186
2013	16,371,981	518,454	3.17%	1,232,846
2014	18,005,804	682,698	3.79%	3,072,060
5 year 2015	16,605,232	327,982	1.98%	1,780,147
2016	16,464,867	699,763	4.25%	1,959,582
2017	16,786,658	825,550	4.92%	1,785,807
2018	17,802,551	679,436	3.82%	1,341,771
2019	17,781,223	706,606	3.97%	1,728,327
10 year average:	16,254,615	472,331	2.77%	1,484,807
5 year average:	17,088,106	647,867	3.79%	1,719,127



Balance Sheet

year	Total Utility Plant		Construction Work in Progress	Cash	Total Long Term Debt
	F7, C3	change	F7, C2	F7, C 15+16+17+18	F7, C43
2008	30,361,485		1,861,353	548,898	9,738,897
2009	32,501,548	2,140,063	3,813,272	412,092	10,182,203
10 year 2010	36,750,114	4,248,566	3,497,697	634,585	14,049,954
2011	38,533,365	1,783,251	1,043,970	703,617	18,113,444
2012	40,768,184	2,234,819	560,991	385,108	18,282,353
2013	43,722,618	2,954,434	380,320	2,544,660	30,419,110
2014	46,007,936	2,285,318	383,172	1,773,726	31,334,088
5 year 2015	47,456,324	1,448,388	107,943	1,561,617	30,417,473
2016	49,074,611	1,618,287	615,243	2,244,159	31,688,624
2017	49,647,131	572,520	281,204	3,184,502	30,663,803
2018	52,475,269	2,828,138	355,770	1,295,130	29,374,874
2019	56,926,974	4,451,705	2,924,100	3,003,585	32,740,962
10 year average:	46,136,253	2,442,543	1,015,041	1,733,069	26,708,469
5 year average:	51,116,062	2,183,808	856,852	2,257,799	30,977,147



This graph shows that our utility plant is growing faster than our debt.

General Cash Requirement

There are two general schools of thought about how much cash a Cooperative should have on

- 1 The RUS suggestion: Eight percent (8%) of Total Utility Plant.
- 2 Modified: two months power bill + One year interest payments + two months payroll

RUS Suggestion

year	TUP	8%	LSEC Cash on hand	difference
2009	32,501,548	2,600,124	412,092	(2,188,032)
10 year 2010	36,750,114	2,940,009	634,585	(2,305,424)
2011	38,533,365	3,082,669	703,617	(2,379,052)
2012	40,768,184	3,261,455	385,108	(2,876,347)
2013	43,722,618	3,497,809	2,544,660	(953,149)
2014	46,007,936	3,680,635	1,773,726	(1,906,909)
5 year 2015	47,456,324	3,796,506	1,561,617	(2,234,889)
2016	49,074,611	3,925,969	2,244,159	(1,681,810)
2017	49,647,131	3,971,770	3,184,502	(787,268)
2018	52,475,269	4,198,022	1,295,130	(2,902,892)
2019	56,926,974	4,554,158	3,003,585	(1,550,573)
10 year average:	44,896,734	3,591,739	1,473,920	(2,021,577)
5 year average:	48,932,254	3,914,580	2,011,827	(1,902,754)

Modified

year	two months power bill	one year interest pymts	two months payroll	total	difference
2009	1,223,888	525,892	278,764	2,028,544	(1,616,452)
10 year 2010	1,415,460	668,600	278,028	2,362,088	(1,727,503)
2011	1,530,564	755,020	290,184	2,575,767	(1,872,150)
2012	1,648,136	732,750	281,405	2,662,291	(2,277,183)
2013	1,765,566	727,355	302,759	2,795,681	(251,021)
2014	1,948,132	1,181,441	305,007	3,434,580	(1,660,854)
5 year 2015	1,707,798	1,190,787	310,515	3,209,099	(1,647,482)
2016	1,663,127	1,204,368	321,747	3,189,242	(945,083)
2017	1,621,062	1,175,961	316,974	3,113,996	70,506
2018	1,784,362	1,220,122	314,717	3,319,201	(2,024,071)
2019	1,745,720	1,270,377	317,278	3,333,375	(329,790)
10 year average:	1,630,809	938,230	300,010	2,869,049	(1,395,129)
5 year average:	1,744,896	1,194,536	313,792	3,253,224	(1,241,397)

year	two months power bill	1yr interest pymts less FFB*	two months payroll	total	difference
2019	1,745,720	291,685	317,278	2,354,683	1,059,553

* application of Cushion of Credit

Letters of Credit

<i>year</i>		CoBank	NRUCFC	NCSC	total
10 year	2008	-	8,000,000	750,000	8,750,000
	2009	-	8,000,000	750,000	8,750,000
	2010	-	8,000,000	-	8,000,000
	2011	4,000,000	13,000,000	-	17,000,000
	2012	4,000,000	7,000,000	-	11,000,000
	2013	1,000,000	2,000,000	-	3,000,000
	2014	1,000,000	2,000,000	-	3,000,000
5 year	2015	1,000,000	2,000,000	-	3,000,000
	2016	1,000,000	2,000,000	-	3,000,000
	2017	1,000,000	2,000,000	-	3,000,000
	2018	1,000,000	2,000,000	-	3,000,000
	2019	1,000,000	4,000,000	-	5,000,000

Wholesale Power Costs

Sunflower Electric Cooperative, Inc. (KS0053)

year	kWh Purchased		Total cost		Average cost/kWh	
	F7, K 1e	Δ%	F7, K 1f	Δ%	F7, K 1g	Δ%
2009	130,987,897		7,336,998		5.60	
10 year 2010	139,219,745	6.3%	8,474,304	15.5%	6.09	8.7%
2011	146,646,033	5.3%	9,156,901	8.1%	6.24	2.6%
2012	150,645,772	2.7%	9,870,010	7.8%	6.55	4.9%
2013	153,625,822	2.0%	10,582,848	7.2%	6.89	5.1%
2014	165,576,757	7.8%	11,673,641	10.3%	7.05	2.3%
5 year 2015	116,253,896	-29.8%	7,350,246	-37.0%	6.32	-10.3%
2016	108,820,364	-6.4%	7,228,920	-1.7%	6.64	5.1%
2017	110,961,381	2.0%	7,056,376	-2.4%	6.36	-4.3%
2018	127,882,493	15.2%	8,104,970	14.9%	6.34	-0.3%
2019	146,755,207	14.8%	8,557,112	5.6%	5.83	-8.0%
10 year average:	136,638,747		8,805,533		6.43	
5 year average:	122,134,668		7,659,525		6.30	
5-year Growth Rate:	5.25%		3.28%		-1.56%	

Mid-Kansas Electric Company, LLC (KS)

year	kWh Purchased		Total cost		Average cost/kWh	
	F7, K 1e	Δ%	F7, K 1f	Δ%	F7, K 1g	Δ%
2009						
10 year 2010						
2011						
2012						
2013						
2014						
5 year 2015	41,741,147		2,891,019		6.93	
2016	40,519,853	-2.9%	2,726,667	-5.7%	6.73	-2.8%
2017	39,228,540	-3.2%	2,652,813	-2.7%	6.76	0.5%
2018	36,559,539	-6.8%	2,587,617	-2.5%	7.08	4.7%
2019	33,588,583	-8.1%	1,904,843	-26.4%	5.67	-19.9%
5 year average:	38,327,532		2,552,592		6.63	
5-year Growth	-3.91%		-6.82%		-3.62%	

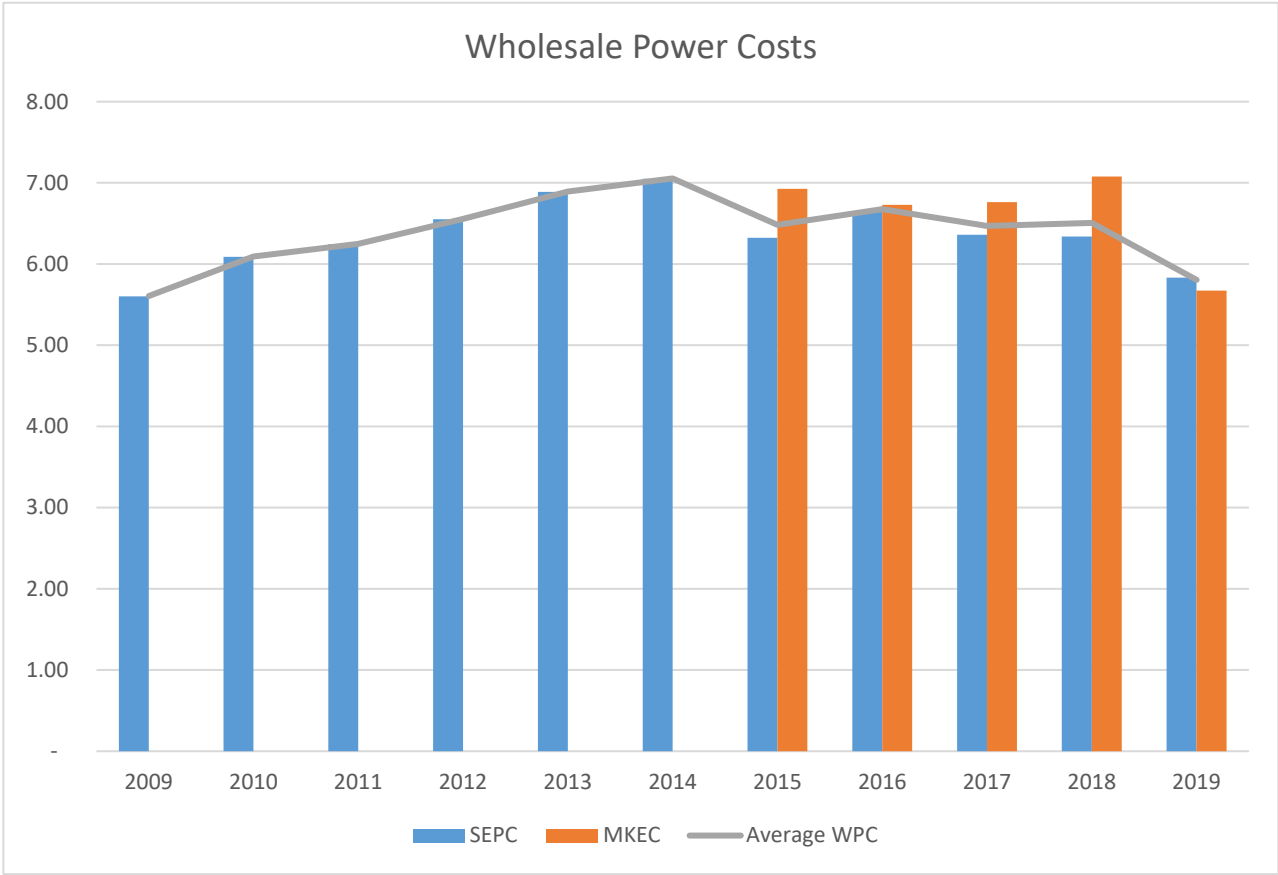
Wheatland Electric Cooperative (KS0051)

year	kWh Purchased		Total cost		Average cost/kWh	
	F7, K 1c	Δ%	F7, K 1d	Δ%	F7, K 1e	Δ%
2009	-	0.0%	6,000		-	
10 year 2010	-	0.0%	6,000	0.0%	-	0.0%
2011	-	0.0%	6,000	0.0%	-	0.0%
2012	-	0.0%	6,000	0.0%	-	0.0%
2013	-	0.0%	6,000	0.0%	-	0.0%
2014	-	0.0%	6,000	0.0%	-	0.0%
5 year 2015	-	0.0%	-	-100.0%	-	0.0%
2016	-	0.0%	12,000		-	0.0%
2017	-	0.0%	6,000	-50.0%	-	0.0%
2018	-	0.0%	6,000	0.0%	-	0.0%
2019	-	0.0%	6,000	0.0%	-	0.0%

LSEC pays Wheatland \$6,000.00 per year for a circuit out of their Scott City Substation. This contract was established in 2000 and has an annual evergreen clause. Energy is billed through SEPC.

Average WPC

year	kWh Purchased		Total cost		Average cost/kWh	
	F7, K 1c	Δ%	F7, K 1d	Δ%	F7, K 1e	Δ%
2009	130,987,897		7,342,998		5.606	
10 year 2010	139,219,745	6.3%	8,480,304	15.5%	6.091	8.7%
2011	146,646,033	5.3%	9,162,901	8.0%	6.248	2.6%
2012	150,645,772	2.7%	9,876,010	7.8%	6.556	4.9%
2013	153,625,822	2.0%	10,588,848	7.2%	6.893	5.1%
2014	165,576,757	7.8%	11,679,641	10.3%	7.054	2.3%
5 year 2015	157,995,043	-4.6%	10,241,265	-12.3%	6.482	-8.1%
2016	149,340,217	-5.5%	9,967,587	-2.7%	6.674	3.0%
2017	150,189,921	0.6%	9,715,189	-2.5%	6.469	-3.1%
2018	164,442,032	9.5%	10,698,587	10.1%	6.506	0.6%
2019	180,343,790	9.7%	10,467,955	-2.2%	5.804	-10.8%
10 year average:	150,866,924		9,775,333		6.46	
5 year average:	157,508,794		10,460,454		6.64	
5-year Growth Rate:	2.83%		0.44%		-2.09%	



Consolidated WPC

year	Sunflower		Mid-Kansas		Total	
	kWh	\$\$s	kWh	\$\$s	kWh	\$\$s
2009	130,987,897	7,336,998	-	-	130,987,897	7,336,998
10 year 2010	139,219,745	8,474,304	-	-	139,219,745	8,474,304
2011	146,646,033	9,156,901	-	-	146,646,033	9,156,901
2012	150,645,772	9,870,010	-	-	150,645,772	9,870,010
2013	153,625,822	10,582,848	-	-	153,625,822	10,582,848
2014	165,576,757	11,673,641	-	-	165,576,757	11,673,641
5 year 2015	116,253,896	7,350,246	41,741,147	2,891,019	157,995,043	10,241,265
2016	108,820,364	7,228,920	40,519,853	2,726,667	149,340,217	9,955,587
2017	110,961,381	7,056,376	39,228,540	2,652,813	150,189,921	9,709,189
2018	127,882,493	8,104,970	36,559,539	2,587,617	164,442,032	10,692,587
2019	146,755,207	8,557,112	33,588,583	1,904,843	180,343,790	10,698,587

5-year Growth Rate:	5.25%	3.28%	-3.91%	-6.82%	2.83%	0.89%
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Consolidated percentages

year	Sunflower		Mid-Kansas	
	kWh	\$\$s	kWh	\$\$s
2009	100%	100%	0%	0%
10 year 2010	100%	100%	0%	0%
2011	100%	100%	0%	0%
2012	100%	100%	0%	0%
2013	100%	100%	0%	0%
2014	100%	100%	0%	0%
5 year 2015	74%	72%	26%	28%
2016	73%	73%	27%	27%
2017	74%	73%	26%	27%
2018	78%	76%	22%	24%
2019	81%	80%	19%	18%

Wholesale Power Cost statistics

<i>year</i>	<i>TI Cost purchased power</i>	<i>Cost per consumer</i>	<i>Cost perTotal Utility Plant</i>	<i>Cost per mile energized</i>
2009	7,342,998	2,796	0.23	3,639
10 year 2010	8,480,304	3,243	0.23	4,167
2011	9,162,901	3,500	0.24	4,496
2012	9,876,010	3,793	0.24	4,817
2013	10,588,848	4,065	0.24	5,129
2014	11,679,641	4,492	0.25	5,654
5 year 2015	10,241,265	3,939	0.22	4,955
2016	9,967,587	3,859	0.20	4,882
2017	9,715,189	3,777	0.20	4,758
2018	10,698,587	4,042	0.20	5,238
2019	10,467,955	3,937	0.18	5,121
10 year average:	10,087,829	3,865	0.22	4,922
5 year average:	10,218,117	3,911	0.20	4,991

5-year Growth Rate:	0.44%	-0.01%	-2.96%	0.67%
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Financial Analysis

Ratio Analysis							
year	Equity (% of Assets)	Dist Equity	General Funds Level	TIER	Operating TIER	Operating DSC	Current Ratio
2008				1.93	0.23		
2009	25.19	24.92	2.52	2.17	0.34	0.91	0.46
10 year 2010	21.09	20.77	2.81	(0.09)	0.92	1.14	0.43
2011	22.11	21.79	2.83	1.35	1.13	2.40	0.49
2012	23.81	23.47	8.19	3.93	1.31	0.35	0.43
2013	21.50	21.28	12.21	2.68	1.71	3.58	1.46
2014	26.50	12.64	0.70	3.59	1.58	2.28	1.47
5 year 2015	29.71	15.21	3.32	2.51	1.28	1.39	1.32
2016	31.60	16.25	4.63	2.65	1.59	1.98	1.58
2017	34.43	18.87	6.47	2.53	1.71	1.92	1.77
2018	36.81	21.84	9.80	2.11	1.56	1.60	1.06
2019	36.46	21.94	12.33	2.37	1.56	1.68	1.50
10 year average:	28.11	19.91	5.98	2.35	1.34	1.75	1.09
5 year average:	33.80	18.82	7.31	2.43	1.54	1.71	1.45

year	Blended Interest Rate paid	Rate of Return on Rate Base	KCC 12-822 Deposit Interest Rate
2008		1.67%	3.15%
2009	4.93%	-2.16%	1.00%
10 year 2010	4.93%	5.32%	0.50%
2011	4.80%	1.81%	0.50%
2012	3.77%	-2.15%	0.12%
2013	3.66%	1.43%	0.18%
2014	3.63%	-0.82%	0.13%
5 year 2015	3.63%	0.11%	0.13%
2016	3.55%	1.01%	0.51%
2017	3.55%	1.60%	0.82%
2018	3.50%	1.81%	1.62%
2019	3.34%	1.82%	2.72%
10 year average:	3.84%	1.19%	0.72%
5 year average:	3.51%	1.27%	1.16%

note:

The Blended Interest rate includes FFB, CFC, and CoBank vehicle notes.

Sales / Power Requirements

Residential

year	YE Members Served	kWh sold	revenue	revenue per kWh (\$s)	revenue per member per year	kWh per month
	F7, O1aa	F7, O1bc	F7, O1cc			
2009	2,429	23,828,133	2,364,440	0.0992	973.42	817.5
10 year 2010	2,394	25,816,294	2,770,427	0.1073	1,157.24	898.6
2011	2,382	26,163,815	2,911,830	0.1113	1,222.43	915.3
2012	2,390	25,689,838	2,822,756	0.1099	1,181.07	895.7
2013	2,401	25,719,268	3,049,183	0.1186	1,269.96	892.7
2014	2,382	25,773,703	3,172,901	0.1231	1,332.03	901.7
5 year 2015	2,359	25,530,504	3,027,880	0.1186	1,283.54	901.9
2016	2,310	24,248,180	2,947,963	0.1216	1,276.17	874.8
2017	2,268	22,960,460	2,914,311	0.1269	1,284.97	843.6
2018	2,251	24,701,066	3,013,673	0.1220	1,338.82	914.4
2019	2,225	24,196,666	2,852,725	0.1179	1,282.12	906.2
10 year average:	2,336	25,079,979	2,948,365	0.1177	1,263	895
5 year average:	2,283	24,327,375	2,951,310	0.1214	1,293	888

5-year Growth Rate:	-1.14%	-1.04%	-1.16%	-0.12%	-0.02%	0.10%
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Residential - Seasonal

year	YE Members Served	kWh sold	revenue	revenue per kWh (\$s)	revenue per member per year	kWh per month
	F7, O2aa	F7, O2bc	F7, O2cc			
2009	773	1,860,800	277,329	0.1490	358.77	200.6
10 year 2010	813	1,539,507	263,562	0.1712	324.18	157.8
2011	821	1,564,650	276,188	0.1765	336.40	158.8
2012	832	1,513,603	284,211	0.1878	341.60	151.6
2013	833	1,567,380	294,278	0.1878	353.27	156.8
2014	847	1,549,260	288,146	0.1860	340.20	152.4
5 year 2015	863	1,483,540	276,088	0.1861	319.92	143.3
2016	1,118	1,623,349	323,696	0.1994	289.53	121.0
2017	1,132	1,853,346	389,118	0.2100	343.74	136.4
2018	1,142	2,039,375	407,514	0.1998	356.84	148.8
2019	1,141	2,093,679	404,910	0.1934	354.87	152.9
10 year average:	954	1,682,769	320,771	0.1898	336	148
5 year average:	1,079	1,818,658	360,265	0.1977	333	140

5-year Growth Rate:	6.44%	8.23%	9.33%	0.78%	2.19%	1.35%
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Irrigation

year	YE Members Served	kWh sold	revenue	revenue per kWh (\$s)	revenue per member per year	kWh per month
	F7, O3aa	F7, O3bc	F7, O3cc			
2009	304	7,162,095	693,623	0.0968	2,281.65	1,963.3
10 year 2010	310	7,601,957	805,252	0.1059	2,597.59	2,043.5
2011	318	10,822,646	1,163,640	0.1075	3,659.25	2,836.1
2012	319	11,138,105	1,264,718	0.1135	3,964.63	2,909.6
2013	320	8,370,258	1,051,779	0.1257	3,286.81	2,179.8
2014	322	8,796,187	1,062,323	0.1208	3,299.14	2,276.4
5 year 2015	328	8,177,412	951,813	0.1164	2,901.87	2,077.6
2016	331	7,869,704	970,203	0.1233	2,931.13	1,981.3
2017	333	8,134,522	1,090,272	0.1340	3,274.09	2,035.7
2018	332	7,879,987	1,017,830	0.1292	3,065.75	1,977.9
2019	334	7,221,785	936,183	0.1296	2,802.94	1,801.84
10 year average:	325	8,601,256	1,031,401	0.1206	3,178	2,212
5 year average:	332	7,856,682	993,260	0.1265	2,995	1,975

5-year Growth Rate:	0.37%	-2.34%	-0.33%	2.27%	-0.68%	-2.65%
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Commercial and Industrial Under 1000kVa

year	YE Members Served	kWh sold	revenue	revenue per kWh (\$s)	revenue per member per year	kWh per month
	F7, O4aa	F7, O4bc	F7, O4cc			
2009	1,704	39,230,972	3,820,393	0.0974	2,242	1,919
10 year 2010	1,757	41,497,830	4,262,818	0.1027	2,426	1,968
2011	1,820	44,204,909	4,740,353	0.1072	2,605	2,024
2012	1,871	46,610,683	5,263,034	0.1129	2,813	2,076
2013	1,932	48,832,624	5,714,222	0.1170	2,958	2,106
2014	1,930	49,748,211	5,839,560	0.1174	3,026	2,148
5 year 2015	1,942	47,249,392	5,327,256	0.1127	2,743	2,028
2016	1,876	47,833,352	5,446,191	0.1139	2,903	2,125
2017	1,877	52,018,673	5,840,567	0.1123	3,112	2,309
2018	1,862	52,942,381	5,854,660	0.1106	3,144	2,369
2019	1,856	52,598,388	5,561,123	0.1057	2,996	2,362
10 year average:	1,872	48,353,644	5,384,978	0.1112	2,873	2,152
5 year average:	1,883	50,528,437	5,605,959	0.1110	2,980	2,239

5-year Growth Rate:	-0.89%	2.26%	0.88%	-1.25%	1.85%	3.30%
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Commercial and Industrial Over 1000kVa

year	YE Members Serviced	kWh sold	revenue	revenue per kWh (\$s)	revenue per member per year	kWh per month
	F7, O5aa	F7, O5bc	F7, O5cc			
2009	292	36,821,205	3,374,707	0.0917	11,557	10,508
10 year 2010	299	40,325,704	4,048,590	0.1004	13,540	11,239
2011	303	41,245,457	4,376,476	0.1061	14,444	11,344
2012	318	42,374,438	4,621,338	0.1091	14,533	11,104
2013	318	47,179,171	5,375,207	0.1139	16,903	12,364
2014	329	58,572,731	6,596,728	0.1126	20,051	14,836
5 year 2015	357	54,703,255	6,078,261	0.1111	17,026	12,769
2016	197	47,803,166	5,836,685	0.1221	29,628	20,221
2017	180	44,232,730	5,666,618	0.1281	31,481	20,478
2018	189	56,451,769	6,528,043	0.1156	34,540	24,891
2019	189	73,111,587	7,123,779	0.0974	37,692	32,236
10 year average:	268	50,600,001	5,625,173	0.1117	22,984	17,148
5 year average:	222	55,260,501	6,246,677	0.1149	30,073	22,119

5-year Growth Rate:	-9.41%	6.73%	3.44%	-2.46%	24.28%	30.49%
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Public Street and Highway Lighting

year	YE Members Serviced	kWh sold	revenue	revenue per kWh (\$s)	revenue per member per year	kWh per month
	F7, O6aa	F7, O6bc	F7, O6cc			
2009	32	449,357	70,679	0.1573	2,209	1,170
10 year 2010	31	448,596	57,687	0.1286	1,861	1,206
2011	30	448,767	57,928	0.1291	1,931	1,247
2012	29	448,050	54,759	0.1222	1,888	1,288
2013	28	447,334	59,082	0.1321	2,110	1,331
2014	30	448,431	63,634	0.1419	2,121	1,246
5 year 2015	28	446,571	60,826	0.1362	2,172	1,329
2016	27	444,547	59,776	0.1345	2,214	1,372
2017	23	442,027	58,983	0.1334	2,564	1,602
2018	23	441,548	58,367	0.1322	2,538	1,600
2019	13	440,152	55,988	0.1272	4,306.77	2,821
10 year average:	26	445,602	58,703	0.1317	2,371	1,474
5 year average:	23	442,969	58,788	0.1327	2,759	1,430

5-year Growth Rate:	-10.71%	-0.29%	-1.59%	-1.32%	19.65%	22.46%
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Other Sales to Public Authority

year	YE Members Serviced	kWh sold	revenue	revenue per kWh (\$s)	revenue per member per year	kWh per month
	F7, O7aa	F7, O7bc	F7, O7cc			
2009	52	554,502	53,648	0.0967	1,032	889
10 year 2010	51	584,474	64,102	0.1097	1,257	955
2011	51	585,771	67,902	0.1159	1,331	957
2012	49	(48,715)	10,257	-0.2106	209	(83)
2013	48	456,825	58,106	0.1272	1,211	793
2014	48	459,223	60,451	0.1316	1,259	797
5 year 2015	50	468,252	58,992	0.1260	1,180	780
2016	50	430,922	56,226	0.1305	1,125	718
2017	49	333,842	48,261	0.1446	985	568
2018	49	364,261	54,605	0.1499	1,114	619
2019	49	364,795	52,518	0.1440	1,072	620
10 year average:	49	399,965	53,142	0.0969	1,074	673
5 year average:	49	392,414	54,120	0.1390	1,095	661

5-year Growth Rate:	-0.40%	-4.42%	-2.19%	2.85%	-1.83%	-4.10%
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Sales for Resale

year	YE Members Serviced	kWh sold	revenue	revenue per kWh (\$s)	revenue per member per year	kWh per month
	F7, O9aa	F7, O9bc	F7, O9cc			
2009	1	10,475,172	685,283	0.0654	685,283	872,931
10 year 2010	1	10,796,258	755,858	0.0700	755,858	899,688
2011	1	10,789,106	792,870	0.0735	792,870	899,092
2012	1	10,574,038	874,683	0.0827	874,683	881,170
2013	1	10,359,299	885,620	0.0855	885,620	863,275
2014	1	10,279,430	888,616	0.0864	888,616	856,619
5 year 2015	1	10,319,452	792,813	0.0768	792,813	859,954
2016	1	9,845,300	798,092	0.0811	798,092	820,442
2017	1	9,592,032	759,405	0.0792	759,405	799,336
2018	1	9,814,443	773,173	0.0788	773,173	817,870
2019	1	8,272,195	609,985	0.0737	609,985	689,350
10 year average:	1	10,064,155	793,112	0.0788	793,112	838,680
5 year average:	1	9,568,684	746,694	0.0779	746,694	797,390

5-year Growth Rate:	0.00%	-3.97%	-4.61%	-0.80%	-4.61%	-3.97%
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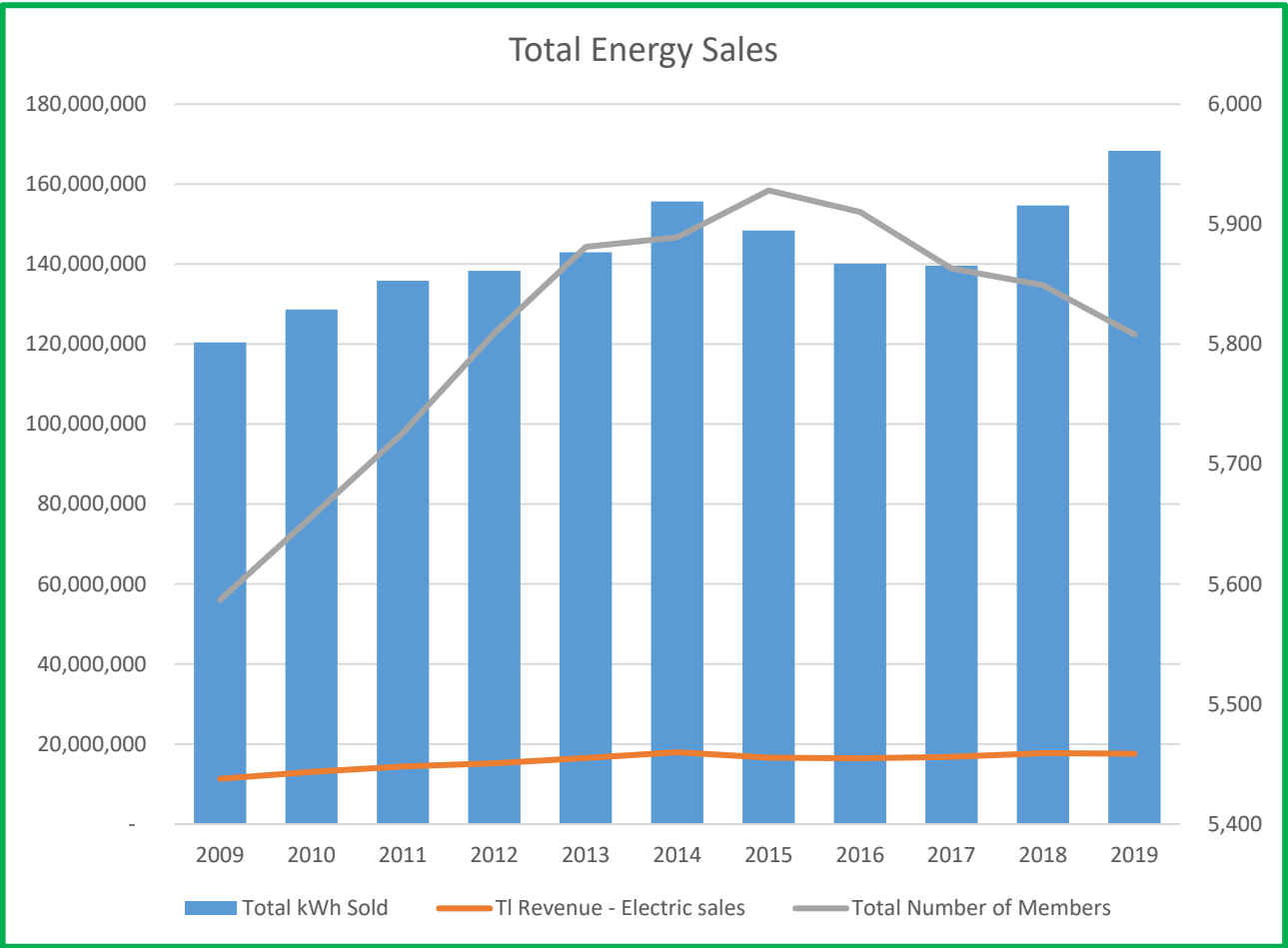
Total Sales

year	Total Number of Members	Total kWh Sold	TI Revenue - Electric sales	revenue per kWh (\$s)	Other Electric Revenue	Peak (CP)
	F7, O10	F7, O11	F7, O12		F7, O14	F7, O20
2009	5,587	120,382,236	11,340,102	0.0942	29,035	25,666
10 year 2010	5,656	128,610,620	13,028,296	0.1013	29,592	27,775
2011	5,726	135,825,121	14,387,187	0.1059	29,537	28,015
2012	5,809	138,300,040	15,195,756	0.1099	27,429	28,983
2013	5,881	142,932,159	16,487,477	0.1154	26,106	28,672
2014	5,889	155,627,176	17,972,359	0.1155	33,445	28,907
5 year 2015	5,928	148,378,378	16,573,929	0.1117	31,301	28,275
2016	5,910	140,098,520	16,438,832	0.1173	26,035	27,714
2017	5,863	139,567,632	16,767,535	0.1201	19,124	28,543
2018	5,849	154,634,830	17,707,865	0.1145	94,686	31,298
2019	5,808	168,299,247	17,597,211	0.1046	184,012	31,828
10 year average:	5,832	145,227,372	16,215,645	0.1116	50,127	29,001
5 year average:	5,872	150,195,721	17,017,074	0.1137	71,032	29,532

5-year Growth Rate:	-0.40%	2.69%	1.23%	-1.28%	97.58%	2.51%
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Total

year	Residential	Residential Seasonal	Irrigation	Small Comm	Large Comm	PA & Resale
	% revenue	% revenue	% revenue	% revenue	% revenue	% revenue
2009	20.9%	2.4%	6.1%	33.7%	29.8%	6.5%
10 year 2010	21.3%	2.0%	6.2%	32.7%	31.1%	6.3%
2011	20.2%	1.9%	8.1%	32.9%	30.4%	6.0%
2012	18.6%	1.9%	8.3%	34.6%	30.4%	5.8%
2013	18.5%	1.8%	6.4%	34.7%	32.6%	5.7%
2014	17.7%	1.6%	5.9%	32.5%	36.7%	5.3%
5 year 2015	18.3%	1.7%	5.7%	32.1%	36.7%	5.1%
2016	17.9%	2.0%	5.9%	33.1%	35.5%	5.2%
2017	17.4%	2.3%	6.5%	34.8%	33.8%	4.8%
2018	17.0%	2.3%	5.7%	33.1%	36.9%	4.7%
2019	16.2%	2.3%	5.3%	31.6%	40.5%	3.8%
10 year average:	18.30%	1.98%	6.41%	33.22%	34.45%	5.27%
5 year average:	17.36%	2.11%	5.84%	32.95%	36.66%	4.72%

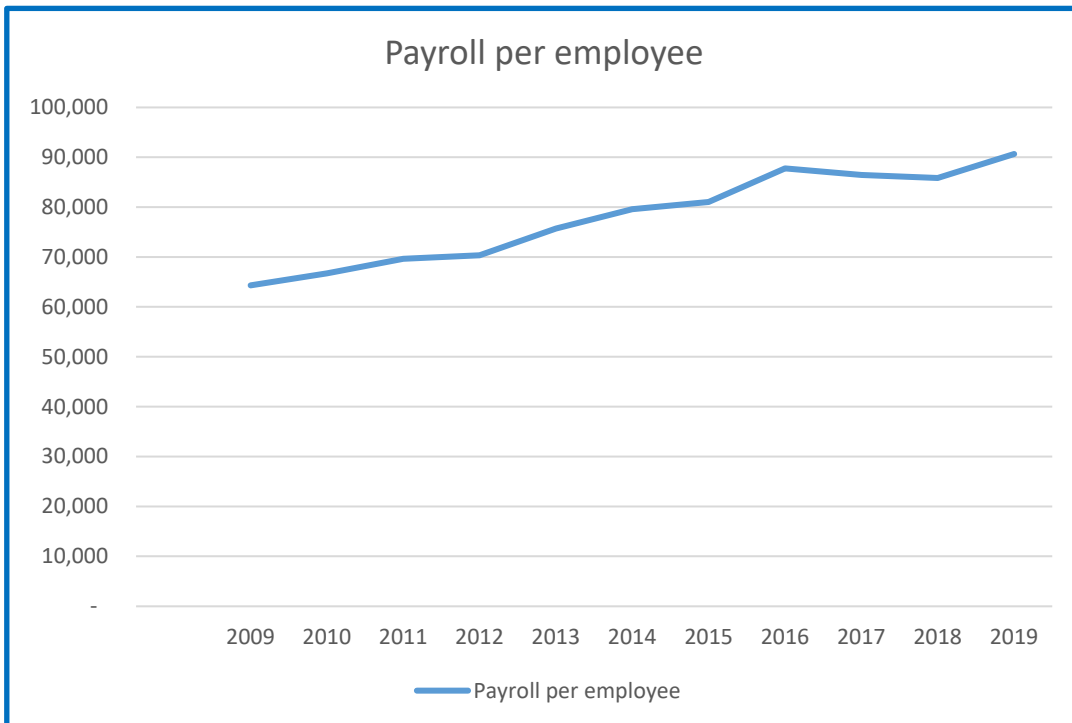
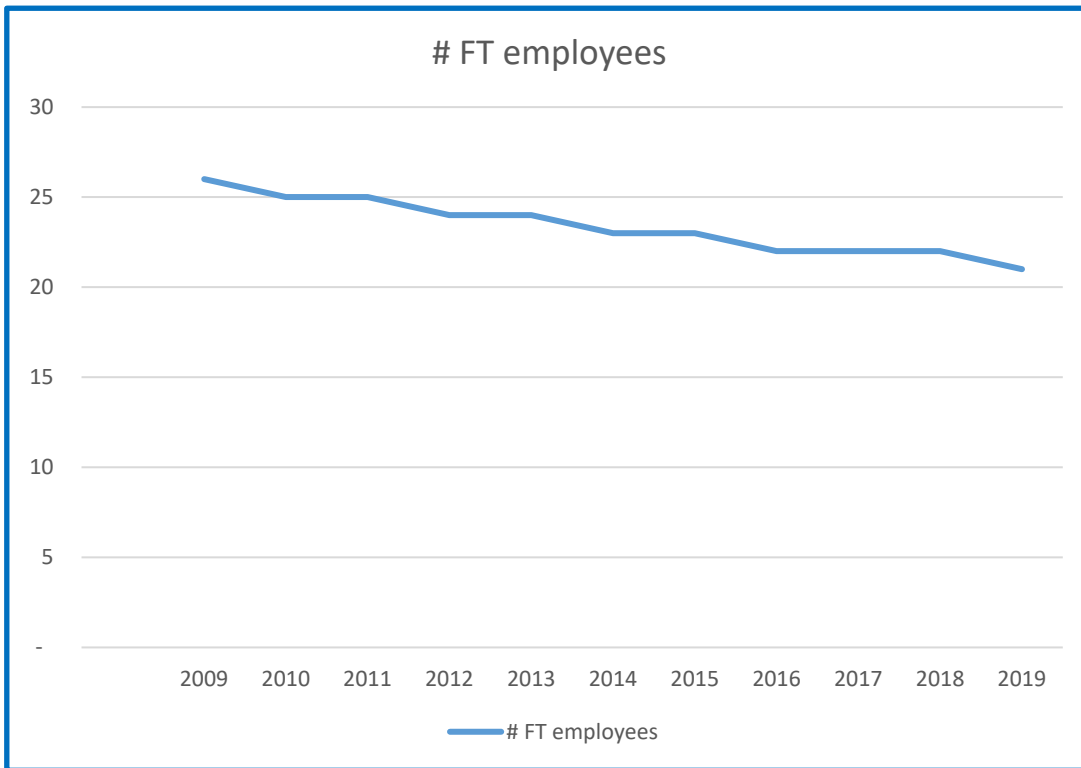


Payroll

year	# FT employees	Total Payroll		Payroll per employee		Overtime hours	
	F7, H1	F7, H4+5+6	Δ%	dollars	Δ%	F7, H3	Δ%
2009	26	1,672,584		64,330		2,568	
10 year 2010	25	1,668,170	-0.3%	66,727	3.7%	1,779	-30.7%
2011	25	1,741,103	4.4%	69,644	4.4%	1,941	9.1%
2012	24	1,688,428	-3.0%	70,351	1.0%	1,804	-7.1%
2013	24	1,816,556	7.6%	75,690	7.6%	1,496	-17.1%
2014	23	1,830,042	0.7%	79,567	5.1%	1,783	19.2%
5 year 2015	23	1,863,088	1.8%	81,004	1.8%	1,888	5.9%
2016	22	1,930,483	3.6%	87,749	8.3%	2,413	27.8%
2017	22	1,901,842	-1.5%	86,447	-1.5%	1,867	-22.6%
2018	22	1,888,300	-0.7%	85,832	-0.7%	1,772	-5.1%
2019	21	1,903,667	0.8%	90,651	5.6%	1,776	0.2%
10 year avg:	23	1,823,168		79,366		1,852	
5 year avg:	22	1,897,476		86,337		1,943	

FR Clothing Allowance Budget - Outside

year	jeans (3x)	Shirts (3x)	Sweat Shirts (3x)	Outer Wear (1x)	Gloves (12x)	Total per employee
2009						
10 year 2010						
2011						
2012						
2013						
2014						
5 year 2015						
2016						
2017	205.89	191.52	156.08	225.59	240.00	1,019.08
2018	202.90	195.12	179.06	279.99		857.07
2019	273.81	236.64	177.55	254.95	100.00	1,042.95
10 year avg:	228	208	171	254	170	973
5 year avg:	228	208	171	254	170	973



Long Term Debt

Rural Utilities Service (excludes RUS Econ Dev loans)

<i>year</i>		Total Debt (year end)		Interest paid	Principle paid	Total paid	
		F7, N1a	Δ%	F7, N1b	F7, N1c	F7, N1d	Δ%
10 year	2009	9,266,038		474,526	251,732	726,258	
	2010	9,026,572	-2.6%	464,205	245,601	709,806	-2.3%
	2011	8,789,324	-2.6%	453,910	240,590	694,500	-2.2%
	2012	-	-100.0%	203,979	9,017,177	9,221,156	1227.7%
	2013	-	0.0%	-	13,091	13,091	-99.9%
5 year	2014	-	0.0%	-	-	-	-
	2015	-	0.0%	-	-	-	-
	2016	-	0.0%	-	-	-	-
	2017	-	0.0%	-	-	-	-
	2018	-	0.0%	-	-	-	-
	2019	-		-	-	-	-
10 year average:		1,781,590		112,209	951,646	1,033,165	
5 year average:		-		-	-	-	

National Rural Utilities Cooperative Finance Corporation

<i>year</i>		Total Debt		Interest paid	Principle paid	Total paid	
		F7, N2a	Δ%	F7, N2b	F7, N2c	F7, N2d	Δ%
10 year	2009	765,783		51,366	335,185	386,551	
	2010	-		35,268	763,308	798,576	106.6%
	2011	-		6,694	279,911	286,605	-64.1%
	2012	8,598,954		158,903	170,529	329,432	14.9%
	2013	11,371,570	32.2%	356,816	367,562	724,378	119.9%
5 year	2014	9,915,001	-12.8%	426,802	1,075,981	1,502,783	107.5%
	2015	8,513,677	-14.1%	386,663	1,171,941	1,558,604	3.7%
	2016	7,983,217	-6.2%	348,000	597,013	945,013	-39.4%
	2017	7,434,944	-6.9%	329,464	530,458	859,922	-9.0%
	2018	6,879,191	-7.5%	311,099	548,272	859,371	-0.1%
	2019	6,345,436	-7.8%	291,685	553,599	845,284	-1.6%
10 year average:		6,704,199		265,139	605,857	870,997	
5 year average:		7,431,293		333,382	680,257	1,013,639	

Federal Financing Bank

year		Total Debt		Interest paid	Principle paid	Total paid	
		F7, N4a	Δ%	F7, N4b	F7, N4c	F7, N4d	Δ%
10 year	2009	-	-	-	-	-	-
	2010	4,873,000	-	169,127	-	169,127	-
	2011	9,173,738	88.3%	294,416	33,981	328,397	94.2%
	2012	9,533,017	3.9%	369,868	157,003	526,871	60.4%
	2013	18,897,158	98.2%	370,539	161,305	531,844	0.9%
5 year	2014	21,268,705	12.5%	754,639	164,431	919,070	72.8%
	2015	21,753,414	2.3%	797,233	281,981	1,079,214	17.4%
	2016	23,555,007	8.3%	844,881	437,889	1,282,770	18.9%
	2017	23,078,459	-2.0%	839,018	470,467	1,309,485	2.1%
	2018	26,166,528	13.4%	903,796	517,593	1,421,389	8.5%
	2019	30,261,045	15.6%	972,849	587,550	1,560,399	9.8%
10 year average:		18,856,007		631,637	281,220	912,857	
5 year average:		24,962,891		871,555	459,096	1,330,651	

RUS - EconDev Loans

year		Total Debt	
		F7, N4a	Δ%
10 year	2009	150,382	
	2010	150,382	0.0%
	2011	150,382	0.0%
	2012	150,382	0.0%
	2013	150,382	0.0%
5 year	2014	150,382	0.0%
	2015	150,382	0.0%
	2016	150,400	0.0%
	2017	150,400	0.0%
	2018	150,400	0.0%
	2019	150,400	0.0%
10 year average:		150,389	
5 year average:		150,393	

These funds are from the USDA Rural Economic Development Loan and Grant Program.

note: 2016 was a correction to the proper amount.

Farm Credit Services (CoBank truck leasing)

year	Total Debt		Interest paid	Principle paid	Total paid	
	F7, N4a	Δ%		F7, N4c	F7, N4d	Δ%
2009	-		-	-	-	
10 year 2010	-	0.0%	-	-	-	0.0%
2011	-	0.0%	-	-	-	0.0%
2012	-	0.0%	-	-	-	0.0%
2013	-	0.0%	-	-	-	0.0%
2014	-	0.0%	-	-	-	0.0%
5 year 2015	203,842	0.0%	6,891	44,505	51,396	0.0%
2016	279,060	36.9%	11,487	87,493	98,980	92.6%
2017	318,223	14.0%	7,479	114,074	121,553	22.8%
2018	180,427	-43.3%	5,227	137,796	143,023	17.7%
2019	275,686	52.8%	5,843	155,215	161,058	12.6%
10 year average:	125,724		3,693	53,908	57,601	
5 year average:	251,448		7,385	107,817	115,202	

Payments Unapplied / Cushion of Credit account (applies against RUS / FFB loans only)

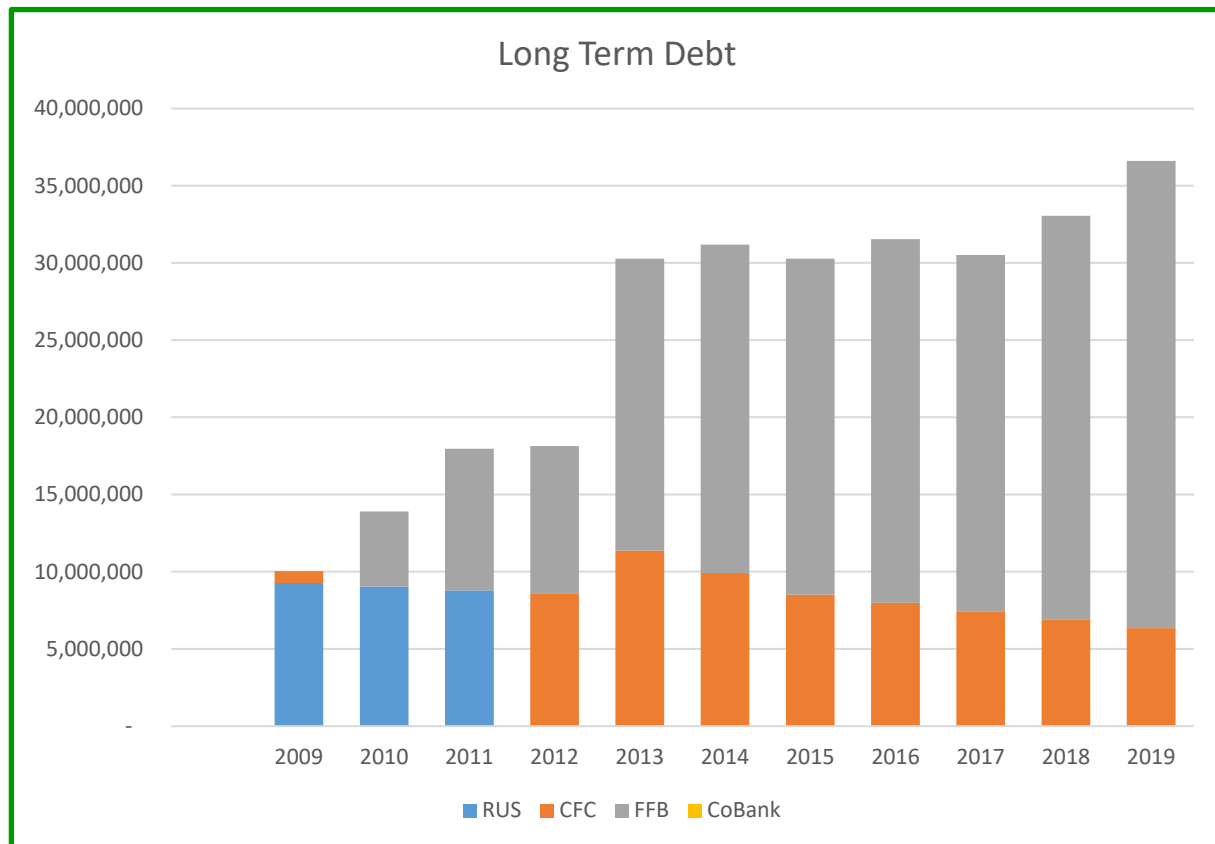
year	Total Amount	% of FFB debt
	F7, N6a or C42	
2009	-	
2010	-	
10 year 2011	-	
2012	-	
2013	-	
2014	-	
5 year 2015	-	
2016	-	
2017	-	
2018	3,821,245	14.6%
2019	4,015,919	13.3%
10 year average:	783,716	
5 year average:	1,567,433	

note: The Agriculture Improvement Act of 2018 (Section 6503) amended the program to stop deposits into the Cushion of Credit account. The interest rate was changed from 5.0% to the following:

end of fiscal year	percent paid
2020	5.0%
2021	4.0%
2022	1-year Treasury Rate
thereafter	1-year Treasury Rate

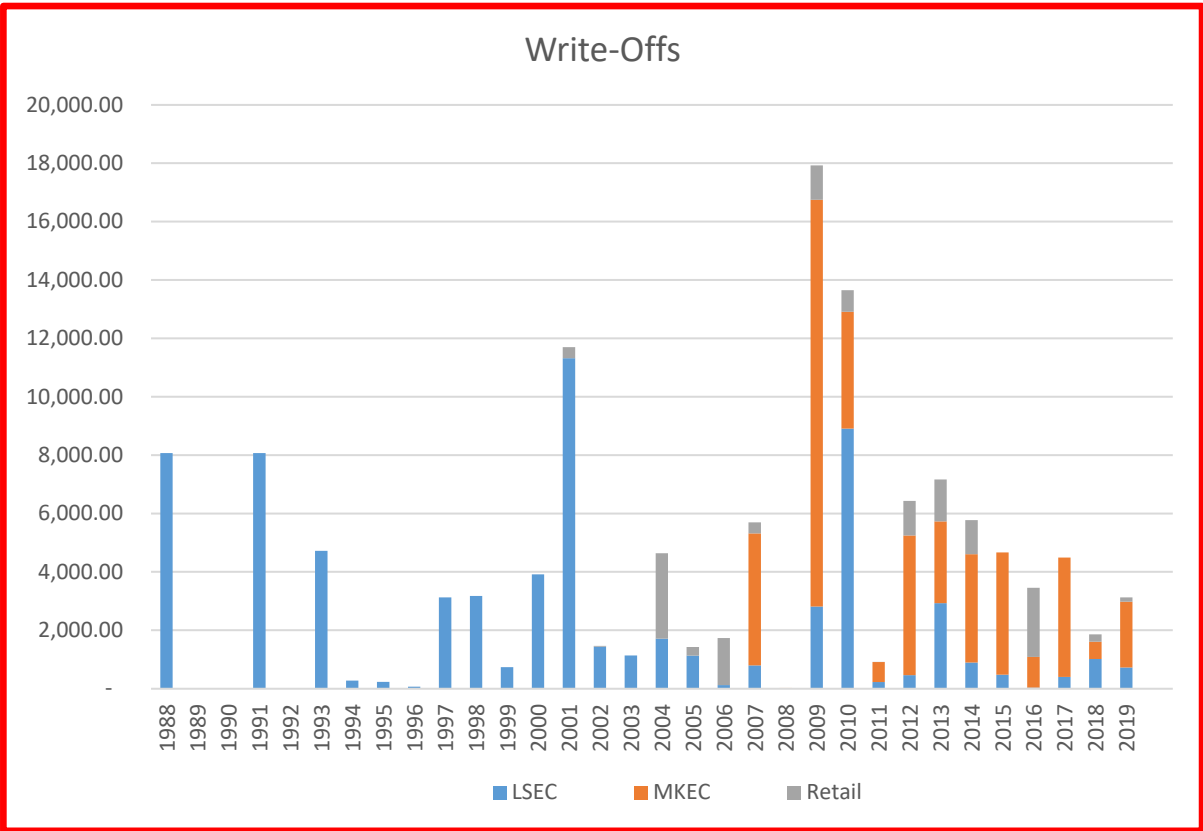
Total Long-Term Debt

year		Total Debt		Interest paid	Principle paid	Total paid		Blended Interest Rate
		dollars	Δ%			dollars	Δ%	
10 year	2009	10,031,821		525,892	586,917	1,112,809		4.93%
	2010	13,899,572	38.6%	668,600	1,008,909	1,677,509	50.7%	4.93%
	2011	17,963,062	29.2%	755,020	554,482	1,309,502	-21.9%	4.80%
	2012	18,131,971	0.9%	732,750	9,344,709	10,077,459	669.6%	3.77%
	2013	30,268,728	66.9%	727,355	541,958	1,269,313	-87.4%	3.66%
5 year	2014	31,183,706	3.0%	1,181,441	1,240,412	2,421,853	90.8%	3.63%
	2015	30,470,933	-2.3%	1,190,787	1,498,427	2,689,214	11.0%	3.63%
	2016	31,817,284	4.4%	1,204,368	1,122,395	2,326,763	-13.5%	3.55%
	2017	30,831,626	-3.1%	1,175,961	1,114,999	2,290,960	-1.5%	3.55%
	2018	33,226,146	7.8%	1,220,122	1,203,661	2,423,783	5.8%	3.50%
	2019	36,882,167	11.0%	1,270,377	1,296,364	2,566,741	5.9%	3.34%
10 year average:		27,467,520		1,012,678	1,892,632	2,905,310		3.8%
5 year average:		32,645,631		1,212,323	1,247,169	2,459,492		3.5%



Write-Offs

year	LSEC	MKEC	Retail	Total	notes
	dollars	dollars	dollars	dollars	
1988	8,071.86			8,071.86	Aquila Bad Debt Write-Off
1989	-			-	
1990	-			-	
1991	8,071.86			8,071.86	
1992	-			-	
1993	4,721.76			4,721.76	
1994	274.95			274.95	
1995	231.80			231.80	
1996	67.86			67.86	
1997	3,126.29			3,126.29	
1998	3,175.54			3,175.54	
1999	737.91			737.91	
2000	3,913.14			3,913.14	
2001	11,317.30		380.84	11,698.14	
2002	1,434.45		29.65	1,464.10	
2003	1,136.24		-	1,136.24	
2004	1,710.11		2,930.84	4,640.95	
2005	1,127.71		296.25	1,423.96	
2006	121.51		1,613.42	1,734.93	
2007	798.19	4,521.29	378.64	5,698.12	
2008	-	20.67	-	20.67	
2009	2,812.11	13,932.37	1,182.39	17,926.87	
10 year 2010	8,906.94	4,001.70	740.12	13,648.76	
2011	228.22	681.18	5.62	915.02	
2012	464.07	4,780.47	1,188.62	6,433.16	
2013	2,926.89	2,800.24	1,437.56	7,164.69	
2014	891.96	3,712.46	1,166.77	5,771.19	
5 year 2015	475.54	4,191.77	-	4,667.31	
2016	33.61	1,055.44	2,363.26	3,452.31	
2017	402.89	4,086.63	-	4,489.52	
2018	1,015.35	589.46	252.64	1,857.45	
2019	726.02	2,250.77	146.78	3,123.57	
10 year average:	1,607	2,815	730	5,152.30	Generally decreasing but too high on the MKEC side.
5 year average:	531	2,435	553	3,518.03	



Capital Credits - Total

year		General Retirements		Special Retirements		Received from G&T		Received from Lenders	
		F7, l 1a	Δ%	F7, l 1b	Δ%	F7, l 2a	Δ%	F7, l 2b	Δ%
10 year	2009	-		21,732		-		14,468	
	2010	-	0.0%	23,954	10.2%	-	0.0%	20,249	40.0%
	2011	-	0.0%	23,505	-1.9%	-	0.0%	14,807	-26.9%
	2012	-	0.0%	22,637	-3.7%	-	0.0%	6,652	-55.1%
	2013	-	0.0%	62,576	176.4%	-	0.0%	17,762	167.0%
5 year	2014	-	0.0%	29,037	-53.6%	-	0.0%	50,546	184.6%
	2015	-	0.0%	25,063	-13.7%	-	0.0%	18,247	-63.9%
	2016	-	0.0%	44,909	79.2%	-	0.0%	16,194	-11.3%
	2017	-	0.0%	28,824	-35.8%	247,221	0.0%	15,782	-2.5%
	2018	-	0.0%	23,733	-17.7%	331,400	34.1%	15,204	-3.7%
	2019	-	0.0%	30,645	29.1%	-	-100.0%	14,530	-4.4%
10 year average:		-		31,488		57,862		18,997	
5 year average:		-		30,635		115,724		15,991	

note

In 2017 and 2018 Sunflower / Mid Kansas paid dividends to LSEC. These were not specifically Patronage Capital retirements so they may have been mis-applied. We are seeking a judgment from our Auditors as to whether these should be considered Patronage Capital.

Capital Credit Summary - **This is a DRAFT and needs auditing.** It is presented for information only.

Distribution

Lane-Scott Electric Cooperative, Inc.		
allocated	retired	unretired amount
9,829,095	2,282,339	7,546,306
	23.22%	76.78%

totals

MKEC		
allocated	retired	unretired amount
-	-	-
	0%	0%

G&T

MKEC G&T			
allocated	retired by MKEC	retired by LSEC	unretired amount
513,619	1,742	-	511,877
	0%	0%	100%

totals

Sunflower G&T			
allocated	retired by G&T	retired by LSEC	unretired amount
9,435,098	578,621	-	9,435,098
-	6.1%	0.0%	100.0%

Capital Credit Retirements from LSEC to Members

year	Lane-Scott Electric Cooperative, Inc.		
	allocated	retired	unretired amount
1961	27,590	27,590	-
1962	22,392	22,392	-
1963	54,390	54,390	-
1964	44,420	44,420	-
1965	36,359	36,359	-
1966	49,433	49,433	-
1967	41,455	41,455	-
1968	67,415	67,415	-
1969	44,783	44,783	-
1970	90,011	90,011	-
1971	81,216	81,216	-
1972	78,969	78,969	-
1973	81,130	81,130	-
1974	17,963	17,963	-
1975	-	-	-
1976	8,656	8,656	-
1977	61,592	61,592	-
1978	48,965	48,965	-
1979	24,621	24,621	-
1980	111,577	111,577	-
1981	79,659	79,659	-
1982	25,721	25,721	-
1983	62,830	62,380	-
1984	229,545	229,545	-
1985	126,508	126,508	-
1986	131,283	131,283	-
1987	54,055	54,055	-
1988	152,942	121,925	31,018
1989	-	-	-
1990	-	-	-
1991	-	-	-
1992	-	-	-
1993	195,407	18,391	177,016
1994	136,050	13,179	122,871
1995	19,540	1,772	17,768
1996	-	-	-

year	Lane-Scott Electric Cooperative, Inc.		
	allocated	retired	unretired amount
1997	101,027	7,984	93,043
1998	438,890	34,146	404,744
1999	865,737	71,826	793,911
2000	552,138	41,510	510,628
2001	586,850	41,653	545,197
2002	894,931	61,673	833,258
2003	-	-	-
2004	445,392	23,960	421,432
2005	654,896	34,003	620,892
2006	249,907	12,582	237,324
2007	957,875	43,765	914,110
2008	761,198	26,144	735,055
2009	813,194	25,577	787,617
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	300,583	161	300,422
2018	-	-	-
2019			
Lane-Scott Electric Cooperative, Inc.			
	allocated	retired	unretired amount
<i>totals</i>	9,829,095	2,282,339	7,546,306
		23.22%	76.78%

Capital Credit Retirements from MKEC G&T

year	MKEC G&T		
	allocated	retired by MKEC	unretired amount
1961			
1962			
1963			
1964			
1965			
1966			
1967			
1968			
1969			
1970			
1971			
1972			
1973			
1974			
1975			
1976			
1977			
1978			
1979			
1980			
1981			
1982			
1983			
1984			
1985			
1986			
1987			
1988			
1989			
1990			
1991			
1992			
1993			
1994			
1995			
1996			

year	MKEC G&T			
	allocated	retired	retired by LSEC	unretired amount
1997				
1998				
1999				
2000				
2001				
2002				
2003				
2004				
2005				
2006				
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	374,016	1,509	-	372,507
2017	139,603	233	-	139,370
2018	-	-	-	-
2019				
Mid Kansas Electric Corp.				
	allocated	retired by MKEC	retired by LSEC	unretired amount
<i>totals</i>	513,619	1,742	-	511,877
		0.34%	0.00%	99.66%

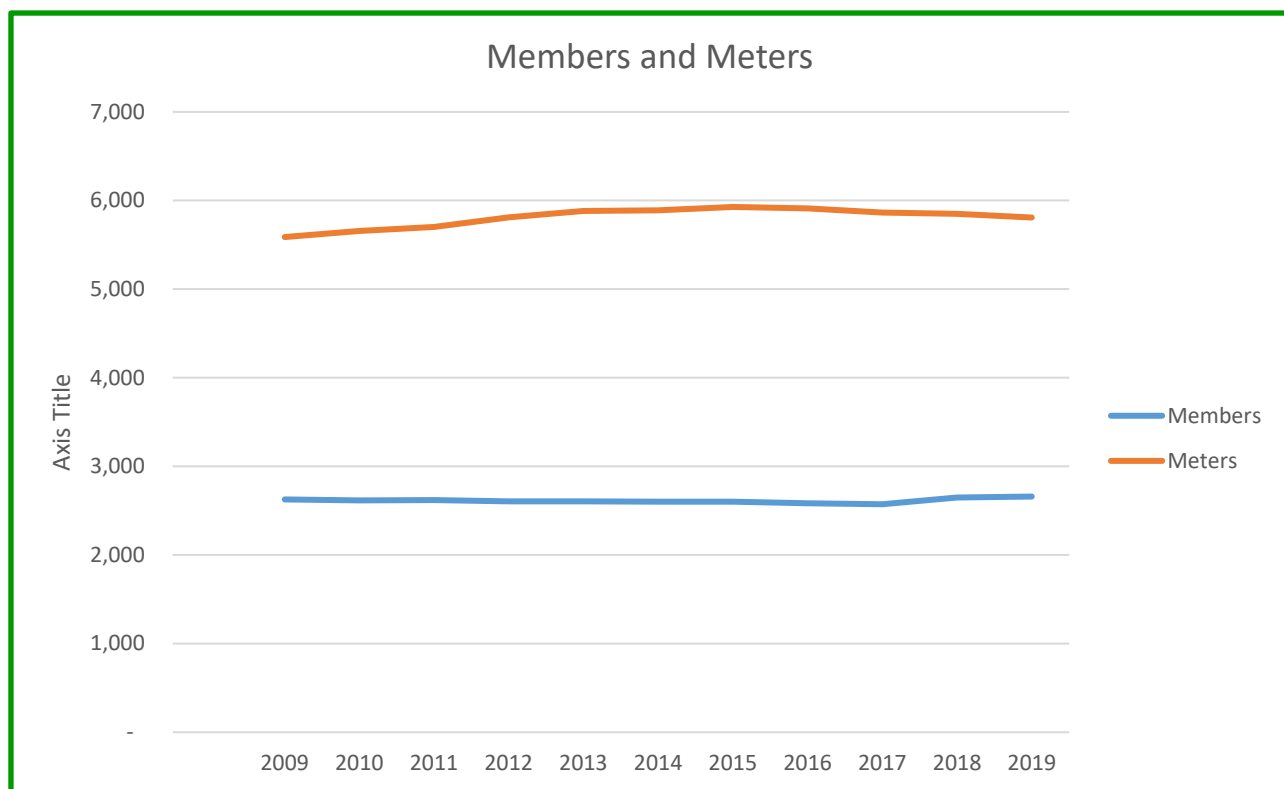
Capital Credit Retirements from Sunflower G&T

year	Sunflower EPC			
	allocated	retired by SEPC	retired by LSEC	unretired amount
1961	-	-	-	-
1962	-	-	-	-
1963	-	-	-	-
1964	-	-	-	-
1965	-	-	-	-
1966	-	-	-	-
1967	-	-	-	-
1968	-	-	-	-
1969	-	-	-	-
1970	-	-	-	-
1971	-	-	-	-
1972	-	-	-	-
1973	-	-	-	-
1974	-	-	-	-
1975	-	-	-	-
1976	-	-	-	-
1977	-	-	-	-
1978	-	-	-	-
1979	-	-	-	-
1980	-	-	-	-
1981	-	-	-	-
1982	-	-	-	-
1983	-	-	-	-
1984	-	-	-	-
1985	-	-	-	-
1986	-	-	-	-
1987	-	-	-	-
1988	-	-	-	-
1989	-	-	-	-
1990	-	-	-	-
1991	-	-	-	-
1992	-	-	-	-
1993	-	-	-	-
1994	-	-	-	-
1995	-	-	-	-
1996	-	-	-	-

year	Sunflower EPC			
	allocated	retired by SEPC	retired by LSEC	unretired amount
1997	-	-	-	-
1998	-	-	-	-
1999	-	-	-	-
2000	-	-	-	-
2001	-	-	-	-
2002	-	-	-	-
2003	-	-	-	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	1,254,464
2010	-	-	-	1,397,098
2011	1,254,464	-	-	1,985,150
2012	1,397,098	-	-	2,044,950
2013	1,985,150	-	-	794,168
2014	2,044,950	-	-	1,124,584
2015	794,168	247,221	-	834,684
2016	1,124,584	331,400	-	-
2017	834,684			
2018	-			
2019				
Generation & Transmission				
	allocated	retired by G&T	retired by LSEC	unretired amount
<i>totals</i>	9,435,098	578,621	-	9,435,098
		6.13%	0.00%	100.00%

Membership

year		Members			Meters			meters per member
		F7, M2	change	Δ%	F7, 0 10a	change	Δ%	
10 year	2009	2,626			5,587			2.13
	2010	2,615	(11)	-0.42%	5,656	69	1.24%	2.16
	2011	2,618	3	0.11%	5,700	44	0.78%	2.18
	2012	2,604	(14)	-0.53%	5,809	109	1.91%	2.23
	2013	2,605	1	0.04%	5,881	72	1.24%	2.26
5 year	2014	2,600	(5)	-0.19%	5,889	8	0.14%	2.27
	2015	2,600	-	0.00%	5,928	39	0.66%	2.28
	2016	2,583	(17)	-0.65%	5,910	(18)	-0.30%	2.29
	2017	2,572	(11)	-0.43%	5,863	(47)	-0.80%	2.28
	2018	2,647	75	2.92%	5,849	(14)	-0.24%	2.21
	2019	2,659	12	0.45%	5,808	(41)	-0.70%	2.18
10 year average:		2,610	3		5,829	22		2.23
5 year average:		2,612	12		5,872	(16)		2.25



Annual Meeting data

year	Number present	No. ballots by proxy or mail	Total number of Members	Annual Meeting expense	Board Members Fees and Expenses	Percent members voting
	F7, M3	F7, M5	F7, M2		F7, M7	
2009	158	-	2,626		100,099	6.02%
10 year 2010	171	-	2,615		110,880	6.54%
2011	162	-	2,618		87,477	6.19%
2012	178	-	2,604	22,242	112,306	6.84%
2013	139	-	2,605	22,706	89,916	5.34%
2014	145	-	2,600	23,964	81,860	5.58%
5 year 2015	160	-	2,600	31,539	80,018	6.15%
2016	146	-	2,583	27,176	82,728	5.65%
2017	145	-	2,572	28,490	79,642	5.64%
2018	145	-	2,647	35,012	91,811	5.48%
2019	157	-	2,659	34,632	91,015	5.90%
10 year average:	155	-	2,610	28,220	90,765	5.9%
5 year average:	151	-	2,612	31,370	85,043	5.8%

Specific Annual Meeting expenses:

Expense	2014	2015	2016	2017	2018	2019
Member Gifts	\$ 5,180.00	\$ 6,944.23	\$ 4,466.93	\$ 4,757.48	\$ 7,697.87	\$ 8,451.06
Meal	4,163.78	5,353.43	5,669.13	5,669.13	5,153.75	5,370.75
Tent Rental	623.00	690.00	600.00	600.00		
Labor	8,753.33	13,219.49	12,656.06	12,650.11	16,049.35	13,734.56
Advertising	897.65	388.00	414.10	493.27	704.66	837.74
Transportation	81.75	29.11	61.29	174.51	215.72	317.05
Energy Gift Certs	400.00	400.00	350.00	-	-	
Brochure	3,864.89	3,951.90	2,958.59	3,697.19	4,189.38	4,617.48
LSEC Shirts	-	562.38	-	70.13	-	218.16
Service Awards	-	-	-	378.66	-	-
Nominating Committee	-	-	-	-	1,001.11	1,085.25
Total	\$ 23,964	\$ 31,539	\$ 27,176	\$ 28,490	\$ 35,012	\$ 34,632

Operations

year	Total Miles of Line		Miles overhead	Miles underground	Miles transmission
	F7 B8	Δ%	F7 B6	F7 B7	F7 B5
2008	2,010		2,005	5.0	-
2009	2,018	0.41%	2,013	5.1	-
10 years 2010	2,035	0.85%	2,030	5.1	-
2011	2,038	0.14%	2,033	5.1	-
2012	2,050	0.60%	2,045	5.3	-
2013	2,064	0.70%	2,059	5.8	-
2014	2,066	0.07%	2,060	6.1	-
5 years 2015	2,067	0.05%	2,061	6.1	-
2016	2,042	-1.23%	2,035	6.6	-
2017	2,042	0.01%	2,035	7.0	-
2018	2,042	0.03%	2,035	7.2	-
2019	2,044	0.08%	2,037	7.5	-
10 year change:	9.14		6.67	2.47	0.00
5 year change:	(22.78)		(24.20)	1.42	0.00

year	G.a. Power Supplier	G.b. Major Event	G.c. Planned	G.d. all other	TOTAL	number of occurrences
2008	913.20	-	19.20	281.40	1,213.80	98
2009	32.40	-	1.80	135.00	169.20	103
10 years 2010	20.40	-	-	144.60	165.00	94
2011	243.00	-	1.20	176.40	420.60	80
2012	-	-	12.00	183.60	195.60	74
2013	54.60	-	42.60	117.60	214.80	82
2014	133.80	-	1.80	144.60	280.20	72
5 years 2015	-	-	0.60	139.20	139.80	64
2016	-	-	0.60	230.40	231.00	65
2017	33.60	-	43.20	328.20	405.00	70
2018	-	-	-	167.40	167.40	50
2019	96.00	-	-	162.00	258.00	60
AVG	127.25	-	10.25	184.20	321.70	76.00

RUS 1730A-119 dated 03/24/09:

Interruption: A loss of electricity for any period longer than 5 minutes.

Major Event: See IEEE 1366-2003, Generally a multi-day event.

IEEE 3.11: An event exceeding the reasonable design and operational limits of the
 3.12: Major Event Day: A day when the daily system SAIDI exceeds a threshold

Contribution in Aid of Construction

year	LSEC	MKEC	Total
2008			
2009			
10 years 2010			
2011			
2012			
2013	834,553	113,568	948,121
2014	439,591	112,620	552,210
5 years 2015	1,690,156	99,921	1,790,078
2016	822,605	42,198	864,803
2017	201,349	18,396	219,745
2018	142,357	21,318	163,675
2019	166,455	42,444	208,899
10 year average:	613,867	64,352	678,219
5 year average:	604,585	44,855	649,440

Outage Statistics

year		SAIDI	SAIFI	CAIDI
10 years	2009	5.9		
	2010	9.0		
	2011	15.3		
	2012	7.2		
	2013	9.2		
	2014	10.5		
	2015	5.3		
	2016	7.4		
	2017	15.4		
	2018	6.2		
	2019	9.4		
Averages:	10-year	9.5		
	5-year	8.7		

note:

LSEC has not recorded the number of meters experiencing outages. Therefore we cannot calculate the SAIFI or CAIDI for current records. We will begin recording these metrics in 2020.

Industry Standard Metrics measured are:

SAIDI indicates the total duration of interruptions for the average customer across the electric system during a predefined period of time such as a month or a year. It is commonly measured in minutes or hours of interruption. As an example, a SAIDI of 100 means the average customer on the electric system over a period of a year would experience a total of 100 minutes of power interruption.

According to IEEE Standard 1366-1998 the median value for North American utilities is approximately 1.50 hours.

$$\text{SAIDI} = \frac{\text{sum of all customer interruption durations}}{\text{number of customers served}}$$

SAIFI indicates how often the average customer experiences a sustained interruption over a predefined period of time, typically a year. As an example a SAIFI of 1.00 means the average customer over a year would experience one single outage.

According to IEEE Standard 1366-1998 the median value for North American utilities is approximately 1.10 interruptions per customer.

$$\text{SAIFI} = \frac{\text{total number of customer interruptions}}{\text{total number of customers served}}$$

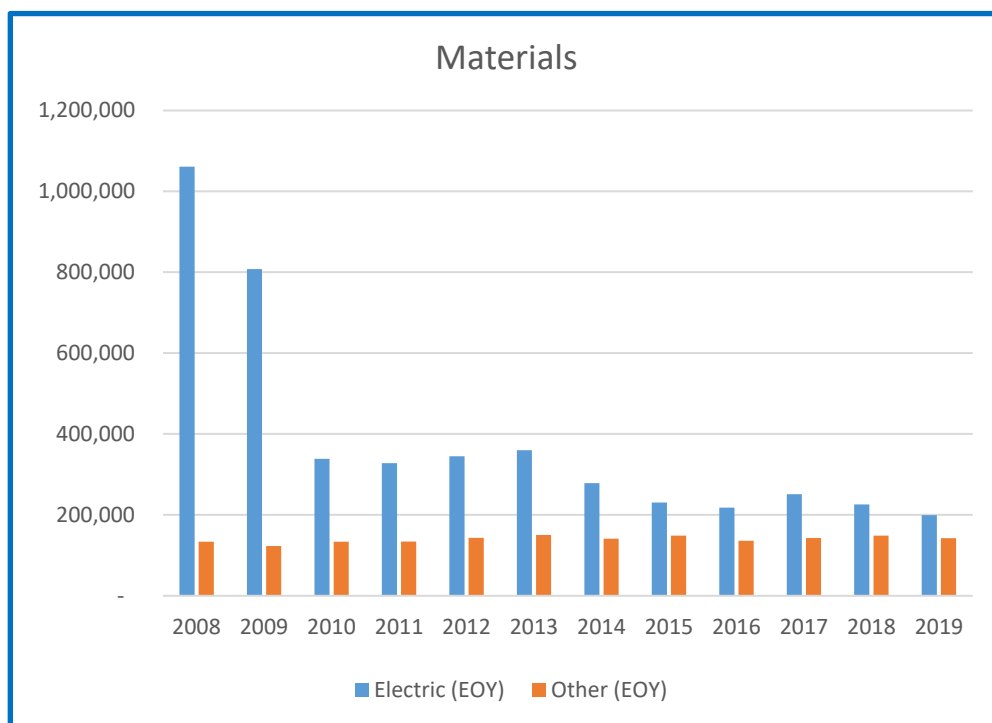
CAIDI gives the average outage duration that any given customer would experience. CAIDI can also be viewed as the average restoration time.

According to IEEE Standard 1366-1998 the median value for North American utilities is approximately 1.36 hours

$$\text{CAIDI} = \frac{\text{sum of all customer interruption durations}}{\text{total number of customer interruptions}} \quad \text{or} \quad \frac{\text{SAIDI}}{\text{SAIFI}}$$

Materials

year	Electric (EOY)	Δ%	Other (EOY)	Δ%	Salvage	Electric Sold	Other Sold
	F7, F, 1g		F&, F, 2g		F&, F, 1c	F&, F, 1e	F&, F, 2e
2008	1,060,853		133,514				
2009	807,713	-23.9%	122,847	-8.0%	115,109	17,505	127,363
10 year 2010	338,213	-58.1%	133,234	8.5%	41,845	9,364	69,260
2011	327,553	-3.2%	133,987	0.6%	10,181	9,227	72,788
2012	344,856	5.3%	142,998	6.7%	7,603	16,601	81,296
2013	359,695	4.3%	150,086	5.0%	14,294	13,719	89,919
2014	278,190	-22.7%	140,762	-6.2%	11,670	15,876	88,708
5 year 2015	230,389	-17.2%	148,441	5.5%	15,000	14,873	77,483
2016	217,668	-5.5%	135,708	-8.6%	14,954	24,883	77,622
2017	251,012	15.3%	142,711	5.2%	20,545	14,059	70,983
2018	225,456	-10.2%	148,546	4.1%	15,276	12,608	59,115
2019	199,062	-11.7%	142,298	-4.2%	4,582	7,363	64,522
10 year average:	277,209		141,877		15,595	13,857	75,170
5 year average:	224,717		143,541		14,071	14,757	69,945



Safety

year	OSHA				Workmans Comp Experience Modifier
	Recordable Incident Rate	DART - days away, restricted, transferred duties	Severity Rate	Lost Work Days Rate - days away from work	
2012					0.87
2013	17.22	-	-	-	0.84
2014	21.83	4.37	-	4.37	1.05
2015	13.20	-	-	-	1.08
2016	-	-	-	-	1.06
2017	4.66	4.66	46.60	4.66	0.79
2018	4.95	-	-	-	0.79
2019	data not available at this time				0.85
averages	10.31	1.51	7.77	1.51	0.92

3 year	3.20	1.56	15.59	1.56	0.81
6 year	10.53	1.50	74.45	1.50	0.94
8 year	7.51	1.07	53.12	1.07	0.92

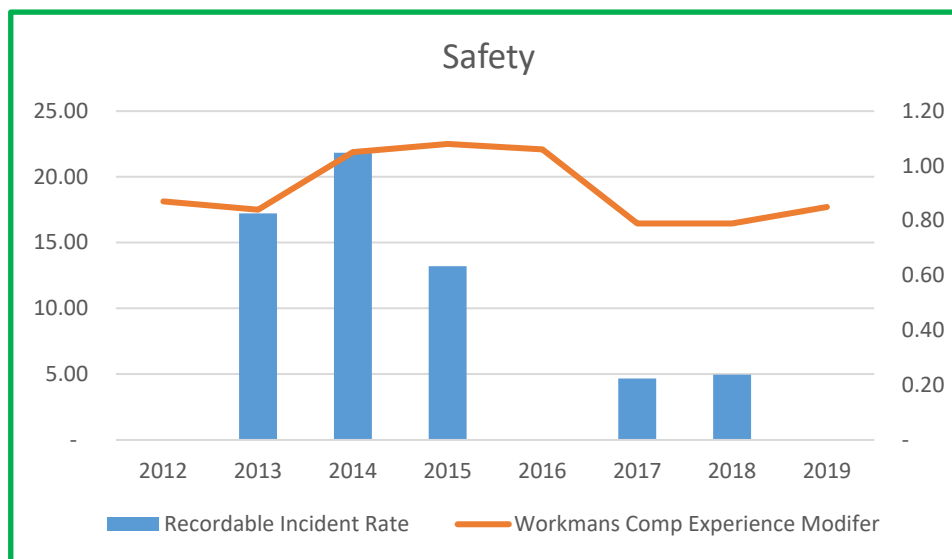
note: 3, 6, and 8 year data is from Federated and does not always match table averages.

RIR = (Deaths + Cases of Days Away + Cases of Job Transfers + Cases of Other) * 200,000 / Total Hours Worked

DART = (cases of Days Away + Cases of Job Transfer)*200,000 / Total Hours Worked

SR = Number of Dyas Away * 200,000 / Total Hours Worked

LDA = (Deaths + Cases of Days Away) * 200,000 / Total Hours Worked



Safety Council

year	Safety Coordinator	President	Vice President	Secretary	Safety Compliance Administrator
2011	David Howard	Kasey Jenkinson	Ben Mann	Kathy Ballew	
2012	David Howard	Kasey Jenkinson	Ben Mann	Carrie Borell	
2013	David Howard	Kasey Jenkinson	Ben Mann	Carrie Borell	
2014	David Howard	Kasey Jenkinson	Ben Mann	Carrie Borell	
2015	Henry Morrow	Ben Mann	Carrie Borell	Henry Morrow	
2016	Chris Terhune	Carrie Borell	Henry Morrow	Chris Terhune	Carrie Borrell
2017	Chris Terhune	Henry Morrow	Chris Terhune	Carrie Borell	
2018	Chris Terhune	Chris Terhune	Carrie Borell	Leighton Ayers	
2019	Chris Terhune	Carrie Borell	Leighton Ayers	Chris Terhune	
2020	Chris Terhune	Leighton Ayers	Chris Terhune	Carrie Borell	

note: Employee Policy 508 (amended January 9, 2017) identifies the Safety Coordinator and Safety Compliance Administrator positions are appointed by the General Manager. The third position is elected by all employees.

10. d. 2019 Year End Form 7 and End of Year Reports

The End of Year Report is a compilation and analysis of the key metrics of Lane-Scott Electric Cooperative. Most, but not all, of the 10-year data is extracted from the Year End Form 7. This is an important exercise because it helps us identify trends that the cooperative is facing. The entire packet is included in your Board member information, but some key items are extracted here.

1. **Net Revenues and Wholesale power expense.** The basics of our retail power sales compared to our wholesale costs:

year	Operating Revenue and Patronage Capital	Wholesale Power & Trans cost	Net Revenue: (Operating Revenue less Cost of Wholesale Power)	Wholesale power as a % of Revenue	Net Revenue
	YEF7 Part A, 1	YEF7, A, 3+4			Δ%
2008	11,812,653	8,015,511	3,797,142	67.86%	6.0%
2009	11,369,139	7,343,325	4,025,814	64.59%	13.4%
2010	13,057,889	8,492,759	4,565,130	65.04%	15.3%
2011	14,446,759	9,183,381	5,263,378	63.57%	1.3%
2012	15,223,186	9,888,818	5,334,368	64.96%	8.3%
2013	16,371,981	10,593,398	5,778,583	64.70%	9.3%
2014	18,005,804	11,688,793	6,317,011	64.92%	0.7%
2015	16,605,232	10,246,789	6,358,443	61.71%	2.0%
2016	16,464,867	9,978,762	6,486,105	60.61%	8.9%
2017	16,786,658	9,726,371	7,060,287	57.94%	0.5%
2018	17,802,551	10,706,172	7,096,379	60.14%	3.0%
2019	17,781,223	10,474,321	7,306,902	58.91%	
10 yr average:	16,254,615	10,097,956	6,156,659	62.2%	6.3%
5 yr average:	17,088,106	10,226,483	6,861,623	59.9%	3.0%
5-year Growth Rate:	1.42%	0.44%	2.98%		

Operating Revenues decreased by \$21,328 while wholesale power costs decreased by \$231,851. This produced an increase in Net Revenues. The good news here is that our 5-year Operating Revenues (power sales) are increasing faster (1.42%) than our 5-year power costs (0.44%). This is generating higher net revenues averaging 3.0% on a 5-year average. Also, Sunflower EPC efforts to control costs is limiting wholesale power to 58.91% of our total revenue.

2. **Payroll and Debt Service.** Our next largest expenses after wholesale power costs. These expenses are embedded in our controllable expenses.

year	Payroll		Debt Service	
	YEF7 H, 4+5+6	% of Net Rev.	YEF7 N, (d)	% of Net Rev.
2008	1,641,435	43.23%	725,425	19.10%
2009	1,672,584	41.55%	1,112,809	27.64%
2010	1,668,170	36.54%	1,677,509	36.75%
2011	1,741,103	33.08%	1,309,502	24.88%
2012	1,688,428	31.65%	10,077,459	188.92%
2013	1,816,556	31.44%	1,269,380	21.97%
2014	1,830,042	28.97%	2,421,853	38.34%
2015	1,863,088	29.30%	2,682,323	42.19%
2016	1,930,483	29.76%	2,315,276	35.70%
2017	1,901,842	26.94%	2,283,481	32.34%
2018	1,888,300	26.61%	2,418,556	34.08%
2019	1,903,667	26.05%	2,560,898	35.05%
10 yr average:	1,823,168	30.0%	2,901,624	49.0%
5 yr average:	1,897,476	27.7%	2,452,107	35.9%
5-year Growth Rate:	0.44%		-0.91%	

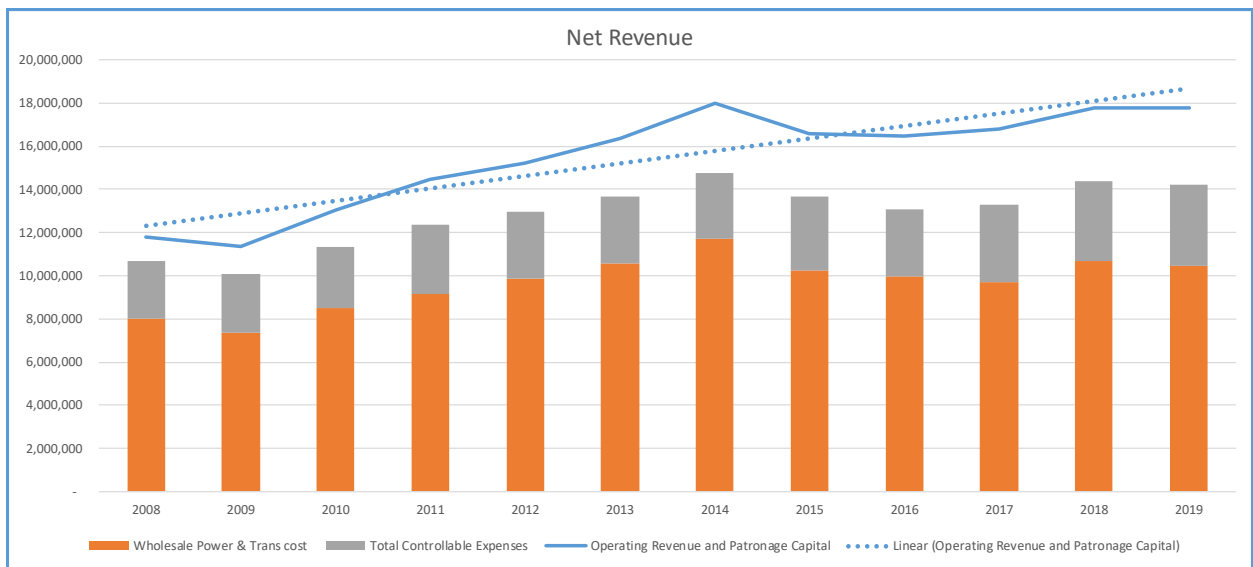
Payroll increased by \$15,367 in 2019 and over the past five years payroll has increased by 0.44%. Payroll is increasing at a slower pace than Operating Revenue. Debt Service (payments) increased by \$142,342.

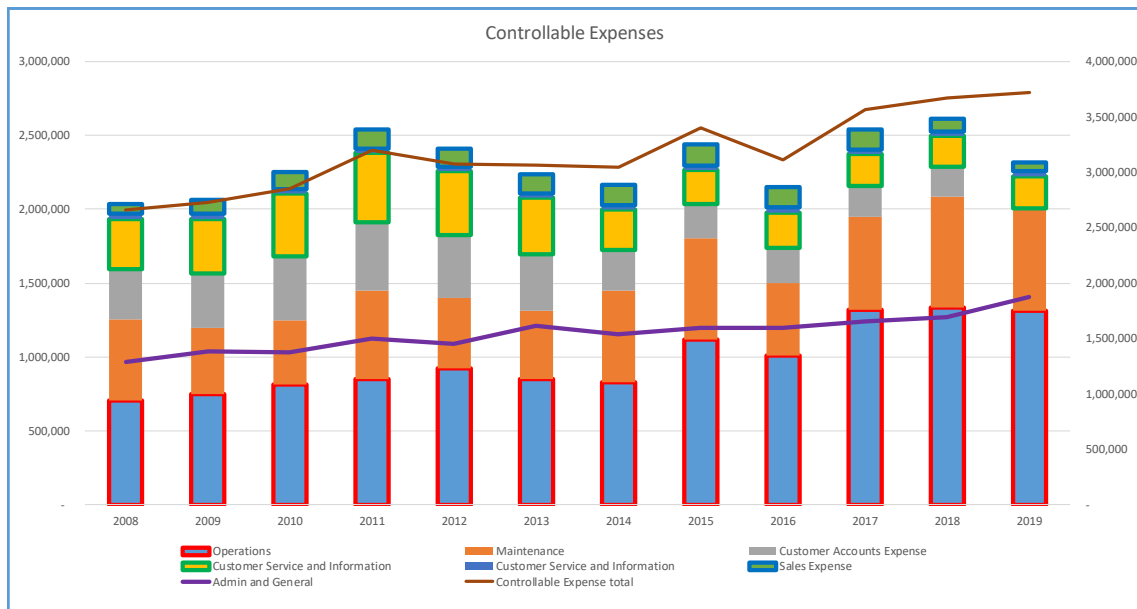
3. **Controllable Expenses.** These are the six areas where we have the most cost control on a monthly basis.

year	Distribution Expense		Customer Accounts Expense	Customer Service and Information
	Operations	Maintenance		
	YEF7 Part A 6	YEF7 Part A 7	YEF7, A 8	YEF7, A 9
2008	705,737	549,448	340,415	34,135
2009	749,129	445,424	370,864	33,634
2010	817,044	434,147	428,731	24,482
2011	847,318	600,870	465,020	33,641
2012	921,788	478,658	428,125	26,780
2013	849,454	461,989	384,297	28,698
2014	826,555	624,239	272,628	32,288
2015	1,120,051	684,691	230,195	31,962
2016	1,010,944	492,823	237,995	32,648
2017	1,318,249	626,505	214,121	27,439
2018	1,335,652	747,446	205,976	33,716
2019	1,315,720	687,659	221,834	32,354
10 yr average:	1,036,278	583,903	308,892	30,401
5 yr average:	1,220,123	647,825	222,024	31,624
5-year Growth Rate:	3.49%	0.09%	-0.73%	0.25%

While O&M expenses are down \$79,719 in 2019 they are growing at 3.49% and 0.09%. Customer expenses are up \$15,858 reflecting staff additions (Diana splits her time between Customer accounts and A&G, while Ann Marie splits her time between CustSvc&Info, Sales, and A&G). Customer Service and Information and Sales Expenses are down \$27,214 due to staff management. A&G is up \$135,044. This is the result of the GM overlap of three months, and additional staffing (Diana and Ann Marie).

year	Sales Expense	Admin and General	Controllable Expense total	
	YEF7, A 10	YEF7, A 11	dollars	Δ%
2008	65,744	966,476	2,661,955	
2009	92,622	1,038,804	2,730,477	2.6%
2010	117,944	1,028,951	2,851,299	4.4%
2011	124,329	1,126,698	3,197,876	12.2%
2012	123,791	1,089,961	3,069,103	-4.0%
2013	128,825	1,214,460	3,067,723	0.0%
2014	138,419	1,152,864	3,046,993	-0.7%
2015	139,116	1,195,508	3,401,523	11.6%
2016	137,585	1,198,220	3,110,215	-8.6%
2017	137,315	1,237,887	3,561,516	14.5%
2018	81,169	1,270,909	3,674,868	3.2%
2019	55,317	1,405,953	3,718,837	1.2%
10 yr average:	118,381	1,192,141	3,269,995	3.4%
5 yr average:	110,100	1,261,695	3,493,392	4.4%
5-year Growth Rate:	-12.05%	3.52%	1.87%	





4. Energy Sales.

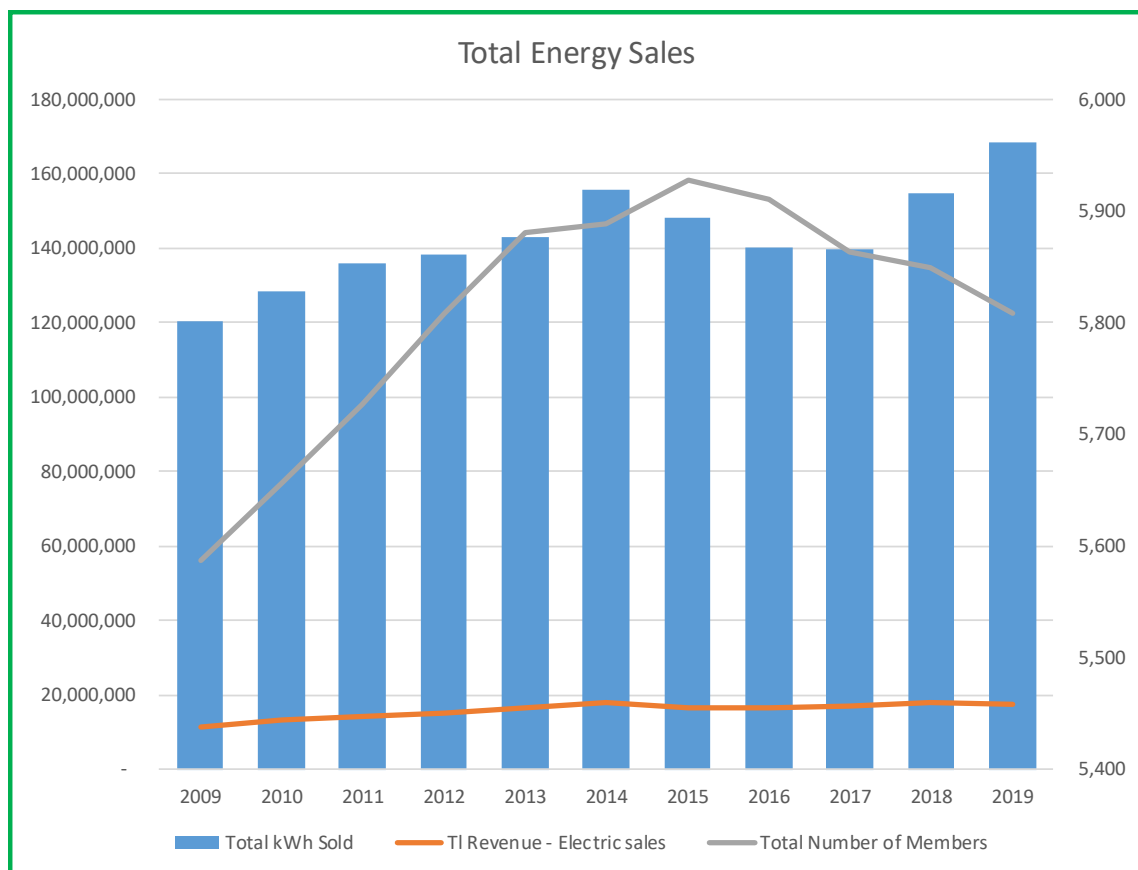
year		Residential	Residential Seasonal	Irrigation	Small Comm	Large Comm	PA & Resale
		% revenue	% revenue	% revenue	% revenue	% revenue	% revenue
10 year	2009	20.9%	2.4%	6.1%	33.7%	29.8%	6.5%
	2010	21.3%	2.0%	6.2%	32.7%	31.1%	6.3%
	2011	20.2%	1.9%	8.1%	32.9%	30.4%	6.0%
	2012	18.6%	1.9%	8.3%	34.6%	30.4%	5.8%
	2013	18.5%	1.8%	6.4%	34.7%	32.6%	5.7%
5 year	2014	17.7%	1.6%	5.9%	32.5%	36.7%	5.3%
	2015	18.3%	1.7%	5.7%	32.1%	36.7%	5.1%
	2016	17.9%	2.0%	5.9%	33.1%	35.5%	5.2%
	2017	17.4%	2.3%	6.5%	34.8%	33.8%	4.8%
	2018	17.0%	2.3%	5.7%	33.1%	36.9%	4.7%
	2019	16.2%	2.3%	5.3%	31.6%	40.5%	3.8%
10 year average:		18.30%	1.98%	6.41%	33.22%	34.45%	5.27%
5 year average:		17.36%	2.11%	5.84%	32.95%	36.66%	4.72%

Large Commercial continues to be our primary point of sales. Small Commercial follows at 31.6%. These Rate Classes represent over 72% of our total sales. Residential represents 18.5% of our total sales.

year	Total Number of Members	Total kWh Sold	TI Revenue - Electric sales	revenue per kWh (\$s)	Other Electric Revenue	Peak (CP)
	F7, O10	F7, O11	F7, O12		F7, O14	F7, O20
2009	5,587	120,382,236	11,340,102	0.0942	29,035	25,666
2010	5,656	128,610,620	13,028,296	0.1013	29,592	27,775
2011	5,726	135,825,121	14,387,187	0.1059	29,537	28,015
2012	5,809	138,300,040	15,195,756	0.1099	27,429	28,983
2013	5,881	142,932,159	16,487,477	0.1154	26,106	28,672
2014	5,889	155,627,176	17,972,359	0.1155	33,445	28,907
2015	5,928	148,378,378	16,573,929	0.1117	31,301	28,275
2016	5,910	140,098,520	16,438,832	0.1173	26,035	27,714
2017	5,863	139,567,632	16,767,535	0.1201	19,124	28,543
2018	5,849	154,634,830	17,707,865	0.1145	94,686	31,298
2019	5,808	168,299,247	17,597,211	0.1046	184,012	31,828
10 year average:	5,832	145,227,372	16,215,645	0.1116	50,127	29,001
5 year average:	5,872	150,195,721	17,017,074	0.1137	71,032	29,532

5-year Growth Rate:	-0.40%	2.69%	1.23%	-1.28%	97.58%	2.51%
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While kWh sales are increasing, total revenue and membership is decreasing.



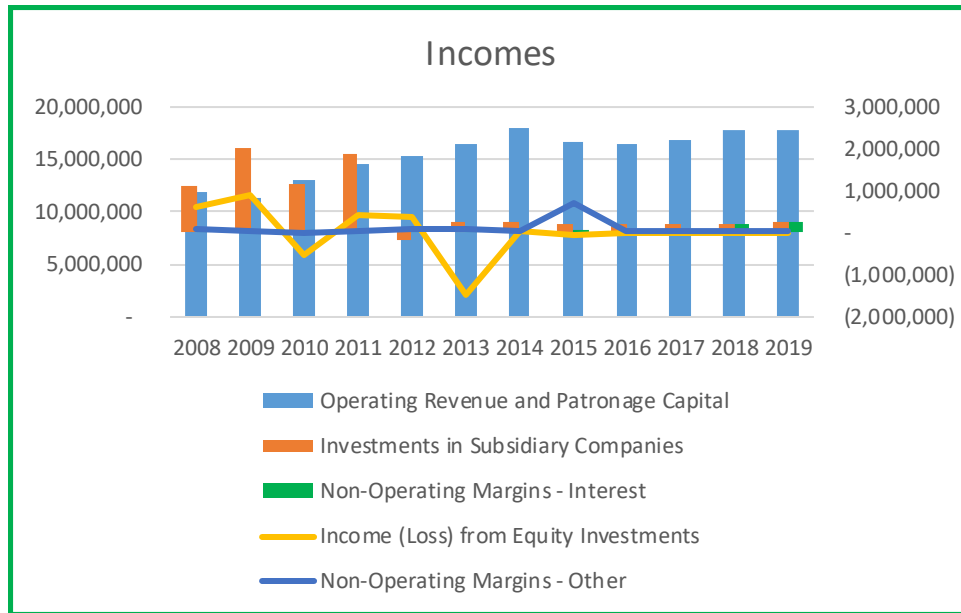
This means that our rates alone are not maintaining our expenses, but that the increase in commercial sales are supporting the cooperative. This is great until oil and gas turns and indicates the need for a Cost of Service Study and plan going forward.

year	Rate of Return on Rate Base
2008	1.67%
2009	-2.16%
10 year 2010	5.32%
2011	1.81%
2012	-2.15%
2013	1.43%
2014	-0.82%
5 year 2015	0.11%
2016	1.01%
2017	1.60%
2018	1.81%
2019	1.82%
10 year average:	1.19%
5 year average:	1.27%

5. Incomes. Overall income continues to increase.

year	Operating Revenue and Patronage Capital	Investments in Subsidiary Companies	Non-Operating Margins - Interest	Income (Loss) from Equity Investments	Non-Operating Margins - Other	Total
	YEF7 Part A, 1	YEF7, C 7	YEF7, A 22	YEF7, A 24	YEF7, A 25	
2008	11,812,653	1,102,505	17,977	622,934	105,371	13,661,440
2009	11,369,139	2,013,342	14,740	896,370	39,401	14,332,992
10 year 2010	13,057,889	1,144,283	14,599	(517,319)	12,928	13,712,380
2011	14,446,759	1,866,948	13,872	428,018	42,276	16,797,873
2012	15,223,186	(168,793)	22,376	365,591	95,071	15,537,431
2013	16,371,981	276,137	21,526	(1,505,139)	84,380	15,248,885
2014	18,005,804	270,152	15,192	53,579	50,805	18,395,532
5 year 2015	16,605,232	196,234	17,445	(66,212)	720,312	17,473,011
2016	16,464,867	210,451	23,317	-	17,783	16,716,418
2017	16,786,658	221,993	39,032	-	21,510	17,069,193
2018	17,802,551	230,130	195,137	-	17,999	18,245,817
2019	17,781,223	244,067	256,084	-	40,355	18,321,729
10 yr average:	16,254,615	449,160	61,858	(124,148)	110,342	16,751,827
5 yr average:	17,088,106	220,575	106,203	(13,242)	163,592	17,565,234

The increase in Non-OP Margin – Interest is due to Cushion of Credit (\$4,015,919). Investments in Subsidiary Companies is mostly CFC Capital Credits.



6. Reliability.

Our system Reliability has been stable over the past few years. There were 60 outages occurrences in 2019 resulting in an average outage time per consumer of 258 minutes (4.3 hours) per year.

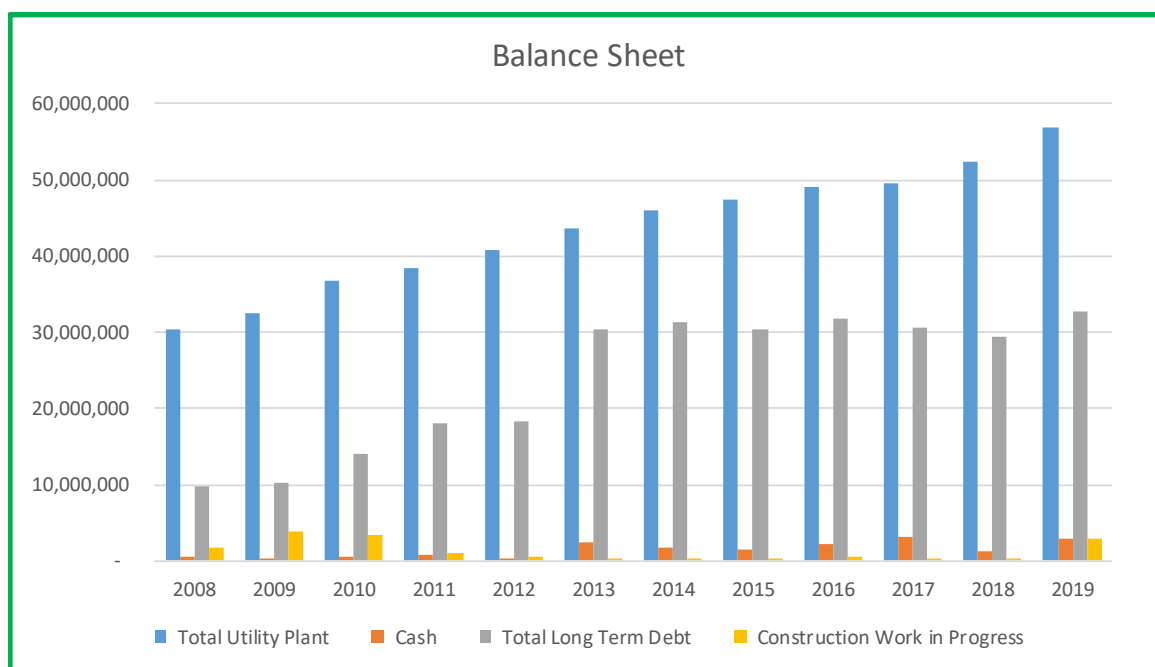
year	G.a. Power Supplier	G.b. Major Event	G.c. Planned	G.d. all other	TOTAL	number of occurrences
2008	913.20	-	19.20	281.40	1,213.80	98
2009	32.40	-	1.80	135.00	169.20	103
2010	20.40	-	-	144.60	165.00	94
2011	243.00	-	1.20	176.40	420.60	80
2012	-	-	12.00	183.60	195.60	74
2013	54.60	-	42.60	117.60	214.80	82
2014	133.80	-	1.80	144.60	280.20	72
2015	-	-	0.60	139.20	139.80	64
2016	-	-	0.60	230.40	231.00	65
2017	33.60	-	43.20	328.20	405.00	70
2018	-	-	-	167.40	167.40	50
2019	96.00	-	-	162.00	258.00	60
AVG	127.25	-	10.25	184.20	321.70	76.00

7. Financial Metrics. We continue moving in the right direction with our biggest improvements being in General Funds Level, Current Ratio, and TIER.

Ratio Analysis							
year	Equity (% of Assets)	Dist Equity	General Funds Level	TIER	Operating TIER	Operating DSC	Current Ratio
2008				1.93	0.23		
2009	25.19	24.92	2.52	2.17	0.34	0.91	0.46
10 year 2010	21.09	20.77	2.81	(0.09)	0.92	1.14	0.43
2011	22.11	21.79	2.83	1.35	1.13	2.40	0.49
2012	23.81	23.47	8.19	3.93	1.31	0.35	0.43
2013	21.50	21.28	12.21	2.68	1.71	3.58	1.46
2014	26.50	12.64	0.70	3.59	1.58	2.28	1.47
5 year 2015	29.71	15.21	3.32	2.51	1.28	1.39	1.32
2016	31.60	16.25	4.63	2.65	1.59	1.98	1.58
2017	34.43	18.87	6.47	2.53	1.71	1.92	1.77
2018	36.81	21.84	9.80	2.11	1.56	1.60	1.06
2019	36.46	21.94	12.33	2.37	1.56	1.68	1.50
10 year average:	28.11	19.91	5.98	2.35	1.34	1.75	1.09
5 year average:	33.80	18.82	7.31	2.43	1.54	1.71	1.45

Equity as a percent of Assets decreased due to

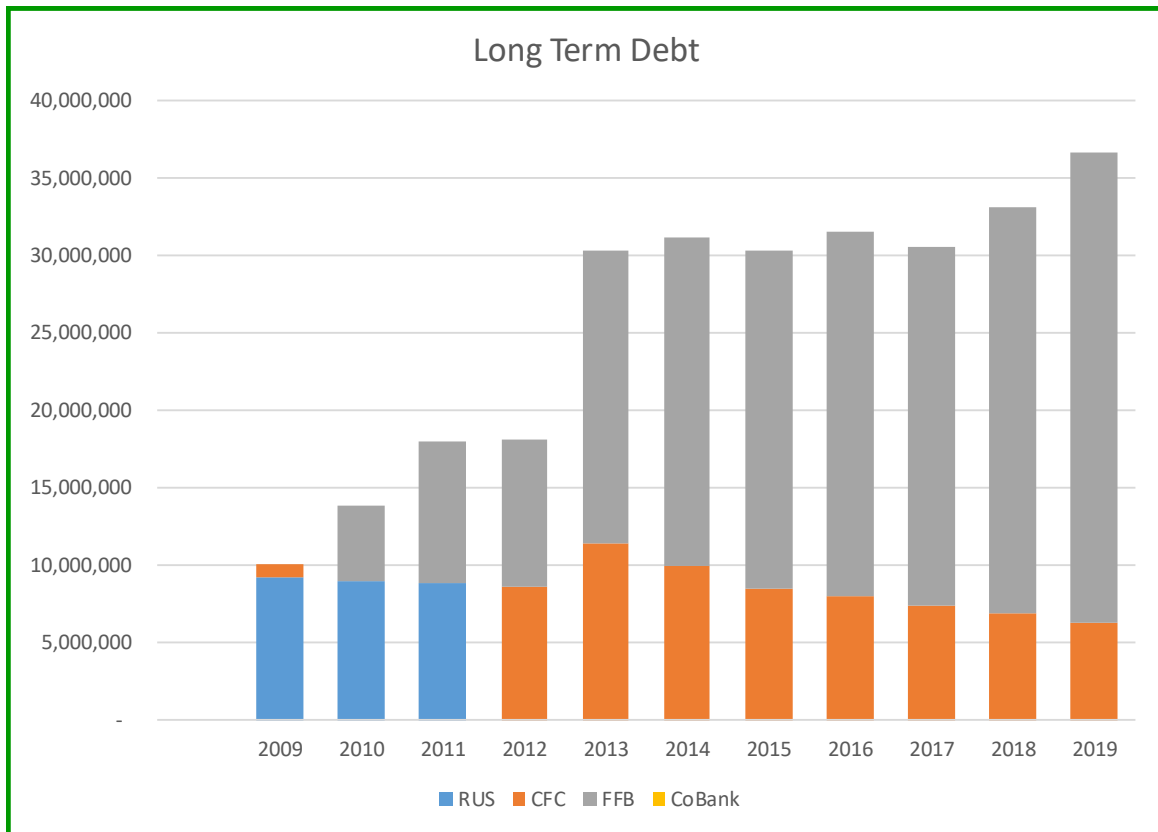
Our Cash on Hand level increased from \$1,295,130 in 2018 to \$3,003,585 largely due to drawing down approved FFB Loan Funds.



8. Long Term Debt. LT Debt increased \$3,656,021 all of which was FFB debt from our Construction Work Plan.

year	Total Debt		Interest paid	Principle paid	Total paid		Blended Interest Rate
	dollars	Δ%			dollars	Δ%	
2009	10,031,821		525,892	586,917	1,112,809		4.93%
10 year 2010	13,899,572	38.6%	668,600	1,008,909	1,677,509	50.7%	4.93%
2011	17,963,062	29.2%	755,020	554,482	1,309,502	-21.9%	4.80%
2012	18,131,971	0.9%	732,750	9,344,709	10,077,459	669.6%	3.77%
2013	30,268,728	66.9%	727,355	541,958	1,269,313	-87.4%	3.66%
2014	31,183,706	3.0%	1,181,441	1,240,412	2,421,853	90.8%	3.63%
5 year 2015	30,470,933	-2.3%	1,190,787	1,498,427	2,689,214	11.0%	3.63%
2016	31,817,284	4.4%	1,204,368	1,122,395	2,326,763	-13.5%	3.55%
2017	30,831,626	-3.1%	1,175,961	1,114,999	2,290,960	-1.5%	3.55%
2018	33,226,146	7.8%	1,220,122	1,203,661	2,423,783	5.8%	3.50%
2019	36,882,167	11.0%	1,270,377	1,296,364	2,566,741	5.9%	3.34%
10 year average:	27,467,520		1,012,678	1,892,632	2,905,310		3.8%
5 year average:	32,645,631		1,212,323	1,247,169	2,459,492		3.5%

FFB Debt of \$30,261,045 represents 82% of our total LT Debt. The CoBank truck leasing (\$275,686) is not included below.



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 KS0042
	PERIOD ENDED December 2019
	BORROWER NAME The Lane-Scott Electric Cooperative, Inc.
INSTRUCTIONS - See help in the online application.	

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.

Richard McLeon

2/24/2020

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	17,802,551	17,781,223	17,885,834	1,347,019
2. Power Production Expense				
3. Cost of Purchased Power	10,698,587	10,467,955	10,523,832	841,959
4. Transmission Expense	7,585	6,366	9,350	192
5. Regional Market Expense				
6. Distribution Expense - Operation	1,335,652	1,315,720	1,300,000	133,699
7. Distribution Expense - Maintenance	747,446	687,659	700,000	67,272
8. Customer Accounts Expense	205,976	221,834	210,000	24,809
9. Customer Service and Informational Expense	33,716	32,354	30,000	2,582
10. Sales Expense	81,169	55,317	100,000	7,014
11. Administrative and General Expense	1,270,909	1,405,953	1,295,000	100,804
12. Total Operation & Maintenance Expense (2 thru 11)	14,381,040	14,193,158	14,168,182	1,178,331
13. Depreciation and Amortization Expense	1,517,330	1,599,510	1,530,000	147,956
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,211,651	1,264,245	1,272,000	112,312
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	2,163	3,355	2,100	258
19. Other Deductions	10,931	14,349	10,000	1,605
20. Total Cost of Electric Service (12 thru 19)	17,123,115	17,074,617	16,982,282	1,440,462
21. Patronage Capital & Operating Margins (1 minus 20)	679,436	706,606	903,552	(93,443)
22. Non Operating Margins - Interest	195,137	256,084	215,000	55,711
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	17,999	40,353	20,000	(17,492)
26. Generation and Transmission Capital Credits	378,396	664,581		
27. Other Capital Credits and Patronage Dividends	70,803	60,703	76,000	2,462
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	1,341,771	1,728,327	1,214,552	(52,762)

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 December 2019		
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	44	54	5. Miles Transmission		
2. Services Retired	116	41	6. Miles Distribution – Overhead	2,035.31	2,036.59
3. Total Services in Place	6,020	6,040	7. Miles Distribution - Underground	7.15	7.53
4. Idle Services (Exclude Seasonals)	169	228	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	54,002,874		30. Memberships	0	
2. Construction Work in Progress	2,924,100		31. Patronage Capital	18,893,545	
3. Total Utility Plant (1 + 2)	56,926,974		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	16,568,059		33. Operating Margins - Current Year	706,606	
5. Net Utility Plant (3 - 4)	40,358,915		34. Non-Operating Margins	1,021,721	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	139,152	
7. Investments in Subsidiary Companies	244,067		36. Total Margins & Equities (30 thru 35)	20,761,024	
8. Invest. in Assoc. Org. - Patronage Capital	10,590,811		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	(4,323)		38. Long-Term Debt - FFB - RUS Guaranteed	30,261,045	
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)	6,345,436	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	150,400	
13. Special Funds	0		42. Payments – Unapplied	4,015,919	
14. Total Other Property & Investments (6 thru 13)	11,058,014		43. Total Long-Term Debt (37 thru 41 - 42)	32,740,962	
15. Cash - General Funds	330,624		44. Obligations Under Capital Leases - Noncurrent	275,686	
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)	275,686	
18. Temporary Investments	2,672,836		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	1,097,300	
20. Accounts Receivable - Sales of Energy (Net)	1,287,284		49. Consumers Deposits	112,413	
21. Accounts Receivable - Other (Net)	103,317				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	1,227,181	
23. Materials and Supplies - Electric & Other	341,360		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	11,056		52. Current Maturities Capital Leases	131,744	
25. Other Current and Accrued Assets	5,268		53. Other Current and Accrued Liabilities	601,398	
26. Total Current and Accrued Assets (15 thru 25)	4,751,870		54. Total Current & Accrued Liabilities (47 thru 53)	3,170,036	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	778,909		56. Other Deferred Credits	0	
29. Total Assets and Other Debits (5+14+26 thru 28)	56,947,708		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	56,947,708	

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 December 2019
PART D. NOTES TO FINANCIAL STATEMENTS	

<div>UNITED STATES DEPARTMENT OF AGRICULTURE</div> <div>RURAL UTILITIES SERVICE</div> <div>FINANCIAL AND OPERATING REPORT</div> <div>ELECTRIC DISTRIBUTION</div>	<div>BORROWER DESIGNATION</div> <div>KS0042</div>
<div>INSTRUCTIONS - See help in the online application.</div>	<div>PERIOD ENDED</div> <div>December 2019</div>
<div>PART D. CERTIFICATION LOAN DEFAULT NOTES</div>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				BORROWER DESIGNATION KS0042			
				PERIOD ENDED December 2019			
INSTRUCTIONS - See help in the online application.							
PART E. CHANGES IN UTILITY PLANT							
PLANT ITEM		BALANCE BEGINNING OF YEAR (a)		ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Distribution Plant		48,197,214		2,004,915	291,440	(90,897)	49,819,792
2. General Plant		2,406,846		43,404	265,110		2,185,140
3. Headquarters Plant		2,521,611		133,196		104,886	2,759,693
4. Intangibles		494					494
5. Transmission Plant		1,229,049					1,229,049
6. Regional Transmission and Market Operation Plant							
7. All Other Utility Plant		(2,235,715)		244,421			(1,991,294)
8. Total Utility Plant in Service (1 thru 7)		52,119,499		2,425,936	556,550	13,989	54,002,874
9. Construction Work in Progress		355,770		2,568,330			2,924,100
10. Total Utility Plant (8 + 9)		52,475,269		4,994,266	556,550	13,989	56,926,974
PART F. MATERIALS AND SUPPLIES							
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	225,456	398,084	4,582	418,944	7,363	(2,753)	199,062
2. Other	148,546	72,409		10,327	64,522	(3,808)	142,298
PART G. SERVICE INTERRUPTIONS							
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE						
	POWER SUPPLIER (a)	MAJOR EVENT (b)		PLANNED (c)	ALL OTHER (d)	TOTAL (e)	
1. Present Year	96.000				162.000	258.000	
2. Five-Year Average	25.800			9.000	205.800	240.600	
PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS							
1. Number of Full Time Employees		21		4. Payroll - Expensed		979,328	
2. Employee - Hours Worked - Regular Time		45,745		5. Payroll - Capitalized		426,681	
3. Employee - Hours Worked - Overtime		1,776		6. Payroll - Other		497,658	
PART I. PATRONAGE CAPITAL							
ITEM	DESCRIPTION				THIS YEAR (a)	CUMULATIVE (b)	
1. Capital Credits - Distributions	a. General Retirements					1,510,684	
	b. Special Retirements				30,645	897,944	
	c. Total Retirements (a + b)				30,645	2,408,628	
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power						
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System				14,530		
	c. Total Cash Received (a + b)				14,530		
PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE							
1. Amount Due Over 60 Days		\$ 15,921		2. Amount Written Off During Year		\$ 1,340	
ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM							
1. Anticipated Loan Delinquency %				4. Anticipated Loan Default %			
2. Actual Loan Delinquency %				5. Actual Loan Default %			
3. Total Loan Delinquency Dollars YTD		\$		6. Total Loan Default Dollars YTD		\$	

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 December 2019				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Sunflower Electric Power Corp (KS0053)	18315			146,755,207	8,557,112	5.83	2,778,734	1,467,579
2	Mid Kansas Electric Company LLC (KS)	800494			33,588,583	1,904,843	5.67	699,567	401,921
3	Wheatland Electric Coop, Inc (KS0051)	20510				6,000	0.00		
	Total				180,343,790	10,467,955	5.80	3,478,301	1,869,500

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 December 2019	
PART K. kWh PURCHASED AND TOTAL COST			
No	Comments		
1			
2			
3			

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 December 2019	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
1	Hineman	Radio Tower Site	100
2	Peck	Substation Site	150
3	Farm Credit Leasing "CL"	Trucks	155,215
	TOTAL		155,465

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 December 2019	
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 7/16/2019	2. Total Number of Members 2,659	3. Number of Members Present at Meeting 157	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 91,015	8. Does Manager Have Written Contract? Y

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

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 December 2019		
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)				
2	National Rural Utilities Cooperative Finance Corporation	6,345,436	291,685	553,599	845,284
3	CoBank, ACB				
4	Federal Financing Bank	30,261,045	972,849	587,550	1,560,399
5	RUS - Economic Development Loans	150,400			
6	Payments Unapplied	4,015,919			
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
10	Farm Credit Services	275,686		155,215	155,215
	TOTAL	33,016,648	1,264,534	1,296,364	2,560,898

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KS0042		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2019		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	2,225	2,236	
	b. kWh Sold			24,196,666
	c. Revenue			2,852,725
2. Residential Sales - Seasonal	a. No. Consumers Served	1,141	1,142	
	b. kWh Sold			2,093,679
	c. Revenue			404,910
3. Irrigation Sales	a. No. Consumers Served	334	333	
	b. kWh Sold			7,221,785
	c. Revenue			936,183
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	1,856	1,865	
	b. kWh Sold			52,598,388
	c. Revenue			5,561,123
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	189	188	
	b. kWh Sold			73,111,587
	c. Revenue			7,123,779
6. Public Street & Highway Lighting	a. No. Consumers Served	13	21	
	b. kWh Sold			440,152
	c. Revenue			55,988
7. Other Sales to Public Authorities	a. No. Consumers Served	49	49	
	b. kWh Sold			364,795
	c. Revenue			52,518
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served	1	1	
	b. kWh Sold			8,272,195
	c. Revenue			609,985
10. Total No. of Consumers (lines 1a thru 9a)		5,808	5,835	
11. Total kWh Sold (lines 1b thru 9b)				168,299,247
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				17,597,211
13. Transmission Revenue				
14. Other Electric Revenue				184,012
15. kWh - Own Use				83,445
16. Total kWh Purchased				180,343,794
17. Total kWh Generated				
18. Cost of Purchases and Generation				10,474,321
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>				31,828

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 December 2019		
PART P. ENERGY EFFICIENCY PROGRAMS						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers <i>(a)</i>	Amount Invested <i>(b)</i>	Estimated MMBTU Savings <i>(c)</i>	No. of Consumers <i>(d)</i>	Amount Invested <i>(e)</i>	Estimated MMBTU Savings <i>(f)</i>
1. Residential Sales (excluding seasonal)						
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less						
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other						
10. Total						

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE</p> <p>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS</p>	<p>BORROWER DESIGNATION KS0042</p> <p>PERIOD ENDED December 2019</p>
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INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)					
No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	Patronage Capital-Rural Data Processing	2,643			
	Patronage Capital-Kansas Electric Coop	20,430		(7,945)	
	Patronage Capital-NiSC	61,707		4,154	
	Patronage Capital-Garden City Coop	4,076			X
	Patronage Capital-S & T Telephone Coop Assn	102,255		3,857	X
	Midwest Energy	820			X
	Patronage Capital-NRUCFC		198,527	13,348	X
	NRUCFC-Capital Term Certificates		221,958	(302)	
	Membership-NRUCFC		1,000		
	Membership-NRECA	10			
	Membership-Midwest ACA	25			
	Membership-Sunflower Electric Power Corp.	100			
	Membership-NiSC	50			
	Membership-KEC	10			
	Membership-S & T Telephone Coop Assn	5			
	Common Stock-Federated Rural Electric Ins.	143,394		8,717	
	Membership-SEP Corporation	1,000			
	Sunflower Electric Power Corp.	303,000			
	Building & Land Fund-KEC	19,222			
	Membership-NRTC	1,000			
	Golden Belt Telephone	27,323		1,592	X
	Sunflower Electric Power Corp	5,363			
	Patronage Capital - Co-Bank		20,346		
	Patronage Capital-Sunflower Electric Power Corp		9,899,455	664,581	
	Patronage Capital-HLS-Federated Rural Electric Ins	36,005		589	
	Patronage Capital-HLS-S&T Telephone Coop Assn	7,401			X
	Patronage Capital-HLS-Pioneer Electric	52			
	Patronage Capital-HLS-Lane-Scott Electric	971			X
	Patronage Capital-HLS-New-Mac Electric	471			
	Patronage Capital-HLS-Intercounty Electric	130			
	Patronage Capital-HLS-Midwest Energy	346			
	Patronage Capital-HLS-Webster Electric	77			
	Patronage Capital-HLS-Barry Electric	87			
	MKEC LLC		(26,745)	(26,745)	
	Totals	737,973	10,314,541	661,846	
4	Other Investments				
	Lane County Area Development Corp	5,000			X
	Garden City Coop	500			X
	Beeler Coop	1			X
	Totals	5,501			
6	Cash - General				
	First National Bank-Dighton, Ks		(74)		
	First State Bank-Healy, Ks	17,424	100,000		
	Working Funds	270			
	First State Bank-Healy, Ks.-Revolving Loan Fund	113,004	100,000		
	Totals	130,698	199,926		
7	Special Deposits				
	City of Dighton-Meter Deposit	25			
	Totals	25			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KS0042		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2019		
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.				
PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)				
8	Temporary Investments			
	First National Bank-Dighton, Ks		61,395	
	First State Bank-Healy, Ks		90,470	
	NRUCFC Commercial Paper		2,520,971	
	Totals		2,672,836	
9	Accounts and Notes Receivable - NET			
	Accts Rec-Resale & Electrician Service	22,588		
	Accts Rec-Contributions in aid of construction	80,730		
	Totals	103,318		
11	TOTAL INVESTMENTS (1 thru 10)	977,515	13,187,303	661,846

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KS0042			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2019			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KS0042			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2019			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					1.72 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors	11/15/2020	726	318	X
2	Energy Resources Conservation Loans				
	TOTAL		726	318	

1. Met with Clare from Sunflower about their Economic Development initiative
2. Attended the Wind Turbine demonstration during the DHS Buzz Series on February 13th
3. The nominating committee selected the Youth Tour Winners. There were 6 entries. The winners are as follows:

Youth Tour: Jobi Roemer, Healy, KS & Carlee Flax, Ransom, KS

Leadership Camp: Kayler Getz, Quinter, KS & Anabeth Ratzlaff, Ingalls, KS

Alternates: Caitlin Smee, Ness City & Hailey Hunter, Ness City

4. Annual Meeting:
 - a. Caterer Quotes are included in the packet for selection. Hoss BBQ no longer is interested in catering.
 - b. Looking into gifts
5. Working on setting-up and implementing e-mail and text message notification options through the Messenger app of SmartHub. We will kick-off in April with a "Welcome to Lane-Scott Notifications" e-mail message after information is published in the KCL magazine & social media channels. (Working on this campaign, see part of it in board document "Messenger Text_Email Ad Campaign)
6. A bill stuffer will go out in April just to irrigation members explaining the Annual Irrigation Charges that are with the April bill.
7. I mailed & took LIEAP applications & information to the Senior Centers and churches to also have available for people who might need them.
8. Designed and ordered "Brought to You by the Members of LSEC" stickers to use as needed and a LSEC Happenings hand-out for Richard to take to legislatures.
9. Set-up Googly Analytics on both SmartHub & our LSEC website to see user visits and what part of the websites are visited. Creating a system to track this monthly. We can also see through Google MyBusiness who uses the Google Search Engine to find out who's searching and going to our site.
10. Continue working on newsletter, social media posts, website updates monthly, sponsor & donation requests.



Stay Connected with Your Cooperative!

RECEIVE email & text notifications with important information affecting you and your Cooperative.

- Outages
- Bill Pay Confirmation & Late Notices
- E-Newsletters
- “From the Manager” Notifications:

Includes important industry info, current events, major storm impacts & restoration efforts.

- “Watt’s Up at Lane-Scott”:

A variety of info such as annual meeting info, tree trimming & pole testing contract work being done in our area, programs, application deadlines such as youth tour, scholarships, Lane-Scott events, etc.

Signing-up is easy:

All SmartHub users will **AUTOMATICALLY** receive a “Welcome to Watt’s Up at Lane-Scott” e-mail in April. The e-mail will explain how to opt-in & opt-out of the notifications you wish to receive and whether you receive them via e-mail or text message.

Not a SmartHub user but want to receive notices?

Simply enter your information securely on the “Sign Me Up for E-mail Notifications” form on our website at www.lanescott.coop.

Date	Reason for trip	destination	odometer		total mileage
			beginning	end	
1-Jan	Begin		37,926		
6-Jan	KEC Special Board Meeting	Topeka	37,932	38,543	611
16-Jan	SEPC Board Meeting	Hays	38,549	38,769	220
20-Jan	SEPC 34.5kV meeting	Hays	38,769	38,952	183
21-Jan	Utica, Ransom, Ness City		38,952	39,040	88
23-Jan	Wheatland EC	Scott City	39,041	39,090	49
	KEC Crisis Communications Workshop - AMJ	Topeka	39,092	39,707	615
					-
					-
	month end			39,707	
				Business	1,766

Total 1,781

Personal 15

IT/COMPLIANCE DEPARTMENT

CYBERSECURITY/IT PROJECTS COMPLETED AS OF FEBRUARY 2020

1. NISC Cybersecurity services implementation of our hosted ASP SmartHub, Database, Call Capture, and Document Vault module server monthly maintenance and patching scheduling. This allows upgrades or patches for Linux/Windows servers to be performed efficiently and on a consistence basis. All upgrades and patches have been tested in a NISC iVue environment to assure normal performance and functionality. Snapshots will be taken before upgrade or patches are implemented to ensure a restore point to mitigate downtime or data loss in the event of a failed upgrade or patch implementation. Upgrades and patches include:
 - Operating system (OS) level upgrades
 - OS and system patches
 - 3rd party applications
 - Critical common vulnerability and exposure (CVE's)
 - Zero-day patches (vulnerability detection patches)
 - Server reboots
2. Server disaster recovery data migration and recovery process. GIS and Domain encryption key export performed to ensure that Veritas Backup Exec server can be migrated or recovered. Domain simplified disaster recovery performed to create disk image to rebuild the server and restore it to a functional state if an incident should occur.
3. Lane-Scott domain DNS settings and programming integration with NRECA for website HTTPS upgrade.
4. Collaborated with NISC to transition our old ASP web proxy server to a new ASP web proxy server that has additional securities. Among those securities was:
 - Disabling the old TLS versions requiring 1.2 as the only TLS protocol option.
 - Disabled SSLv3 which is no longer considered a secure protocol.
 - Diffie-Hellman key exchange parameters have been strengthened and no longer uses common/default prime number as a parameter during the exchange to produce a more secure channel link.
5. Collaborated with Ann Jennings implementing SmartHub On-Demand Messaging member email listserv. Set up OnDemand Messaging. This uses the SmartHub application (app) with a messaging program to integrate with iVue modules (CIS, OMS, etc.) to create a member communication email listserv. Set up application program settings that allows notifications by either email or text. Implemented the Telephone Consumer Protection Act (TCPA) Federal regulation requirements settings and processes. Created a web sign up form that will allow members to enroll their emails to receive Lane-Scott notifications without registering through SmartHub. Tested implementation of Lane-Scott website form, email/text notification, and unsubscribe process. Confirmed Opt In/Opt Out controls were active.
6. Employee and member spoof email alert awareness, what spoofing does, and suggestion on how to identify a spoof email.
7. Set up GIS and Remit Plus workstations and data transferal.

*CYBERSECURITY/IT PROJECTS **IN PROGRESS** AS OF FEBRUARY 2020*

1. Creating subdomain and DNS settings for Lane-Scott trustee website integrated with NRECA to upgrade to HTTPS.
2. Manage Engine Desktop Central administrative cloud console management tool training and configuring.
3. Asset inventory and network diagram mapping.

SAFETY PROGRAM

*SAFETY PROJECTS **COMPLETED** AS OF FEBRUARY 2020*

1. Philips AED had some recalls. Chad Rupp confirmed affected device model number replacements, quotes, and rebate replacement procedures.
2. Safety equipment asset inventory.
3. Safety meeting minutes are included in packet.

*SAFETY PROJECTS **IN PROGRESS** AS OF FEBRUARY 2020*

1. Chris Terhune and Ann Jennings scheduled March 19 for Brookover Feedlot to do overhead energized line training.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SAFETY MEETING

February 12, 2020

Chris Terhune called the meeting to order at 9:00 am.

Minutes were read: Kasey Jenkinson made a motion to approve the January minutes and Leighton Ayers seconded. January 16th safety meeting minutes were read and approved as printed.

Present: Richard McLeon, Nate Burns, David Howard, Kasey Jenkinson, Ben Mann, Dal Hawkinson, Chad Rupp, Chris Terhune, Larry Kraft, Myron Seib, Kevin Bradstreet, Leighton Ayers, Dellon Shelton, Dee Shull, Michael Pollock, Kathy Lewis, Carrie Borell, Rebecca Campbell, Ann Marie Jennings, and Diana Kuhlman

Absent: Kalo Mann and Mark McCulloch

Truck report of inspections:

105	Richard McLeon	OK
110	Myron Seib	OK
112	Leighton Ayers	OK
117	David Howard	OK
123	Mark McCulloch	OK
124	Michael Pollock	OK
132	Chris Terhune	OK
135	Kevin Bradstreet	OK
136	Dellon Shelton	OK
143	Mark McCulloch	OK
144	Michael Pollock	OK
145	Nate Burns	OK
150	Kasey Jenkinson	OK
155	Ben Mann	OK
173	Chad Rupp	OK
174	Dal Hawkinson	OK
191	Myron Seib	OK
193	Myron Seib	OK
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 T and Dellon S	OK
505	Chris T and Dellon S	OK
508	Chris T and Dellon S	OK
509	Chris T and Dellon S	OK
513	Chris T and Dellon S	OK
516	Chris T and Dellon S	OK
700	Chris T and Dellon S	OK
701	Chris T and Dellon S	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
Office	Carrie Borell	OK

Personal Tools: All Passed

Gloves Monthly Test Results: 117 was rejected and replaced.

Substation and Regulator Report: Nate Burns discussed Parr Electric exchanging out Sunflower 115 pole change outs from Dighton to Ness. Ben Mann discussed Dighton sub transformer bottle leak on regulator has been repaired and will be inspected to ensure completion.

PCB Report: None to report

Line Clearance: Solida is working on the north and south of the highway as they go toward Beeler. Nate Burns discussed the plans to drop the primary line in order to remove some very large trees in Bazine.

Accident and Near Misses: None to Report

Old Business:

- ◆ Carrie Borell reported that Diana Kuhlman contacted Lane County EMS on the first aid/CPR renewal cards of the employees that have not received their renewal cards. They had those emails incorrectly entered. Chad, Richard, Dal, Chris, and Dee stated they still did not get the second email.
- ◆ Chris Terhune discussed the completion of reorganizing truck barn stall where the mower has more room to be parked. Salt shed shelving installation completed for PPE designated storage area. Morton building loft was built on east end for safety and underground and the shelves along walkway were removed. Chad Rupp and Dal Hawkinson build tire storages racks in south shop. Nate Burns reported Zach Dowell will be giving a quote on repairs, tin replacement, and repainting of the north end of the salt shed.

New Business:

- ◆ Nate Burns discussed contracting IES to change out the larger rejected poles in Ness City that will require more than two linemen to replace.
- ◆ Chris Terhune discussed Brookover overhead line training is rescheduled for March 19. Chainsaw on truck 117 was replaced.
- ◆ Ann Jennings discussed silent auction deadline and the resale department installation of the new home surge protector product for members that will go outside under the meter.
- ◆ Carrie Borell discussed the Phillips AED rebate program and quote that was received to replace those serial numbers that have been recalled. Chad Rupp will check for those serial numbers to get a count of how many will need replaced and compare pricing and replacement options.
- ◆ Larry Detweiler discussed 2020 Speak Up/Listen Up and Oil Spill workshops. Recommended on hiring a third party to clean up any oil spills above 499 parts. Updated on upcoming 2021 PCB Recordkeeping, Underground, and NESC workshops. The NESC workshop will be geared for lineman for beyond the meter service. KEC has all the old NESC code books that may be loaned out to cooperatives as needed for builds grandfathered in. Emergency preparedness plans were discussed. Field observation OSHA yearly requirement and Federate Insurance suggested doing an after-hour observation as well. NESC substation requirement and administrative emergency preparedness were discussed.
- ◆ Reviewed safety summary.

Meeting adjourned

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Secretary