

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

A regular meeting of the Board of Trustees has been set for May 4, 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. COVID-19 Update
 - b. Trustee Vacancy
 - c. Annual Meeting Update
10. New Business
 - a. Scholarships
 - b. FFB W8 Loan Draw
11. Safety Meeting Report
12. Executive Session, if requested

Upcoming Events:

KS 'Stay Home" order lifted	May 3	
KEC Board Meeting	May 7	Conference Call
Sunflower Annual Meeting	May 15	Skype Meeting
LSEC GM Evaluation	May 18	Dighton, KS
Office Closed: Memorial Day	May 25	
Lane-Scott Board Meeting	June 1	Dighton, KS

**MINUTES OF THE REGULAR MARCH 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, March 9, 2020, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 7:00 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Harold Hoss, Ed Gough, Richard Sorem, Chad Griffith, Paul Seib Jr. and Craig Ramsey. Also present Richard McLeon IV and Joseph Gasper, Attorney. Eric Doll was absent.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on February 3, 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.

There were no questions regarding the checks.

PRESIDENT'S REPORT

President Jennison had no current items to report.

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., Lane-Scott's delegate to Sunflower, had no further items to report.

KEC REPORT

Trustee Hoss reported that the next KEC meeting will be Wednesday and Thursday in Salina.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- A copy of the credit card statement was passed to the board.
- Vehicle #105 traveled 1,781 miles in December with 15 miles being personal miles.
- NISC capital credits of \$2,480.56 were received.
- Data recovery and mitigation has been tested and passed.
- The transition from the old ASP web proxy server to the new one has been completed.
- A new 5G tower is being installed at Highway 83 and 4 in Scott County and should be completed in April.
- The wet weather has allowed for staking of clearance improvement projects to be completed once the ground has dried out. The goal is to have the identified projects completed before farmers begin to work in the fields.
- Several internal processes are being reviewed, including recloser settings, inventory levels and mapping procedures.
- Lane-Scott is assisting the City of Dighton with their new meter reading system.
- Jobi Roemer, Healy and Carlee Flax, Ransom were selected for the youth tour. Kayler Getz, Quinter and Anabeth Ratzlaff, Ingalls were selected for the Leadership camp. Caitlin Smee, Ness City and Hailey Hunter, Ness City were selected as alternates.
- The SmartHub notification program has been established. This will allow communication with members through email or SmartHub. Members will be able to opt out of the notification if they wish. Once the outage management system is completed and communicating with NISC, members will be able to be notified of outages and restoration efforts.
- The USDA LIEAP applications have been distributed to senior centers and churches.
- January was a good financial month with Gross Margins up \$159,826 over December and up \$46,668 over January 2019.
- Controllable expenses were down \$24,575 from December and up \$250 from January 2019.
- General Funds level is 12.94% compared to the 5 year of 7.31%.
- Resale had revenue of \$15,472.59 in January but an overall loss of \$12,095.30 for January. The loss included \$6,375.00 in payroll worked on

the LSEC system and all LSEC overhead. A 2019 profit/loss analysis will be presented at the April meeting.

- The largest outstanding resale balance remain the Black Dog restaurant at \$2,166.58.
- The Dighton O&M agreement showed a profit of \$3,852.12 for the month which is a 31% margin.

RECEIPT OF MANAGER'S REPORT

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

SAFETY REPORT

A safety report was included in the board packet.

There were no additions to the safety report.

OLD BUSINESS

1. Hineman Tower Lease

- Attorney Gasper discussed the Hineman tower lease proposed agreement. The current lease has been in effect since 1992 and is for \$100 per year. The landowner has requested an increase to \$1,000 per year for five years and 10% on any rentals received by Lane-Scott for rentals. A counter proposal in the amount of \$750 per year for a period of five years has been made to the landowner and a response has not yet been received.
- Prior to the discussion regarding the tower lease, Trustee Roehl disclosed that he had a license for an attachment to the Hineman tower. This license is not currently being used by Trustee Roehl. The board discussed whether this license would arise to a conflict of interest which would require Trustee Roehl to abstain from discussion and decisions regarding the Hineman tower. The consensus of the board was that no conflict of interest was present and Trustee Roehls was allowed to participate in the discussion.

2. Strategic plan update

- The goals for implementation of the five primary strategic goals were set according to importance as 1,3,2,4, and 5.

- Goal 1: Continuous improvement of the safety program is 85% complete;
- Goal 3: Develop a financial plan to include a long-term forecast, equity management plan, rates and capital credits is 40% complete;
- Goal 2: Craft a long term comprehensive technology plan is 80% complete;
- Goal 4: Craft a comprehensive member communication/engagement plan is 100% complete;
- Goal 5: Implement a succession plan for key employees is 20% complete.
- Safety benchmarks have been established with the assistance of Federated to assist with determinations of whether employees are getting hurt on the job. OSHA information is available from 2016 to 2018 and Workman's compensation information is available from 2012 to 2019.
- The cooperative has developed a safety program strategic plan to meet board goals and address deficiencies noted by KEC during compliance inspections.
- Communication with members regarding line clearance is being made by bill stuffers, Country Living articles, Facebook posts, website updates and safety demonstrations. Employees are being educated and a guide for clearances is provided for each employee. A specific work order number has been established for line clearance improvements.
- NISC maximization is being worked on and is 40% complete. NISC has long lead times which delays some implementations.
- The ABS merger was completed in January, 2020 and the CIS merger is scheduled for April/May 2020. NISC will review the system in regards to the NISC system communicating with the CIS system in June.
- The MDMS system costs \$300 per month which provides information on meters. The information is not currently being mined. Manager McLeon met with engineers and they recommended to keep this service at this time so the data will be available for the long range engineering plan and cost of service study.
- The SCADA implementation and integration is 10% complete
- The cyber security comprehensive plan is 80% completed. The ESP has been created and the IT assets have been moved to a server room. A redundant daily backup is done and data is backed up on the NISC cloud and a LSEC server. A test hack will be done over the summer to test the system.
- A depreciation study has been completed and implemented and the LSEC and MKEC assets combined has been completed.
- The equity management goal to determine adequate equity levels is 50% completed.
- The capital credit plan development is 15% complete. The financial forecast includes a retirement of capital credits in 2022 in the amount of \$750,000.
- The 10 year financial forecast was completed in 2019.

- The member communication and engagement plan to include social media, information content and outage notification is completed.
- Communication regarding retail wheeling has been developed and will continue to be maintained.
- The succession planning is 20% completed. Key employees have begun working with other employees on training for additional duties and delegation of authority. This will continue to progress so that various employees can have knowledge in different tasks.
- An evaluation of the profitability of the retail services will be completed for the April meeting.
- A cost of service study is scheduled for 2022.

NEW BUSINESS

1. IES Contract

- IES has been hired in the past for line construction and maintenance. The pole replacements in Ness City require more employee assets since they are in town. Staff recommends the board approve the proposal to have IES replace the identified poles and ordinary replacements as well as other projects while on the system for an expected cost of \$20,000-\$25,000 which will be included in the 2020 construction budget which has \$472,000 for ordinary replacement project and will be reimbursed in the existing FFB loan. *A motion to approve IES Commercial as a contractor to perform ordinary replacement, including the change out of identified poles in Ness City at an estimated cost of between \$20,000 to \$25,000, to be reimbursed by the existing FFB loan was made, duly seconded and carried.*

2. Annual meeting gift and caterer

- A bamboo cutting board and scraper at a cost of \$1,992.50 for the cutting boards and \$977.50 for the scrapers as annual meeting gifts. Proposals for food included John Ross at a cost of \$7,999.00 for whole hog and \$6,024 for pulled pork and Webs BBQ at a cost of \$4,861 for pulled pork.
- *A motion to approve the annual meeting gift of a bamboo cutting board and stainless steel scraper was made duly seconded and carried.*
- The board discussed the catering options including the cost difference between whole hog and other option. The tradition for the annual meeting is to have whole hogs at the meal.
- *A motion to approve John Ross as the caterer and whole hog as the meal at a cost of \$7,999.00 was made, duly seconded and carried.*

3. Ness City High School Scoreboard

- Ness City High School is replacing their football and basketball scoreboards and are raising funds for the replacement. An advertising panel can be placed on a scoreboard for a \$3,000 donation or a banner to be hung in the gym or football field for a donation of \$1,000. The scoreboard has an expected lifetime of 15-20 years. This is a unique opportunity for Lane-Scott to increase its presence in Ness City.
- *A motion to sponsor a scoreboard at the Ness City High School with a donation of \$3,000 was made, duly seconded and carried.* The board then discussed which scoreboard to donate to. *A motion to sponsor the football scoreboard was made, duly seconded and carried.*

4. End of Year Report

- The end of year report was included in the board packet and an executive summary was presented by Manager McLeon.
- Operating revenue is growing faster than total expenses. The wholesale power costs are helping in this area keeping expenses down.
- The statement of operations shows the slope of the normalization line is increasing.
- The total long term debt is \$36 million with 82% of the debt with RUS FFB and \$6.3 million with CFC. The utility plant is growing faster than the debt.
- The wholesale power cost decreased in 2019 and is expected to decrease in 2020 as well.
- The trend has been decreasing meters but increase in usage per meter.
- The outages have a longer time to repair due in part to the long drive time to many of the outages.
- The safety incident rate has been decreasing and the workman's compensation rate remains under 1 which is good.
- General funds are on a growing trend.
- The overall financial health is good.
- The following areas are areas that need to improve upon:
 - Outage reporting
 - Controllable expenses
 - \$3.2 million remaining on the current FFB loan
- The highest increase in payroll expenses are due to increases in benefits. In discussion with employees, Manager McLeon believes they understand the value of the benefits.
- The cash on hand is getting close to the \$3.3 million recommended.
- Ed Gough reported to the board that he will not be running for another term at the expiration of his current term this year.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 8:37 p.m., on Monday, March 9, 2020.

**MINUTES OF THE REGULAR APRIL 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, April 6, 2020, by teleconference. President Richard Jennison called the meeting to order at 6:53 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 March 9, 2020. *A mistake that expressed the lease amount of the Hineman Tower lease was \$750 per month should be corrected to reflect the lease amount was \$750 per year. Hearing no additional corrections, President Jennison declared the minutes stand approved as corrected.*

CASH DISBURSEMENTS

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

There were no questions regarding the checks.

PRESIDENT'S REPORT

President Jennison reported that this meeting is a regular meeting in regards to the expense vouchers. He also advised any trustee having trouble hearing or needing to comment needs to speak up especially if they are not ready to move on after a topic.

Ken Holmes is working on the manager evaluation and the decision whether a face to face meeting will be held will depend on the situation at that time.

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., Lane-Scott's delegate to Sunflower, had no further items to report.

KEC REPORT

Trustee Hoss reported that a KEC meeting was held March 11 & 12. A written report of the meeting was included in the board packet and there were no questions or additions to the written report.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- Pioneer has went into business with Boothill Distillery to produce sanitizer.
- KIOGA has reached out to the Kansas electric cooperatives requesting a reduction of rates by 35-75% due to the COVID-19 crisis. The COVID-19 crisis and drop in oil price is the main contributing factor in Phillips 66 postponing the Liberty project until 2021. KEC is handling the KIOGA response. A significant downturn in Oil & Gas electricity sales is expected.
- The COVID-19 has taken up a lot of time for employees. Carrie has worked on getting people set up to work from home and enter time remotely.
- Ann Marie is working on getting information out on social media. She is also getting information to members regarding government programs and loans.
- A Notice of Restricted Access to the Dighton sub has been prepared due to the loss of the Dighton O&M contract. Lane-Scott owns the substation equipment and the ground under one substation. There is a lease from the city on a second and no agreement on the third.
- February financials showed a below average month for revenues. March through June are expected to be tough with decrease in oil production and connects as well as a slow down in small businesses. The order to suspend disconnects will also contribute to losses.
- Lane-Scott has enough cash on hand for several months of operations. Work on getting a draw on the current FFB loan with the low rates will be pushed to have the draw prior to August.

RECEIPT OF MANAGER'S REPORT

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

SAFETY REPORT

A safety report was included in the board packet.

There were no additions to the safety report.

OLD BUSINESS

1. Hineman Tower Lease

- *Attorney Gasper discussed the terms of the Hineman Tower lease. The new lease has been signed by Ann Hineman-Fay and is for a period of five years at \$750 per year. A motion to approve the Hineman Tower lease as presented in the board packet was made, duly seconded and carried.*

2. Trustee Districts

A motion to enter executive session to discuss legal matters with Attorney Gasper was made duly seconded and passed. The board entered executive session at 7:07 p.m. and exited at 7:36 p.m.

NEW BUSINESS

1. Nominating Committee

- *A motion to approve the members of the 2020 nominating committee as follows: Jay Schmalzried, Dan Wehkamp, Doug Vieux, Lex Bush, Randy Scheurman, John Beaton, Lane Copeland, Ben Cramer and Kenny Schlegel was made, duly seconded and carried.*

2. Capital Credit Retirement

- *A motion to approve the payment of estate capital credits in the amount of \$46,995.87 as presented in the board packet was made, duly seconded and carried.*

3. Policy #206

- Attorney Gasper discussed the proposed changes to policy #206 regarding Trustee duties and responsibilities. *A motion to approve policy #206 as presented in the board packet was made, duly seconded and carried.*

4. Sunflower delegates

- Trustee Seib was appointed voting delegate and Manager McLeon alternate voting delegate for the annual meeting of Sunflower Electric Power Corporation and Sunflower Electric Holdings, Inc.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 7:55 p.m., on Monday, April 6, 2020.

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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
2005 03/11/2020	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Invoice	864.80
2004 03/12/2020	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Invoice	186.11
2014 03/12/2020	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
45464 03/16/2020	CHK	1	MIKE KELSO OIL INC.	Refunds of Deposits on Active Cutomers	1,239.07
45465 03/16/2020	CHK	1	NESS CITY ISD #303	Football Scoreboard Advertisement	3,000.00
45466 03/16/2020	CHK	1	SCOTT COUNTY INDOOR ARENA	Arena Sign Renewal	200.00
45467 03/16/2020	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	44,500.00
45468 03/16/2020	CHK	30	HAROLD HOSS	March Board Meeting	384.50
45469 03/16/2020	CHK	34	AMERICAN SAFETY UTILITY CORP	Leighton - clothing Allowance	87.28
45470 03/16/2020	CHK	40	KANSAS ELECTRIC COOPERATIVES	Dues	2,230.03
45471 03/16/2020	CHK	60	PAUL SEIB JR	March Board Meeting	387.95
45472 03/16/2020	CHK	63	RICHARD JENNISON	March Board Mtg & NRECA Annual Mtg	2,809.91
45473 03/16/2020	CHK	105	CITY OF NESS CITY	Monthly Invoice	26.00
45474 03/16/2020	CHK	107	CINTAS CORPORATION #449	Dighton-Monthly Invoice	262.59
45475 03/16/2020	CHK	172	TYNDALE COMPANY, INC.	Clothing Allowance - Dellon	21.68
45476 03/16/2020	CHK	179	RAD ROEHL	March Board Mtg	360.35
45477 03/16/2020	CHK	181	BAKER DISTRIBUTING CO	Pressure Switch	68.74
45478 03/16/2020	CHK	202	CHAD GRIFFITH	March Board Mtg	393.13
45479 03/16/2020	CHK	294	AIRGAS USA LLC	Monthly Invoice	52.18
45480 03/16/2020	CHK	302	LANE COUNTY ECONOMIC DEVELOPM	June Jaunt/Summer Kick off sponsorship	100.00
45481 03/16/2020	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly Invoice-supplies	65.80
45482 03/16/2020	CHK	406	RICHARD MCLEON	NRECA Mtg Expenses	606.72
45483 03/16/2020	CHK	417	SUNFLOWER ELECTRIC POWER COOP	Twin Springs	10,001.81
45484 03/16/2020	CHK	429	IT1 CONSULTING LLC	Trend Micro Worry Fee Services	60.03
45485 03/16/2020	CHK	433	BRIGHT IDEAS	Annual Mtg Giveaway	1,957.50
45486 03/16/2020	CHK	803	ALTEC INDUSTRIES, INC	Hose Assembly for #112	473.29
45487 03/16/2020	CHK	903	NISC	Monthly Invoices	13,171.48
45488 03/16/2020	CHK	1152	ED GOUGH	March Board Mtg	357.48
45489 03/16/2020	CHK	1225	CINTAS CORPORATION	Ness City - Monthly Invoice	59.76
45490 03/16/2020	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Monthly Invoice	316.78

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
45491 03/16/2020	CHK	1263	RICHARD SOREM	March Board Mtg	399.45
45492 03/16/2020	CHK	1299	DEANNE SHULL	Cookies for Board Mtg	72.00
45493 03/16/2020	CHK	1300	CRAIG RAMSEY	NRECA Annual Mtg & March Board Mtg	3,187.05
2006 03/18/2020	WIRE	274	VERIZON WIRELESS	Monthly Invoice	359.21
2007 03/18/2020	WIRE	274	VERIZON WIRELESS	Monthly Invoice	345.60
2008 03/18/2020	WIRE	1229	SCHABEN SANITATION	Monthly Invoice	452.03
2003 03/23/2020	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Invoice	95.70
2016 03/23/2020	WIRE	1271	CARDMEMBER SERVICE	Monthly Invoice	6,540.05
2009 03/24/2020	WIRE	101	ATMOS ENERGY	Monthly Invoice	133.07
2011 03/25/2020	WIRE	121	FED-EX	Monthly Invoice	192.69
2012 03/25/2020	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	13,995.31
2013 03/25/2020	WIRE	264	KS DEPT OF REVENUE - USE TAX	Use Tax	102.20
45494 03/25/2020	CHK	434	A-1 SIGN PRO	Substation Signs	2,150.00
2010 03/26/2020	WIRE	1290	WEX BANK	Monthly Invoice	118.27
45495 03/26/2020	CHK	20	BASIN ELECTRIC POWER COOP	Dispatch/alarm Fees -Feb	2,130.83
45496 03/26/2020	CHK	59	NRECA	2020 National Compensation Distribution	495.00
45497 03/26/2020	CHK	105	CITY OF NESS CITY	Franchise Fee	4,483.58
45498 03/26/2020	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming and Removal	11,114.48
45499 03/26/2020	CHK	135	CITY OF BAZINE	Franchise Fee	1,296.41
45500 03/26/2020	CHK	160	SHULL OIL COMPANY	Monthly Fuel	4,035.73
45501 03/26/2020	CHK	198	OTIS ELEVATOR COMPANY	Service Contract for 4/1-6/30	138.37
45502 03/26/2020	CHK	238	ILLINOIS MUTUAL	Premiums	98.96
45503 03/26/2020	CHK	243	WELL WATCH LLC	Truck # 174	1,110.23
45504 03/26/2020	CHK	253	FARM CREDIT LEASING SERVICES COR	Truck Lease Pymts	14,562.28
45505 03/26/2020	CHK	383	HUXFORD POLE AND TIMBER CO INC	Monthly Invoice	12,759.18
45506 03/26/2020	CHK	424	FOOS AUTO & TIRE LLC	Truck #305	225.23
45507 03/26/2020	CHK	429	IT1 CONSULTING LLC	Office 365 Business Premium	12.50
45508 03/26/2020	CHK	860	KANSAS LINE SUPERVISORS ASSOC	2020 Dues	100.00
45509 03/26/2020	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Monthly Invoices	6,300.26
45510 03/26/2020	CHK	1251	TECHLINE, LTD	Monthly Invoice	3,189.23

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
45511 03/26/2020	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	69.78
45512 03/26/2020	CHK	9999	KOLT KLITZKE	INACTIVE REFUND	199.40
45513 03/26/2020	CHK	9999	STEVE MOEDER	INACTIVE REFUND	43.77
45514 03/26/2020	CHK	9999	SHAELYN MCINNIS	INACTIVE REFUND	98.06
45515 03/26/2020	CHK	9999	DAVID R SCOTT	INACTIVE REFUND	502.04
45516 03/26/2020	CHK	9999	WAUSAU DEVELOPMENT CORPORATIO	INACTIVE REFUND	523.37
2015 03/31/2020	WIRE	1187	MIDWEST ENERGY	Monthly Invoice	914.72
2000 04/01/2020	WIRE	274	VERIZON WIRELESS	Monthly Invoice	330.14
45517 04/01/2020	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	53,500.00
45518 04/01/2020	CHK	73	STANION WHOLESALE ELEC CO INC	Monthly Invoice	12,300.72
45519 04/01/2020	CHK	79	POSTMASTER	Postage for Newsletter	110.68
45520 04/01/2020	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming and Removal	6,015.70
45521 04/01/2020	CHK	184	JOHNSTONE SUPPLY	Monthly Invoice	3,019.77
45522 04/01/2020	CHK	261	LOCKE SUPPLY CO	Monthly Invoice	277.33
45523 04/01/2020	CHK	306	BORDER STATES INDUSTRIES INC	Monthly Invoice	5,456.10
45524 04/01/2020	CHK	311	ELDRIDGE FENCING INC	Alexander Sub	2,332.35
45525 04/01/2020	CHK	420	BERRY TRACTOR & EQUIPMENT CO	Parts for Bobcat	782.38
45526 04/01/2020	CHK	427	DIGHTON HERALD LLC	Advertising	80.00
45527 04/01/2020	CHK	773	BRETZ'S INC	Monthly invoice	66.02
45528 04/01/2020	CHK	1197	GARDEN CITY WHOLESALE SUPPLY	Monthly Invoice	2,674.44
45529 04/01/2020	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Office Supplies	409.21
45530 04/01/2020	CHK	1293	DAL HAWKINSON	Clothing Allowance - Dal Hawkinson	253.81
1997 04/06/2020	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS Group Ins	69,595.16
1998 04/06/2020	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA Gr 1-April Group Ins	2,587.16
1999 04/06/2020	WIRE	180	NRECA	NRECA Gr 1 Admin Fee-April Grp Insurance	208.09
2001 04/08/2020	WIRE	1267	AFLAC	Monthly Invoice	473.54
2002 04/08/2020	WIRE	168	ONLINE INFORMATION SERVICES, INC	Monthly Invoice	67.80
45531 04/09/2020	CHK	1	VICTORY ELECTRIC	Hand Sanitizer	360.00
45532 04/09/2020	CHK	14	OFFICE SOLUTIONS, INC	Office Supplies/contract	213.75
45533 04/09/2020	CHK	30	HAROLD HOSS	April Board Audio Mtg & KEC Mtg	1,403.31

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
45534 04/09/2020	CHK	32	WESCO RECEIVABLES INC	Monthly Invoice	139.50
45535 04/09/2020	CHK	34	AMERICAN SAFETY UTILITY CORP	Glove Protectors	133.03
45536 04/09/2020	CHK	40	KANSAS ELECTRIC COOPERATIVES	Dues & Subscriptions	8,715.61
45537 04/09/2020	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Invoice	589.36
45538 04/09/2020	CHK	55	NESS COUNTY NEWS	Advertising	68.00
45539 04/09/2020	CHK	63	RICHARD JENNISON	April Board Mtg-Audio	350.00
45540 04/09/2020	CHK	79	POSTMASTER	Annual Bulk Permit Fee	240.00
45541 04/09/2020	CHK	96	STEPHENS LUMBER - DIGHTON	Monthly Invoice	205.55
45542 04/09/2020	CHK	104	HOME OIL CO	Monthly Fuel Invoice	380.15
45543 04/09/2020	CHK	105	CITY OF NESS CITY	March Postage and Pay Station	616.30
45544 04/09/2020	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Ness City	71.56
45545 04/09/2020	CHK	117	NESS CITY FARM & FEED	Monthly Invoice	559.79
45546 04/09/2020	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming and Removal	5,944.10
45547 04/09/2020	CHK	145	BUMPER TO BUMPER OF NESS CITY	Gasket Cement	8.47
45548 04/09/2020	CHK	164	FAIRBANK EQUIPMENT INC.	Monthly Invoice	229.13
45549 04/09/2020	CHK	169	AMERICAN ELECTRIC-GARDEN CITY	Monthly Invoice	1,405.15
45550 04/09/2020	CHK	207	ELIZABETH C. HINEMAN TRUST	Radio Tower-Land Lease	750.00
45551 04/09/2020	CHK	220	LANDIS+GYR TECHNOLOGY, INC	SaaS Monthly Fee	750.00
45552 04/09/2020	CHK	239	HEALY OIL CO	Anti Freeze	25.78
45553 04/09/2020	CHK	272	LEWIS AUTOMOTIVE GROUP INC	Monthly Invoice	383.49
45554 04/09/2020	CHK	278	GLOBAL EQUIPMENT COMPANY INC	Monthly Invoice	89.79
45555 04/09/2020	CHK	298	OVERLEASE K-LAWN	Spraying Substations	4,121.55
45556 04/09/2020	CHK	304	STECKLINE COMMUNICATIONS INC	Advertising	100.00
45557 04/09/2020	CHK	306	BORDER STATES INDUSTRIES INC	Monthly Invoice	855.46
45558 04/09/2020	CHK	344	JUSTIN LEWIS	Wire roller Stands-2nd pymt installment	1,200.00
45559 04/09/2020	CHK	367	LANE COUNTY LION'S CLUB	Advertising	30.00
45560 04/09/2020	CHK	370	U.S. PAYMENTS, LLC	Kiosk Card Processing Fees	8.42
45561 04/09/2020	CHK	380	GRAINGER	Monthly Invoice	60.63
45562 04/09/2020	CHK	387	WESTERN FUEL & SUPPLY	Monthly Fuel Invoice	183.24
45563 04/09/2020	CHK	406	RICHARD MCLEON	Clothing Allowance	110.80

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Accounts Payable Check Register

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03/11/2020 To 04/09/2020

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
45564 04/09/2020	CHK	506	K&J FOODS	Monthly Invoice	255.24
45565 04/09/2020	CHK	803	ALTEC INDUSTRIES, INC	Truck #193	15,120.75
45566 04/09/2020	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fee	72.00
45567 04/09/2020	CHK	1152	ED GOUGH	April Board Mtg-Audio	350.00
45568 04/09/2020	CHK	1169	WASHER SPECIALTIES CO.	Monthly Invoice	26.01
45569 04/09/2020	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	530.68
45570 04/09/2020	CHK	1213	NRECA GROUP ADMIN	FSA Fees	15.00
45571 04/09/2020	CHK	1225	CINTAS CORPORATION	Hand Sanitizer	96.74
45572 04/09/2020	CHK	1248	COMPLIANCE ONE	Drug & Alcohol Testing	115.50
45573 04/09/2020	CHK	1251	TECHLINE, LTD	Monthly Invoice	4,597.64
45574 04/09/2020	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	374.83
45575 04/09/2020	CHK	1287	COLLINS STEEL	Monthly Invoice	159.66
45576 04/09/2020	CHK	9999	MIKE BRIDGES	INACTIVE REFUND	58.65
45577 04/09/2020	CHK	9999	ROSETTA HEALY	INACTIVE REFUND	101.60
45578 04/09/2020	CHK	9999	SAVANNAH LIRA	INACTIVE REFUND	174.78
45579 04/09/2020	CHK	9999	ANGELICA LUNA	INACTIVE REFUND	152.79

Total Payments for Bank Account - 2 : (136) 390,085.20

Total Voids for Bank Account - 2 : (0) 0.00

Total for Bank Account - 2 : (136) 390,085.20

Grand Total for Payments : (136) 390,085.20

Grand Total for Voids : (0) 0.00

Grand Total : (136) 390,085.20

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Payroll/Labor Check Register

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Pay Date: 03/01/2020 To 03/31/2020

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
5	KATHERINE E LEWIS	03/12/2020	4922	4,958.76	80.00	0.00	1,287.32	33.00	1,214.38	2,457.06	
							368.51	0.00	2,916.03	985.00	DD
										100.00	DD
										1,372.06	DD
17	DAVID L HOWARD	03/12/2020	4923	3,528.00	80.00	0.00	415.26	37.00	1,006.70	2,106.04	DD
							269.03	0.00	2,111.01		
21	CARRIE M BORELL	03/12/2020	4924	2,427.88	88.00	0.00	289.08	10.93	416.36	1,722.44	DD
							182.36	0.00	1,816.86		
22	REBECCA L CAMPBELL	03/12/2020	4925	1,975.20	80.00	0.00	343.79	5.50	342.18	1,289.23	
							144.05	0.00	1,758.09	300.00	DD
										989.23	DD
26	RICHARD A MCLEON	03/12/2020	4926	8,250.00	80.00	0.00	353.27	109.64	2,853.21	5,043.52	DD
							639.51	0.00	3,211.97		
34	KALO M MANN	03/12/2020	4927	3,008.00	80.00	0.00	549.91	44.32	658.64	1,799.45	DD
							248.73	0.00	1,772.52		
35	NATHAN A BURNS	03/12/2020	4928	4,803.13	80.00	0.00	884.35	37.47	1,187.37	2,731.41	DD
							368.48	0.00	2,171.47		
50	KASEY R JENKINSON	03/12/2020	4929	3,616.60	83.00	0.00	633.26	15.73	749.14	2,234.20	DD
							272.10	0.00	2,401.95		
55	BENJAMIN L MANN	03/12/2020	4930	3,424.00	80.00	0.00	648.76	15.48	627.75	2,147.49	DD
							261.29	0.00	1,764.66		
74	DAL S HAWKINSON	03/12/2020	4931	3,304.80	80.00	0.00	472.66	5.49	907.04	1,925.10	DD
							247.46	0.00	2,350.59		
81	DEANNE R SHULL	03/12/2020	4932	1,628.00	80.00	0.00	231.50	34.17	299.02	1,097.48	DD
							126.15	0.00	993.73		
84	MICHAEL S POLLOCK	03/12/2020	4933	3,008.00	80.00	0.00	681.34	6.81	486.39	1,840.27	
							226.38	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	03/12/2020	4934	3,676.59	86.00	0.00	483.28	21.67	752.28	2,441.03	DD
							273.85	0.00	2,350.59		
89	CHRIS R TERHUNE	03/12/2020	4935	3,304.80	80.00	0.00	450.71	15.83	985.69	1,868.40	DD
							248.25	0.00	2,317.54		
91	LARRY D KRAFT	03/12/2020	4936	3,304.80	80.00	0.00	415.97	40.01	619.22	2,269.61	DD
							250.29	0.00	2,350.59		
93	MYRON E SEIB	03/12/2020	4937	3,335.78	80.50	0.00	579.03	26.58	589.32	2,167.43	DD
							251.44	0.00	2,350.59		
99	KEVIN A BRADSTREET	03/12/2020	4938	3,676.59	86.00	0.00	383.07	17.16	1,039.56	2,253.96	DD
							282.62	0.00	1,418.48		

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Payroll/Labor Check Register

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Pay Date: 03/01/2020 To 03/31/2020

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
108	MARK R MCCULLOCH	03/12/2020	4939	2,752.26	81.00	0.00	910.53	19.78	615.43	1,226.30	DD
							212.90	0.00	1,374.06		
117	LEIGHTON J AYERS	03/12/2020		3,304.80	80.00	0.00	620.54	11.73	669.35	2,014.91	
			4940				247.93	0.00	2,350.59	150.00	DD
										1,864.91	DD
129	STACEY L FOOS	03/12/2020	4941	104.02	6.75	0.00	0.00	0.00	7.96	96.06	DD
							8.68	0.00	0.00		
130	ANN MARIE JENNINGS	03/12/2020	4942	1,802.41	80.00	0.00	245.37	6.67	321.44	1,235.60	DD
							129.51	0.00	1,701.99		
131	DIANA KUHLMAN	03/12/2020	4943	1,738.40	80.00	0.00	311.98	4.83	259.91	1,166.51	DD
							131.13	0.00	1,382.12		
132	DELLON SHELTON	03/12/2020	4944	1,929.60	80.00	0.00	0.00	1.30	466.12	1,463.48	DD
							149.63	0.00	5.27		
5	KATHERINE E LEWIS	03/30/2020		4,958.76	96.00	0.00	1,287.32	33.00	1,214.38	2,457.06	
			4945				368.51	0.00	2,916.03	985.00	DD
										100.00	DD
										1,372.06	DD
17	DAVID L HOWARD	03/30/2020	4946	4,233.60	96.00	0.00	485.82	37.00	1,266.12	2,481.66	DD
							322.99	0.00	2,146.29		
21	CARRIE M BORELL	03/30/2020	4947	3,602.25	123.00	0.00	331.31	10.93	711.19	2,559.75	DD
							270.62	0.00	1,837.97		
22	REBECCA L CAMPBELL	03/30/2020		2,370.24	96.00	0.00	387.25	5.50	442.33	1,540.66	
			4948				174.67	0.00	1,777.84	300.00	DD
										1,240.66	DD
26	RICHARD A MCLEON	03/30/2020	4949	8,250.00	96.00	0.00	353.27	109.64	2,853.22	5,043.51	DD
							639.52	0.00	3,211.97		
34	KALO M MANN	03/30/2020	4950	3,760.00	98.00	0.00	549.91	44.32	849.26	2,360.83	DD
							290.86	0.00	1,772.52		
35	NATHAN A BURNS	03/30/2020	4951	4,803.13	96.00	0.00	809.35	37.47	1,209.64	2,784.14	DD
							368.47	0.00	2,171.47		
50	KASEY R JENKINSON	03/30/2020	4952	4,108.80	96.00	0.00	701.74	15.73	861.78	2,545.28	DD
							309.74	0.00	2,436.19		
55	BENJAMIN L MANN	03/30/2020	4953	4,750.80	105.00	0.00	648.76	15.48	994.38	3,107.66	DD
							362.79	0.00	1,798.90		
74	DAL S HAWKINSON	03/30/2020	4954	4,740.32	108.50	0.00	551.97	5.49	1,433.46	2,754.89	DD
							357.27	0.00	2,383.64		
81	DEANNE R SHULL	03/30/2020	4955	1,953.61	96.00	0.00	314.06	34.17	375.71	1,263.84	DD
							149.98	0.00	1,010.01		
84	MICHAEL S POLLOCK	03/30/2020		3,609.60	96.00	0.00	741.50	6.81	626.65	2,241.45	

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Payroll/Labor Check Register

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Pay Date: 03/01/2020 To 03/31/2020

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
			4956				270.89	0.00	2,253.44	100.00	DD
										25.00	DD
										25.00	DD
										25.00	DD
										2,066.45	DD
85	CHAD A RUPP	03/30/2020	4957	3,965.76	96.00	0.00	549.38	21.67	825.58	2,590.80	DD
							295.43	0.00	2,383.64		
89	CHRIS R TERHUNE	03/30/2020	4958	3,965.76	96.00	0.00	503.59	15.83	1,223.03	2,239.14	DD
							298.81	0.00	2,343.98		
91	LARRY D KRAFT	03/30/2020	4959	3,965.76	96.00	0.00	482.07	40.01	786.78	2,696.91	DD
							300.66	0.00	2,383.64		
93	MYRON E SEIB	03/30/2020	4960	4,151.66	99.00	0.00	678.18	26.58	784.25	2,689.23	DD
							313.86	0.00	2,383.64		
99	KEVIN A BRADSTREET	03/30/2020	4961	3,965.76	96.00	0.00	455.77	17.16	1,146.99	2,363.00	DD
							304.69	0.00	1,451.53		
108	MARK R MCCULLOCH	03/30/2020	4962	3,241.93	96.00	0.00	964.56	19.78	773.56	1,503.81	DD
							247.68	0.00	1,401.08		
117	LEIGHTON J AYERS	03/30/2020		4,740.32	108.50	0.00	686.64	11.73	1,047.66	3,006.02	
			4963				357.75	0.00	2,383.64	150.00	DD
										2,856.02	DD
129	STACEY L FOOS	03/30/2020	4964	146.40	9.50	0.00	0.00	0.00	11.86	134.54	DD
							12.23	0.00	0.00		
130	ANN MARIE JENNINGS	03/30/2020	4965	2,162.89	96.00	0.00	263.39	6.67	412.82	1,486.68	DD
							157.44	0.00	1,720.01		
131	DIANA KUHLMAN	03/30/2020	4966	2,086.08	96.00	0.00	364.13	4.83	334.67	1,387.28	DD
							158.08	0.00	1,399.50		
132	DELLON SHELTON	03/30/2020	4967	2,677.32	105.00	0.00	0.00	1.30	730.46	1,946.86	DD
							207.60	0.00	5.27		
Grand Total:				\$ 159,073.17	3,987.75	\$ 0.00	\$ 23,300.95	\$ 1,042.20	\$ 37,990.24	\$ 97,781.98	
							\$ 12,080.82	\$ 0.00	\$ 86,666.26		



SUNFLOWER BOARD MEETING SUMMARY

April 17, 2020

SUNFLOWER ELECTRIC POWER CORPORATION MONTHLY BOARD MEETING

CURRENT ACTIVITIES/STRATEGY

2019 Audit

The KPMG audit staff presented results for the 2019 Sunflower and Mid-Kansas audits. KPMG gave both companies the highest opinion the firm is allowed to give. Accolades were given to Sunflower staff for their audit preparation work and assistance to KPMG, in particular the communication adaptations necessitated by Covid-19.

Board action: The Sunflower Board approved the 2019 Sunflower audit as presented by KPMG.

Board action: The Sunflower Board approved the 2019 Mid-Kansas audit as presented by KPMG.

Covid-19

The Sunflower Executive Team explained how the pandemic has impacted work protocol for each department, as well as mitigation steps taken. Sunflower is following state and federal guidelines and implementing suggested best practices to combat Covid-19. Sunflower's Business Continuity Committee (BCON) continues to hold a daily call to discuss pandemic development, identify risks and mitigation strategies, and determine necessary communication with staff.

As part of the strategic planning process, the Board and staff have evaluated various futures in order to best manage the company if those circumstances materialize. Due to Covid-19, the scenario that focuses on economic decline is being revisited to determine if, in fact, we are experiencing conditions of that scenario and proactive measures that might need to be implemented.

The Board and staff discussed load changes due to Covid-19. Sunflower's Members are encouraged to communicate their experience with customer load and revenue collection during the pandemic and moving forward.

Strategy Execution

Staff continue to develop a post-2020 vision statement and recently distributed a survey for staff input on drivers that impact meeting success in the strategic theme areas of Rates, Risk, and Furthering Member Success. The development process will include four phases: determining themes; drivers (i.e., what would impact Members' view of success within each theme); measures; and methodology. The draft vision statements will be presented to the Board for consideration and approval.

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Presentations on strategic initiatives of high interest to the Members were postponed this month due to the time commitments required from other matters but will be delivered in future Board meetings: May, Project Cost Accounting; June, Transmission Project Costs; July, Demarcation; and August, Member Leases/Interconnection.

Rate Study

Since January, staff have been examining various rate design and tariff options to produce a rate structure that best meets the future needs of the combined Sunflower membership. Staff presented rate design options for the Board to consider and asked for additional rate design suggestions. Staff will now apply the different rate design options to Members' billing scenarios so the Board can compare the current rate structure to rate design alternatives. The Board may conclude that its current rate structure is appropriate, and changes are not necessary.

PRESIDENT'S REPORT

Operations

The planned eight-week maintenance outage at Holcomb Station continues. Due to the pandemic, in order to reduce having contractors on site longer than necessary, routine maintenance work was deferred to the next maintenance outage in the spring of 2022. This will decrease current outage costs but will increase future outage costs.

Power Supply and Delivery

The Johnson Corner Solar Project achieved commercial operation on April 7.

Staff reviewed regulations around customer-owned generation, specifically Kansas' parallel generation statute and how the Members' avoided cost will be calculated. Members will make the required purchase under the law, and Sunflower will make the Members whole.

Board action: The Sunflower Board approved the Avoided Cost Rider as presented.

Staff reported on the 10-year extension of a power supply contract provided by Sunflower and Pioneer to the City of Hugoton.

Board action: The Sunflower Board approved the power supply contract extension with the City of Hugoton .

Modifications to the WHM tariff and High Load Factor Rider were presented to reflect the actual practices used with industrial customers.

Board action: The Sunflower Board approved the recommended changes to the WHM tariff and High Load Factor Rider.

Transmission Policy and Planning

Engagement with SPP continues via virtual meetings.

The Holistic Integrated Tariff Team (HITT) is currently focused on establishing local planning criteria and byway cost allocation criteria. The HITT has recommended that the Facilitating Transmission Owner (FTO), determined yearly by the Network Customer with largest load, shall hold open meetings if establishing Zonal Planning Criteria (ZPC) or any changes to it. The FTO

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will invite all other Transmission Operators, Transmission Customers, and customers taking firm service in that zone to the meeting. If the FTO decides to submit ZPC, all TOs within that Zone will use that criteria for determining Zonal Reliability Upgrades. The SPP and MOPC will review the recommendation in April, after which time it will be filed with FERC for an anticipated decision in 2021.

For byway cost allocation, the HITT has recommended a process through which costs for specific projects between 100 kV and 300 kV can be fully allocated prospectively on a region-wide basis. A whitepaper has been written to study a waiver that may be requested based on the utilization or anticipated utilization of the transmission facility. The Cost Allocation Working Group will review the whitepaper, as well as Member comments, and present edits on the whitepaper to the Regional State Committee Meeting in July. If the waiver plan is approved, the entity seeking the waiver will retain the burden of proof. SPP will make a recommendation regarding approval or denial of the waiver request.

Finance

Overall Member loads were down 4.05% from budget for the month and .39% year-to-date. Large industrial loads were up 2.77% from budget for the month and 2.75% year-to-date. Year-to-date operating expenses were down from budget by \$3.2 million.

FERC ER19-2273 Update

Discussion continues at FERC on the transmission formula rate for the merged company. Sunflower proposed a 2.45 TIER; intervenors countered with a 1.92 TIER. Sunflower has filed a counteroffer and will continue to negotiations with the intervening parties.

Paycheck Protection Program

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), passed in March of 2020, created new Small Business Administration (SBA) loan and grant programs. The \$349 billion Paycheck Protection Program (under the SBA 7(a) loan program) provides 100% federally guaranteed loans to eligible small businesses for up to 2.5 times average monthly payroll expenses, not to exceed \$10 million. Loan forgiveness will be provided for up to eight weeks of qualified utility bills (including electric, telephone, and internet), mortgage interest and rent, and payroll costs.

Sunflower qualifies for the program because it has fewer than 500 employees and has concerns regarding future revenue due to the pandemic.

Board action: The Sunflower Board approved entering into a \$10 million loan agreement, subject to legal and business review.

Board action: The Sunflower Board authorized Stuart Lowry to enter into a \$10 million loan contract, subject to legal and business review.

RuralPower

INSIDE

- 2 | Calendar
- 2 | JuliAnn Graham, TCEC, re-elected to CCC Board
- 2 | KEC to offer virtual HR Summit

Please send
your news
announcements to
ruralpower@kec.org.

KEC finds new ways to serve member-cooperatives

Amid the disruptions of the COVID-19 pandemic, Kansas Electric Cooperatives, Inc. is continuing service to its member cooperatives through alternative routes for information, resources, and educational offerings.

KEC is hosting weekly conference calls for the managers of the Kansas cooperatives to provide an opportunity to share responses and questions related to the pandemic. KEC CEO

BRUCE GRAHAM has participated in regular conference calls with the statewide managers group, NRECA, CFC, and Federated to discuss state challenges with the pandemic, including the financial impact of mandatory non-disconnect policies. That discussion has added emphasis to the work by NRECA to seek stimulus funds to help electric cooperatives with lost load and possible bad debt.

Staff has adopted new technologies for



Bruce McAntee (left) and Stacey Marston, KEC Loss Control, Safety, & Compliance Instructors, record training sessions at KEC's headquarters. These recorded sessions help deliver important safety information that would have originally been offered during face-to-face meetings. To date, the department has recorded nearly 30 training sessions and all are available on the members only section of the KEC website.

internal communications and project management to keep work and discussions flowing and plans to apply those technologies for membership meetings and training events. The KEC May Board meeting and committee meetings will be held using remote technology.

KEC staff has helped member-cooperatives sort through new federal opportunities for grants and loans, as well as helping benefit admin-

istrators understand the CARES Act and its Human Resources employment impact.

"In addition to updating cooperative management on issues related to the statewide stay-at-home order, HR guidance related to new federal laws, and numerous other COVID-19-related developments, this time has been an opportunity to begin tackling overdue projects such as updating KEC's Annexation Guide to

continued on p. 3

Doniphan and Nemaha-Marshall boards consider consolidation

Over the past couple of years, Doniphan Electric Cooperative's board of trustees has studied long-term concepts to best adapt during this time of great challenges.

Through an in-depth strategic planning process, the Doniphan board identified that a consolidation with another electric cooperative could be the best solution for long-term financial and operational functionality while serving the members' best interest.

Over the past few months, the Doniphan board met informally with the board of trustees of Nemaha-Marshall Electric Cooperative to discuss the possibility of a consolidation.

The boards authorized a preliminary consolidation study by the National Rural Utilities Cooperative Finance

Corporation (CFC). This study was presented to both boards at a joint meeting, and then each board independently reviewed the information. At each co-op's respective February board meetings, both boards entered into a letter of intent to proceed with a more in-depth study.

The boards are currently developing a potential consolidation agreement addressing financial projections, operational issues, employee pay and benefits, rules and regulations, capital credit policies, and other cooperative affairs. Following this due diligence process, a final consolidation agreement could be presented to each cooperative's board of trustees. If both cooperatives approve the consolidation agreement, it will be presented to each individual cooperative's membership for consideration and vote.



A Touchstone Energy® Cooperative
PO Box 4267
Topeka, KS 66604-0267
www.kec.coop

Join Kansas Electric Cooperatives
Facebook page

Kansas State FFA to hold a virtual convention

The Kansas FFA Association has elected to proceed with a condensed, virtual convention in order to recognize members and chapters who have earned proficiency and national chapter awards.

The virtual convention will also honor those students who have completed the State FFA Degree requirements. The State Degree charms will continue to be sponsored by KEC.

This event is scheduled to take place during the traditional dates of the 92nd Annual State FFA Convention, May 27-29, 2020. This virtual setting will also provide the backdrop for the State FFA Association to conduct its annual business, including the election of a new set of state FFA officers and bidding farewell to the 2019-2020 officers.

Showcase your FFA pride by submitting a video to be played at the virtual convention

FFA alumni and supporters are invited to showcase their pride in the Kansas FFA during the virtual convention by making a short video.

Record your name, your chapter, and the years you were a member. You may also share a brief message of what FFA has done for you. Videos must be less than one minute in length. For more information regarding the video submission, email ksffaoundationassistant@gmail.com.

Video messages chosen to air during the convention will receive a special gift from the Kansas FFA Foundation.

jobmarket

KEC helps to promote co-op careers by listing openings on the careers section of the KEC website.

Visit www.kec.coop/careers to learn more about the following positions.

► Sunflower has multiple openings.

Send your open position listings to ruralpower@kec.org. Positions will be posted on the website for one month, unless otherwise directed by the co-op.

co-opcalendar

APRIL

30 **MDM Meeting**, KEPCo Headquarters, Topeka - TBD

MAY

6 **KEC Communications Committee**, 1:30 p.m. conference call

6 **KEC LCS&C Committee**, 3 p.m. conference call

7 **KEC Board of Trustees Meeting**, 8:30 a.m. conference call

15 **Sunflower Board of Directors Annual Meeting** - TBD

TCEC's JuliAnn Graham re-elected to CCC Board

JULIANN

GRAHAM, Tri-County Electric Cooperative Communications Manager, was re-elected to serve on the Certified Cooperative Communicator (CCC) Board of Directors. She is currently the secretary of the board and serves on the Candidate Assessment and Program Standards committee.

During Graham's tenure, she hopes to make a difference.

"If I can provide input based on my knowledge, experience, and what I've learned from my peers to the CCC program, then I'll have served my purpose. I want to add value to the program," said Graham.

The national board governs the CCC program, setting policy and program guidelines. Ten members, elected by their peers, serve two-year



JuliAnn Graham

board terms.

The CCC program, created by the NRECA's Council of Rural Electric Communicators, was established to improve the practice of communication and marketing in the electric cooperative industry. It sets professional development goals, provides a body of knowledge and skills necessary to the practice of cooperative communication, and recognizes individuals who have demonstrated a professional level of excellence in cooperative communications.

Graham earned her CCC certification in 2009, and is one of approximately 214 certified cooperative communicators nationwide. In addition to Graham, nine other credentialed employees work for KEC member-cooperatives: Sarah Farlee, FreeState; Bruce Graham, Carrie Kimberlin, and Shana Read, KEC; Mike Morley and Pat Parke, Midwest Energy; Rae Gorman, Pioneer; Cindy Hertel, Sunflower; and Jerri Whitley, Victory.

KEC to offer virtual HR Summit the week of May 18

While people are still social distancing, KEC knows that its members are still looking for important information. KEC is pleased to announce that the HR Summit will now be offered online during the week of May 18.

Electric cooperative employees are encouraged to log in each day during the virtual conference for an interactive session with five quality presenters. Each session will be recorded and archived on the members only section of the KEC website.

Following is the schedule for the virtual conference. Each session will begin at 9 a.m. and will last for approximately an hour. Discussion is encour-

aged during these interactive sessions.

- May 18: **KRISTINA DIETRICK**, HR Partners
- May 19: **TIM DAVIS**, Constangy Brooks, Smith & Prophete LLP
- May 20: **BRIAN ALLEN**, RE Advisers Corporation
- May 21: **JESSICA SCHEER**, ProValue
- May 22: **MALACHI STURLIN**, NRECA

Log in information and program topics for each day will be emailed to each cooperative as we near this training. There will be no pre-registration.

If you have any questions, please contact Shana Read at sread@kec.org or call 785-224-7313 (cell).

KEC finds new ways to serve member-cooperatives, *continued from page 1*

reflect the changes to service territory law approved in 2018,” said Graham. “This has also been an opportunity to prepare for the CEO transition.”

The Management Consulting Services Department has worked diligently on behalf of members regarding the second phase of the rate study ordered by Sub. SB 69. A 61-question Request for Information (RFI) was issued by the consultants, AECOM, on the cusp of the COVID-19 outbreak. **DOUG SHEPHERD**, KEC Vice President of Management Consulting Services, worked to clarify the requests with the consultants and coordinated members’ responses.

In addition, he is gearing up for the 2020 property tax season. “Typically, PVD Notices of Value are issued in mid-April each year,” said Shepherd. “But PVD staff was sent home two weeks ago, and we don’t know how much they have been able to do remotely.”

He explained that KEC and partner, MarksNelson, are moving forward with gathering member data to be prepared to review the notices when issued.

KEC’s Government Relations staff continues to have a full plate even with the Kansas legislature taking an early first adjournment break. Although face-to-face meetings are not occurring, conference calls and webinars abound on many topics: legislative business, COVID-19-related information, federal and state responses to the pandemic, policy discussions, and specific KEC projects. Staff has also been studying the Kansas Supreme Court decision on Evergy’s distributed energy charges to determine how it will impact co-ops. KEC continues to communicate with state policymakers, and monitor legislative and policy matters as they evolve, to ensure members’ interests are protected.

“We negotiated important changes in the Sub. SB 69 nondisclosure agreement (NDA) entered into between KEC and AECOM, such as securing Kansas law as the governing law over the agreement and extending the agreement to AECOM’s contractor on the Phase 2 project,” explained **LESLIE KAUFMAN**, KEC Vice President of Government Relations and Legal Counsel. “The KEC-

AECOM NDA was the basis for the initial drafts sent to individual co-ops for their consideration.”

The Government Relations team continues to engage with the Kansas Congressional delegation by providing updates on co-op responses to the COVID-19 pandemic. As Congress approaches a fourth stimulus package, staff has been advocating for provisions important to electric cooperatives, including clarification on co-op participation in relief programs such as the Paycheck Protection Program (PPP), securing the opportunity for lowering interest rates and avoiding prepayment penalties on RUS loans, and enhancing broadband service in rural areas to further support economic, educational, and health services, in particular.

Recently, Government Relations staff provided information to KEC members outlining considerations for remote board meetings and notary options/alternatives.

In response to the rapidly changing situation due to COVID-19, two days before the April print deadline, KEC Communications staff began working with the co-ops to change out their centerspread content in relation to scheduled annual meetings and other co-op events. Staff worked with several co-ops to create, print, and mail trustee election ballots and notices, as well as other materials related to postponed annual meetings.

“It was obvious with the many event cancellations, our May travel issue would need to be shelved,” explained KEC Director of Communications **VICKI ESTES**. “We began crowdsourcing the co-ops and other resources to gather stories about the communities and cooperatives coming together for a new and more appropriate theme for May.”

In addition to magazine content changes, social media messaging was revised to reflect the current situation and ensure that posts promoting KEC and Kansas electric cooperatives used an appropriate tone.

KEC Communications staff added a menu of communications resources to the members only section of the KEC website to assist co-ops in communi-

cating with their members and other constituents including talking points, articles, website sliders, social media posts, and bill inserts concerning disconnects. More resources will continue to be added in response to evolving needs.

In addition to the many resources on the members only section, a new section of the KEC website has been added to share individual co-ops’ response to the pandemic. There are links to local, state, and national authorities’ websites for accurate and up-to-date information about the pandemic.

Due to growing concern over the spread of the virus, KEC postponed all in-person training until May 1. With the extension of the Kansas stay-at-home order to May 3, KEC will be evaluating events beyond that date.

That hasn’t stopped KEC’s Loss Control, Safety, & Compliance from providing value. Staff evaluated technology options to hold future training needs remotely. Staff has also recorded nearly 30 training sessions that are available on the members only section of the KEC website. In addition, 18 tests and answer keys have been completed.

To aid the Human Resources employees, KEC is now planning to offer a virtual HR Summit during the week of May 18 (see page 2 for more information).

With the cancellation of the Electric Cooperative Youth Tour, staff is currently requesting refunds for cancelled travel, lodging, and events. KEC encourages participating cooperatives to honor their student winners in the form of a scholarship. NRECA has requested that each state still select a representative to the Youth Leadership Council (YLC), so KEC staff is working on how that selection will take place. The YLC training dates have been postponed to later this fall.

This has also been an opportunity for KEC staff to learn from home using the LinkedIn Learning program available from Touchstone Energy.

“I’m proud of the work KEC has been doing to maintain our critical business operations while supporting our member co-ops,” said Graham.

8. General Manager's Report

A. Administration

- 1) City of Dighton O&M contract closure.
 - a. We have published Notice in the paper that Dighton residents on City Utilities should not contact LSEC for utility services.
 - b. We have submitted a Notice of Restricted Access to our three Dighton substations.
 - c. We have begun discussions with Dale Pike, City Attorney, regarding entering a lease agreement for the north substation.
- 2) Oil and Gas Disconnects. This year we have had 7 accounts disconnect in January, 6 accounts in February, and 23 accounts disconnect in March. Most were minimum usage so (based on previous billings) the annual impact of these disconnects is projected at \$10,638.86.
- 3) CoBank / Healy Bank mistake. On April 14, we wired \$50,027.06 from the bank in Healy to CFC. There was an error which sent the funds to CoBank instead. Kathy coordinated the correction back from CoBank to CFC. You may see this on the 2020 Audit report.
- 4) Credit Card Statement. The Credit Card records are available for the Boards review.
- 5) Mileage Log. Vehicle #105 traveled 507 miles in March with 44 miles personal miles.

B. Information Technology / Cybersecurity highlights

- 1) Carrie continues to improve our cyber security and NISC and iVue operating systems.
- 2) Employee cybersecurity training is being developed.
- 3) The IT/Cyber Security specific portion of the Emergency Management Response Plan and a Disaster Recovery Plan has been developed.

C. Operations.

- 1) We will have the new cell tower on Hwy. 4 in Scott Co. energized by May 1.
- 2) Our contractor working in Ness has been doing a great job. Our crews have changed out some secondary ahead of them to speed the process. This week they have been working right on Hwy. 96.
- 3) Our tree trimming contractor has been working East down Hwy. 4 and is now in McCracken. If the weather stays favorable both IES and Solida will most likely be finished by May 1.
- 4) Nate has been working with the City of Dighton and KMEA on the transition in the O&M Agreement.

D. Member Services

- 1) Food Drive. Last year the food drive was done in conjunction with the schools as a class contest. Since the schools couldn't participate, we decided to have it now to help the pantries restock. The Lane & Ness pantries have both experienced increases in the number of people since the COVID-19. Walnut Creek Extension was also planning on having a food drive, so we partnered with them. The food drive ended on 4/24 with LSEC also donating the funds budgeted for the classroom parties & prizes.
- 2) We purchased some Boot Hill Distillery hand sanitizer and received additional bottles donated mostly from Sunflower Electric for co-ops. We have distributed close to 500 bottles to various high-traffic locations in Lane & Ness counties.
- 3) Crisis Communications and other Messages.

- a. Posting Covid-19 relief resources & LSEC updates in the paper, website, and social media.
 - b. The board vacancy notice is being advertised heavily until the end of May.
 - c. The Notice to City of Dighton regarding the cancellation of LSEC's O&M agreement was published in the paper & social media.
 - d. Our new e-mail & text communication system via SmarHubs Messenger is being used. Ann Marie has sent out several notices about COVID-19, the Board Vacancy & our first newsletter eblast.
 - e. Our farm safety message radio message ended 5/1.
- 4) Unfortunately, a lot of community events we would participate in during this time were cancelled including the Electrathon, June Jaunt & Old Settlers.

E. Finance.

- 1) Audit Update. BSGM has been working from home for several weeks now but we are approaching the end of the Audit. They anticipate being ready for the June 1 Board meeting.
- 2) March sales of \$1,385,547 were down \$49,502 from our 9-year average. Mild weather has our 1st quarter operating margins \$82,781 below 2016-2019 averages.
- 3) Budget. Despite lower sales in February and March, we are \$42,382 ahead of budget for FY 2020.
- 4) Billing Past Due.
 - a. 30 day – \$ 2,194.60
 - b. 60 day – \$ 24,681.61
 - c. 90 day – \$ 496.72

F. Select Non-Operating Margins

- 1) Retail Services. Initial figures have posted a \$8,508.82 loss in March.
 - a. We have approached by Generac to become an authorized dealer and service partner. They have a national program through NRECA to sell and install generators which may be a good fit for us. We are investigating but have several employees already interested. We would need to sell one generator per year to maintain dealer status.
 - b. Resale Hours. There were 315.5 hours worked and 248 billed (78.6%).
 - c. Resale Outstanding Balances. The open balance down to \$12,405.92. The biggest piece is Daren York at \$8,392.27 related to work we did for his oil extractor in late November and early December.
- 2) City of Dighton. The Cooperative posted a \$4,195.72 gain.

Respectfully submitted,

Richard

Richard McLeon, MBA
General Manager

Old Business 9.a. COVID-19 Update.

COVID-19 has defined 2020 and will have a lasting impact on the Lane-Scott Electric Cooperative for several years to come. However, we feel that LSEC is positioned to meet this challenge and weather this storm. We even held our LSEC April Safety meeting by WebEx with about ½ of employees calling in for the meeting.

Timeline. A basic chronology of the Executive and Regulatory Orders affecting LSEC and LSEC Memos related to the pandemic is:

1. March 16: KCC Order 20-GIMX-393-MIS suspends disconnects until April 15.
2. March 17: Gov. Kelly issues EO 20-05 suspending disconnects until May 1.
3. March 17: LSEC Memo to employees announcing suspension of disconnects.
4. March 17: LSEC Memo to employees announcing lobby closures effective March 18.
5. March 19: LSEC Memo to employees regarding Home Quarantine.
6. March 27: LSEC Memo to employees restricting Home Access.
7. March 28: Gov. Kelly issues EO 20-16 "Stay Home" Order until April 19.
8. April 14: KCC extends Order until May 15.
9. April 14: Gov. Kelly extends Order until May 3.
10. April 23: LSEC Memo to employees update on resuming normal operations and extension of disconnection prohibition until May 15.

Financial.

Current. We have had a good 1st quarter despite lower sales in February and March. While the financial effects of COVID-19 will start becoming evident in the second quarter, we can make some educated guesses based on NRECA's projected loss of 5.0%.

A 5.0% loss of sales in the second quarter would affect a net revenue loss of about \$92,000.00 with a year-end loss of \$299,032 (see attached). A 10% loss would be \$185,306 with a year-end loss of \$598,064. However, since we currently have about \$3MM in temporary investments and over \$4MM in Cushion of Credit, both scenarios can be absorbed within our existing budget without drawing on the line of credit.

If we get nervous, there is about \$80,000 in Capital Spending that we can defer but the NISC projects are underway and will continue. We will also continue our necessary maintenance projects as most are eligible for recapture through the \$300,000 or so that we have left on Loan W8. I am also still planning on beginning the new Construction Work Plan this fall. Most of the expense will be in 2021 along with a new Construction Loan package. The Cost of Service Study is planned for 2022 but we may have to move it forward to 2021 as well.

and our line of credit is \$5MM if we need it. Also, we are about to draw down over \$4MM on our FFB Loan W8.

Intermediate Term. I will be adjusting the Load Forecast Study to reflect projected revenue losses of 5 to 10%. Similar revisions will be made in the Financial Forecast. These coupled with the extension of the P66 project may create some near term challenges.

Federal Assistance. We anticipate getting some payroll money back due to the Family First Coronavirus Relief Act. This allows us limited credit against our federal payroll taxes, but the specifics of the regulation have not been published. We have not applied for federal monies under the Payroll Protection Act because 1) We don't need it and 2) Some of our members do. Most Kansas Cooperatives are following the same thought and not applying. However, about ½ of our western Kansas neighbors have applied.

Policies.

Board Policy 100 states in part, "Policies may be waived, in a single consideration or for a single incident, by the General Manager, if appropriate...." I have had to take some flexibility with a few policies to conform with the Governors Executive Orders and to manage the welfare and safety of our members and employees. These are:

Board Policy 502.2. Hours of Work – Office Personnel, Member Services Dept (including outside Electricians) and part-time help. This policy identifies regular office hours and scheduled working hours. I waived 1) regular office hours by closing the lobbies and 2) scheduled work hours by allowing employees to quarantine at home, work at home due to hardship, and prohibiting the Retail Technicians from entering customer homes.

Board Policy 507. Holidays, Jury Duty, Funeral, Military Leave, Family or Maternity and Other Leave. I needed flexibility to allow employees to work from home. This was either due to exploring working from home, hardships from schools closing, or potential exposure to COVID-19.

Integrating federal sick leave requirements will likely cause more deviations from this policy as we await guidance on how to handle the mandated 80 additional hours of Sick Leave and pursue partial repayment of COVID Administrative time.

Rules and Regulations. There does not exist a provision for a payment plan applicable to late bills or emergency situations. It has been the practice of LSEC to enter these types of plans and recent conversations with Berexco lent itself to working out a payment plan to temporarily reduce their bills. I will be drafting a flexible amendment to the Rules and Regulations in the coming weeks.

Bottom Line.

It is too early to relax, but electric cooperatives have thrived for years on less. We will manage just fine.

Projected net losses

note: January through March is actual Wholesale Power Cost.

normal budget	average income	quarterly	monthly factor	quarter	YTD %	WPC as a % of income	net revenue	quarterly net revenue
						54.30%		
January	1,421,196		8.3%			756,502	664,694	
February	1,267,701		8.0%			698,306	569,395	
March	1,385,547	4,074,444	7.1%	23.4%	23.4%	757,703	627,844	1,861,933
April	1,404,222		8.2%			762,523	641,699	
May	1,152,548		6.7%			625,858	526,689	
June	1,498,263	4,055,032	8.8%	23.7%	47.1%	813,589	684,674	1,853,062
July	1,767,010		10.3%			959,524	807,485	
August	1,743,829		10.2%			946,937	796,892	
September	1,524,581	5,035,420	8.9%	29.5%	76.6%	827,881	696,701	2,301,078
October	1,144,772		6.7%			621,636	523,136	
November	1,425,070		8.3%			773,844	651,226	
December	1,427,059	3,996,901	8.4%	23.4%	100.0%	774,924	652,135	1,826,498
	17,161,798					9,319,226		7,842,571

5% loss	average income	quarterly	monthly factor	quarter	YTD %	WPC as a % of income	net revenue	quarterly
	5%					54.30%		
January	1,421,196		8.3%			756,502	664,694	
February	1,267,701		8.0%			698,306	569,395	
March	1,385,547	4,074,444	7.1%	23.4%	23.4%	757,703	627,844	1,861,933
April	1,334,011		8.2%			724,397	609,614	
May	1,094,920		6.7%			594,565	500,355	
June	1,423,350	3,852,281	8.8%	23.7%	47.1%	772,910	650,440	1,760,409 (92,653)
July	1,678,659		10.3%			911,548	767,111	
August	1,656,638		10.2%			899,590	757,048	
September	1,448,352	4,783,649	8.9%	29.5%	76.6%	786,487	661,866	2,186,024 (115,054)
October	1,087,534		6.7%			590,554	496,979	
November	1,353,817		8.3%			735,152	618,665	
December	1,355,706	3,797,056	8.4%	23.4%	100.0%	736,177	619,528	1,735,173 (91,325)
	16,507,430					8,963,891		7,543,539

5% loss: (299,032)

10% loss	average income	quarterly	monthly factor	quarter	YTD %	WPC as a % of income	net revenue	quarterly
	10%					54.30%		
January	1,421,196		8.3%			756,502	664,694	
February	1,267,701		8.0%			698,306	569,395	
March	1,385,547	4,074,444	7.1%	23.4%	23.4%	757,703	627,844	1,861,933
April	1,263,800		8.2%			686,270	577,529	
May	1,037,293		6.7%			563,272	474,020	
June	1,348,437	3,649,529	8.8%	23.7%	47.1%	732,230	616,206	1,667,756 (185,306)
July	1,590,309		10.3%			863,572	726,737	
August	1,569,446		10.2%			852,243	717,203	
September	1,372,123	4,531,878	8.9%	29.5%	76.6%	745,093	627,031	2,070,970 (230,108)
October	1,030,295		6.7%			559,472	470,823	
November	1,282,563		8.3%			696,460	586,104	
December	1,284,353	3,597,211	8.4%	23.4%	100.0%	697,431	586,922	1,643,848 (182,650)
	15,853,062					8,608,555		7,244,507

10% loss: (598,064)

Old Business 9.b. Trustee Vacancy

The Cooperative has taken several steps to prepare for the Trustee succession for the Lane-Gove Trustee election.

First, I prepared a Trustee Candidate checklist that we are following. I then called each member of the Committee on Nominations and informed them about the upcoming vacancy, the Boards desire for the members to select the next Trustee, the process we are following, and the likely case that the Committee will have extra work this year.

Next, we published a Notice of Vacancy in social media as well as the Dighton, Scott City, and Ness City papers. All candidates were instructed to contact me if they are interested. We would discuss the vacancy and the reason for it, Trustee compensation, and the general duties of trustees.

If they indicated a desire to continue, I forwarded their information to Diana Kuhlman to “vet” them against the Bylaws Qualifications (Article IV, Section 3). If they were not qualified, or if a question arose regarding their eligibility, I would call them to discuss. Mr. Gasper was consulted when needed.

If they met the basic qualifications, they would receive a packet including Board Policy 206, the Bylaws, and an extracted copy of Trustee Duties for them to execute and return. The packet also includes a letter stating that if they desire to pursue a candidacy, they should return the letter along with a current resume. A statement on why they wish to become a Trustee, and a statement on their current and previous Board experience and electric utility experience (if any).

Information received from the Candidates is then forwarded to the Committee on Nominations.

NOTICE OF VACANCY

The Board of Trustees of the Lane-Scott Electric Cooperative, Inc. anticipates an opening on the Board for a Trustee representing Lane and Gove Counties. This three-year position is subject to election by the membership at the July 2020 Annual Meeting of Members. Basic qualifications are:

- Be an active member of LSEC and a bona fide resident of Lane or Gove county
- Using, receiving, or purchasing a Cooperative Service in Lane or Gove county,
- Not having a conflict of interest, and
- Having not been an employee of the Cooperative within the past five (5) years.

Interested individuals should contact Richard McLeon, General Manager of Lane-Scott Electric Cooperative at 620-397-5327 or richard.mcleon@lanescott.com before May 29, 2020. Qualified candidates will be referred to the LSEC Committee on Nominations for further consideration.

The Lane Scott Electric Cooperative is a non-profit, 501(c)3, electric cooperative with over \$50 million in assets. The utility is organized under the laws of the state of Kansas and serves all or part of eight western counties with electric distribution, HVAC, and Electrician services.

Trustee Candidate Worksheet

1. Initial Contact. date: _____ by: _____

Name: _____

Trustee District: _____

2. Validate Eligibility. date: _____ by: _____

Bylaws, Article IV, Section 3

A. Member and Bona Fide resident of area to represent?	Y	N	Unsure
B. Using a Cooperative Service in area to represent?	Y	N	Unsure
C. Conflict of Interest?	Y	N	Unsure
D. Employed by the Cooperative within past five years?	Y	N	Unsure

3. Mail Candidate Packet. Date: _____ By: _____

A. "Thank you" letter	Y	N
B. Extracted Bylaws, Article IV, Section 3 for signature and return	Y	N
C. Copy of the Bylaws of LSEC	Y	N
D. Copy of Board Policy 206. Director Duties	Y	N
E. Acknowledgement Form for return	Y	N

4. Return Information. Date: _____ To: _____

A. Executed Bylaws (3.B. above)	Y	N
B. Acknowledgement (3.E. above)	Y	N

5. Data Request: Date: _____ By: _____

A. Statement on why do you want to become a Trustee	Y	N	
B. Candidate resume	Y	N	
C. Statement on previous and current Board experience and electric utility experience not included in resume	Y	N	n/a

6. Return Information. Date: _____ To: _____

7. Forward Information to the Committee on Nominations.

A. Provided to: _____
B. Provided by: _____
C. Date: _____



PO Box 758, 410 S High St, Dighton, KS 67839 ~ Phone (620) 397-5327 ~ Fax (620) 397-5997

22 April 2020

Thank you for your interest in serving on the Board of Trustees of the Lane-Scott Electric Cooperative, Inc. (LSEC).

Enclosed you will find the Bylaws of the Cooperative as well as Board Policy 206 Trustee Duties, Responsibilities, Standards of Conduct, and Professional Development Policy, and a copy of the Bylaws Section on Director Qualifications to sign and return. Please review these documents as they give a general scope of the duties of a LSEC Trustee. Should you desire to continue your application, an additional form will be forwarded to you along with a data request that will be provided to the Committee on Nominations.

There are three pathways to the Board of Trustees (Bylaws, Article IV, Section 4). The first is a Board Appointment. This is used when a seat becomes unexpectedly vacant and the Board appoints someone to fill the seat until the next Trustee election. The other two involve the membership filling the open position. It is the Boards position that it is in the best interest of the Membership that they, as owners of the Cooperative, fill the vacant seat.

The second option is through the Committee on Nominations. This Committee is tasked by the membership in the Bylaws with qualifying and selecting a nominee for membership vote at the next Annual Meeting. The Bylaws also provide for the final option: Nomination from the Floor at the Annual Meeting.

Once we have determined your qualification to serve and I have received the enclosed form, I will send you the second letter and forward your information along to the Committee on Nominations. Please contact me if you have any questions regarding this process or the Lane-Scott Electric Cooperative, Inc. Good luck and thank you for your interest in serving our members.

The Rev. Richard A. McLeon, IV MBA
General Manager
Lane-Scott Electric Cooperative, Inc.

richard.mcleon@lanescott.coop

John 13:5

General Instructions:

Once executed, please return the enclosed form to Richard McLeon at Lane-Scott Electric Cooperative by June 1st, 2020 along with the following additional information to be forwarded to the Committee on Nominations:

1. A current resume
2. A statement on way you wish to become of Trustee of the Lane-Scott Electric Cooperative.
3. A statement on your previous and current Board experience and electric utility experience (if any) that is not already included in your resume.

An additional form will be provided but is not available at the time of mailing. It will be sent to you as soon as it is available.

All personal information that you are providing will be held in the strictest confidence and will be returned to you or destroyed at your request. Please contact Mr. McLeon if you have any additional questions.

Thank you again for your interest in serving our members!

Bylaws of The Lane-Scott Electric Cooperative, Inc.

Article IV Trustees, Section 3. Qualifications. *No person shall be eligible to become or remain a trustee of the Cooperative who:*

- A. is not a member and bona fide resident of the county or counties that the member is to represent;*
- B. is not using, receiving, or purchasing a Cooperative Service in the county or counties that the member is to represent;*
- C. fails the conflict of interest trustee qualifications set out in this section; or*
- D. has been employed by the Cooperative, or subsidiary of the Cooperative, within the five-year period, prior to the beginning of the proposed trustee's term.*

Upon establishment of the fact that a trustee is holding office in violation of any of the foregoing provisions, the board of trustees shall remove such trustee from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the board of trustees.

Conflict of Interest Trustee Qualifications. While a trustee and within one (1) year immediately prior to becoming a trustee, a trustee or a trustee candidate must not be, nor have been:

- A. A Close Relative of any existing trustee, other than an existing trustee who will cease being a trustee within one (1) year;*
- B. An existing, or a Close Relative of an existing, non-trustee Cooperative officer, employee, agent, or representative;*
- C. Employed by, materially affiliated with, or have a material financial interest in, any individual or entity: (1) directly and substantially competing with the Cooperative; or (2) Selling goods or services in substantial quantity to the Cooperative, or to a substantial number of members, or (3) possess any other substantial conflict of interest with the Cooperative.*

As used in these Bylaws, the term "Close Relative" means an individual who: (1) is, either by blood, law, marriage, including half, step, foster, and adoptive relations, a spouse, child, grandchild, parent, grandparent, or sibling; or, (2) principally resides in the same residence. Any individual properly qualified and elected or appointed to any position does not become a Close Relative while serving in the position because of any new marriage or legal action to which the individual was not a party, or by the Cooperative's merger with another corporation or the acquisition of additional service territory for business purposes unrelated to this section.

I, _____ acknowledge receipt of a copy of the LSEC Bylaws, Board Policy 206, and I affirm that I am qualified to become and remain a member of the Board of Trustees of the Lane-Scott Electric Cooperative, Inc. according to the Bylaws, Article IV, Section 3, above.

Name: _____ LSEC account number: _____

Service/meter address: _____

signature: _____ date: _____

9.c. CHECKLIST FOR 2020 ANNUAL MEETING

STATUS	TO DO MONTH	ASSIGNED TO	ITEM
X	February	AJ	Get menu from caterer
X - Cutting Board & Scrapper	March	AJ	Order door prizes
X	March	Board	Board approves date for annual meeting
X	March	Board	Board selects caterer
X - Confirmed John Ross	March	AJ	Hire caterer
X	March	RC	Print list for directors to choose nominating committee
X - Nominating meeting will be June 1 @ 6:30pm	April	Board	Board appoints nominating committee. (from board minutes: not less than 30 nor more than 120 days before the date of meeting of members)
X	April	AJ	Newsletter: Publish notice of nominating committee meeting in May newsletter
X -Sent with May info.	May	AJ	Newsletter: Annual Meeting Notice Graphic for June Newsletter
X	May	RC	Notify members of appointment to nominating committee & verify that they will serve
	May	RC	Print list for nominating committee to choose trustees. Choose trustee districts that are up for re-election
	May	RC	Give a reminder call to nominating committee members the day before meeting
	May	Gasper	Prepare form to be signed by nominating committee. Ask him to keep to one page if possible for posting on doors
	May	RMc	Have minutes of nominating committee signed by secretary
	May	RC	Post minutes of nominating committee meeting at headquarters
	May	RMc	Prepare Annual Year in Review to be included in Brochure and July Newsletter. Due the end of May.
	May	AJ	Determine if there are any Employee or Trustee awards & order them. Employee & Trustee: 15 years – Engraved Watch/Prints \$350 - \$375 range. Employee: 30 years – Plaque & \$500 Gift Certificate to place of their choice.
	May	AJ	Prepare annual meeting brochure: Kel provides financial & property tax info, GM Annual Report.
	May	AJ	Contact Howard Richards for sound system

10. a. Scholarships

- A. 2020 Washington DC Youth Tour. The Washington DC Youth Tour trip held in June has been cancelled this year due to the Coronavirus pandemic. Unfortunately, the trip is not able to be rescheduled. KEC also advised that students will not be able to attend with next year's winners in 2021. The accommodations of taking twice as many students is not logistically possible. *Therefore, we would like to use the trip funds as scholarships to the recipients.*

Both recipients are currently high school juniors. Traditionally scholarships, such as Lane-Scott's Scholarship Program, are set-up to be awarded upon college/vo-tech/jr. college/etc. enrollment and made payable to the school. If we decide to allocate the DC funds in the same manor as the scholarships, the students will wait until at least enrollment to their continuing education school in 2021.

	per student	total
Youth Tour Cost:	\$ 3500	\$ 7000
Non-Refundable to KEC:	750	1500
Total:	\$ 2750	\$ 5500
Miscellaneous LSEC expenses:	250	500
Proposed Scholarship amounts:	\$ 2500	\$ 5000

2020 LSEC Youth Tour recipients: Jobi Roemer (Healy) and Carlee Flax (Ransom)

It is our recommendation that the Board approve \$2,500 Scholarships to each recipient to be paid to their respective schools in 2021.

- B. Leadership Camp. As of today, the Leadership Camp in July has not yet been cancelled. KEC's next call to discuss this is on May 14th and they are hoping to have a clearer picture by then of the direction to take with the camp. *If the camp is cancelled, we would like to similarly offer scholarships following the guidelines above.* The camp per student cost is \$1800, some of which will probably be non-refundable.

2020 LC recipients: Kayler Getz (Quinter), Junior and Annabeth Ratzlaff (Ingalles), Sophomore

We ask the Board to approve awarding the Leadership Camp funds as Scholarship awards using a similar calculation as the Youth Tour funds, if the 2020 Leadership Camp is cancelled.

- C. LSEC Scholarships. We have traditionally awarded two scholarships valued at \$500.00 each to two students from within the LSEC service area. This year the Scholarship Committee has selected two students for the Boards approval.

2020 Recipients: Nate Gable, Ness City High School, Rocky Mountain Lineman School
Alysson Foos, Ness City, 1st year at Tabor College, Hillsboro, KS

We ask the Board to approve these two Scholarships.

10. b. FFB W8 Loan draw.

We have prepared FFB Loan draw request #13 of \$4,018,753.14 for Board approval. This Loan originated in 2012 and has two extensions. It expires in August 2020. The 30-year fixed interest rate was 0.95% on April 21, 2020. The applicable rate on the draw will be set once the draw is approved.

After this draw there will be about \$500,000 remaining which we intend to make a final draw on in July.

We request that the Board of Trustees approve the draw of funds from FFB Loan W8.

SAFETY PROGRAM

SAFETY PROJECTS COMPLETED AS OF APRIL 2020

1. April 28 KEC safety meeting was cancelled. Amended to an in-house safety meeting using KEC online meeting schedule videos.
2. Due to COVID-19 guidelines set up and tested safety meeting in house meeting and web conferencing to minimize the number of personnel in the training room to allow the social distancing requirements to be met.
3. Because the April safety meeting is later this month toward the board meeting time period those minutes will not be available at that time for the board packet. The safety meeting minutes from the April 28, 2020 safety meeting will be included with the May 20, 2020 safety meeting minutes in the June board meeting.

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 March 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	4,479,031	4,074,444	4,571,141	1,385,547
2. Power Production Expense				
3. Cost of Purchased Power	2,542,509	2,211,865	2,726,875	757,524
4. Transmission Expense	2,672	645	1,873	179
5. Regional Market Expense				
6. Distribution Expense - Operation	327,460	366,968	345,010	129,463
7. Distribution Expense - Maintenance	171,055	180,904	183,835	63,941
8. Customer Accounts Expense	53,674	46,184	56,609	18,111
9. Customer Service and Informational Expense	8,155	7,220	8,201	4,862
10. Sales Expense	14,037	15,725	18,785	5,004
11. Administrative and General Expense	318,054	343,575	346,176	83,830
12. Total Operation & Maintenance Expense (2 thru 11)	3,437,616	3,173,086	3,687,364	1,062,914
13. Depreciation and Amortization Expense	386,534	400,486	403,295	137,322
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	307,048	325,297	321,372	110,085
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	842	485	908	161
19. Other Deductions	1,663	3,308	3,968	1,066
20. Total Cost of Electric Service (12 thru 19)	4,133,703	3,902,662	4,416,907	1,311,548
21. Patronage Capital & Operating Margins (1 minus 20)	345,328	171,782	154,234	73,999
22. Non Operating Margins - Interest	57,626	66,244	10,424	55,372
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	492	(14,184)	15,000	(4,999)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	18,032	18,198	20,000	18,198
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	421,478	242,040	199,658	142,570

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 March 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	11	17	5. Miles Transmission		
2. Services Retired	2	15	6. Miles Distribution – Overhead	2,035.31	2,036.59
3. Total Services in Place	6,032	6,039	7. Miles Distribution - Underground	7.15	7.53
4. Idle Services (Exclude Seasonals)	183	235	8. Total Miles Energized (5 + 6 + 7)	2,042.46	2,044.12
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	57,132,481		30. Memberships	0	
2. Construction Work in Progress	144,343		31. Patronage Capital	20,702,656	
3. Total Utility Plant (1 + 2)	57,276,824		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	16,956,779		33. Operating Margins - Current Year	171,782	
5. Net Utility Plant (3 - 4)	40,320,045		34. Non-Operating Margins	70,258	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	139,151	
7. Investments in Subsidiary Companies	243,578		36. Total Margins & Equities (30 thru 35)	21,083,847	
8. Invest. in Assoc. Org. - Patronage Capital	10,309,266		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	(4,323)		38. Long-Term Debt - FFB - RUS Guaranteed	30,085,232	
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)	6,208,369	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	150,400	
13. Special Funds	0		42. Payments – Unapplied	4,065,844	
14. Total Other Property & Investments (6 thru 13)	10,775,980		43. Total Long-Term Debt (37 thru 41 - 42)	32,378,157	
15. Cash - General Funds	252,204		44. Obligations Under Capital Leases - Noncurrent	247,040	
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)	247,040	
18. Temporary Investments	2,967,077		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	926,059	
20. Accounts Receivable - Sales of Energy (Net)	1,312,915		49. Consumers Deposits	120,542	
21. Accounts Receivable - Other (Net)	131,968				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	1,235,511	
23. Materials and Supplies - Electric & Other	302,118		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	154,744		52. Current Maturities Capital Leases	116,703	
25. Other Current and Accrued Assets	9,035		53. Other Current and Accrued Liabilities	847,743	
26. Total Current and Accrued Assets (15 thru 25)	5,130,186		54. Total Current & Accrued Liabilities (47 thru 53)	3,246,558	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	729,391		56. Other Deferred Credits	0	
29. Total Assets and Other Debits (5+14+26 thru 28)	56,955,602		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	56,955,602	

LANE-SCOTT ELECTRIC ENERGY SALES STATISTICS FOR MARCH 2020

CLASS OF SERVICE	NO. RECEIVING SERVICE		kWh SOLD		AMOUNT BILLED		Y.T.D AVERAGE		SALE PRICE PER kWh Y.T.D.
	Y.T.D. AVG.	THIS MONTH	THIS MONTH	Y.T.D.	THIS MONTH	Y.T.D.	kWh USED	AMOUNT	
Residential Sales	2,229	2,231	1,560,332	5,473,174	\$172,682	\$605,004	818	\$90.46	11.05
Residential Sales-Seasonal	49	48	7,604	29,827	\$1,747	\$6,081			
Irrigation Sales	334	335	97,992	117,247	\$6,980	\$8,553			
Small Commercial	1,851	1,850	4,231,738	13,640,838	\$388,010	\$1,307,173	2,456	\$235.40	9.58
Large Commercial	186	185	2,680,136	8,990,795	\$274,495	\$924,661	16,141	\$1,660.07	10.28
Public Street Lighting	13	13	35,906	107,718	\$4,093	\$12,785			
Public Building Sales	49	49	22,816	84,239	\$3,224	\$11,603			
Non-Domestic	1,058	1,058	151,710	520,920	\$28,100	\$92,295			
City of Dighton	1	1	519,364	1,664,257	\$33,578	\$101,882	554,752	\$33,960.73	6.12
Idle Services on rate 90	31	31			\$0	\$945			
Large Industrial	3	3	2,967,260	10,193,190	\$192,633	\$688,406	1,132,577	\$76,489.51	6.75
Irrigation Horsepower Charges	0				\$264,332	\$264,332			
Total Energy Sales	5,804	5,804	12,274,858	40,822,205	\$1,369,875	\$4,023,720			9.86
Other Electric Revenue					\$15,672	\$50,724			
Total					\$1,385,547	\$4,074,444			

SUBSTATION DATA

Substation	(NCP)KW	kWh Purchased	Cost Per kWh	kWh Sold	Line Loss	Load Factor-P	Load Factor-S
Beeler-Sub 3	5,920	3,803,503		3,010,352	20.85%	86.36%	68.35%
Dighton-Sub 1 - 7200	1,478	925,459		1,081,113	-16.82%	84.16%	98.32%
Dighton-Sub 2 - 14400	4,657	2,831,647		2,516,965	11.11%	81.73%	72.64%
Manning-Sub 4	5,069	2,831,074		2,152,218	23.98%	75.07%	57.07%
LS Seaboard-Sub 5	176	95,743		88,843	7.21%	73.12%	67.85%
Twin Springs Lo 7.6-Sub 7	205	113,915		88,724	22.11%	74.69%	58.17%
Twin Springs Hi 14.1-Sub 8	207	118,591		102,282	13.75%	77.00%	66.41%
City of Dighton	822	439,212	6.4700	439,212	0.00%	71.82%	71.82%
City of Dighton - WAPA	136	80,152	3.1500	80,152	0.00%	79.21%	79.21%
Alexander 115	1,423	881,141		787,747	10.60%	83.23%	74.41%
Ness City 115	2,808	1,584,459		1,927,250	-21.63%	75.84%	92.25%
Total	22,901	13,704,896	5.5100	12,274,858	10.43%	80.44%	72.04%

RUS/CFC LOAN FUND TRANSACTIONS

MISC.

OTHER STATISTICS

				Y.T.D	M.T.D.
Gross Obligation to RUS	\$ 49,556,407	General Fund Balance	\$38,691	Miles Energized	2044.12
Pymts Applied Against Principal	\$ 18,776,493	MMDA Investments	\$130,790	Density	2.84
Net Obligation to RUS	\$ 30,779,914	Cash Available at Month End	\$169,481	kWh Purchased	43,213,733
CFC Line of Credit	\$ -			kWh Sold (Inc. Office Use)	40,840,710
CoBank Line of Credit	\$ -	CFC Commercial Paper	\$2,836,287	Percent of Line Loss	5.49%
CFC Note #9004-RUS refinance	\$ 6,150,070	CFC CTC's	\$221,958	Idle Services	235
CFC Note #9006-RS Prepymt	\$ 599,129			Oper. Revenue Per kWh Sold	9.98
				Expense Per kWh Sold	9.56
				Income Per Mile	677.82
				Expense Per Mile	641.62

ACCOUNT AGING

	Current	30-89 Days	90 Plus
Irrigation Accounts Receivable	\$220,724	\$2	
Electric Accounts Receivable	\$1,017,079	\$35,332	\$497
Retail Accounts Receivable	\$41,075	\$9,679	\$4,739

2020-Line 25 - Non-Operating Margins

		January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	
Rev.-Electrician & Mat.	415.1	\$15,472.59	\$30,072.11	\$22,131.12										\$67,675.82	415.1
Exp.-Electrician & Mat.	416.1	\$25,241.80	\$31,472.18	\$26,525.09										\$83,239.07	416.1
		(\$9,769.21)	(\$1,400.07)	(\$4,393.97)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$15,563.25)	
Rev.-Appliance Repair	415.2	\$11,413.72	\$6,562.93	\$14,607.11										\$32,583.76	415.2
Exp.-Appliance Repair	416.2	\$13,809.81	\$13,167.26	\$18,849.37										\$45,826.44	416.2
		(\$2,396.09)	(\$6,604.33)	(\$4,242.26)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$13,242.68)	
Rev.-Member Damages	415.3	\$1,641.57	\$0.00	\$0.00										\$1,641.57	415.3
Exp.-Member Damages	416.3	\$1,785.22	\$0.00	\$0.00										\$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	\$215.01	\$127.41										\$556.07	415.5
MARGIN-Resale		(\$12,095.30)	(\$7,789.39)	(\$8,508.82)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$28,393.51)	
2010-2019 (less 2013) avg:		(\$6,716.41)	(\$1,979.83)	(\$394.96)	(\$2,093.74)	\$1,375.71	\$8,307.97	(\$5,201.07)	\$2,708.80	\$1,250.54	\$3,217.63	(\$1,997.01)	(\$4,867.14)	(\$6,389.52)	
Rev.-City of Dighton	417.0	\$12,437.50	\$12,437.50	\$12,437.50										\$37,312.50	417.0
Exp.-Sup. & Engineering	417.1	\$935.28	\$621.24	\$1,445.09										\$3,001.61	417.1
Exp.-Material	417.11	\$0.00	\$0.00	\$0.00										\$0.00	417.11
Exp.-Overhead Lines	417.2	\$4,111.99	\$2,515.62	\$2,590.92										\$9,218.53	417.2
Exp.-Cons. Accts.	417.3	\$894.56	\$1,039.11	\$58.08										\$1,991.75	417.3
Exp.-Line Patrol	417.4	\$0.00	\$0.00	\$0.00										\$0.00	417.4
Exp.-Street Lights	417.5	\$1,717.99	\$299.41	\$1,767.97										\$3,785.37	417.5
Exp.-Meter Reading	417.6	\$810.02	\$934.38	\$732.35										\$2,476.75	417.6
Exp.-Tree Trimming	417.7	\$0.00	\$0.00	\$0.00										\$0.00	417.7
Exp.-Trans. & Meters	417.8	\$0.00	\$72.66	\$1,496.82										\$1,569.48	417.8
Exp.-Misc.	417.9	\$115.54	\$614.97	\$150.55										\$881.06	417.9
Exp.-Contract	417.12	\$0.00	\$0.00	\$0.00										\$0.00	417.12
Total Expenses		\$8,585.38	\$6,097.39	\$8,241.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$22,924.55	
MARGIN-City		\$3,852.12	\$6,340.11	\$4,195.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,387.95	
Misc. Income	421.0	\$0.00	\$0.00	\$0.00										\$0.00	421.0
Gain on Disposal	421.1	\$0.00	\$356.00	\$0.00										\$356.00	421.1
Loss on Disposal	421.2	\$0.00	\$152.00	(\$686.21)										(\$534.21)	421.2
NET NON-OP MARGIN		(\$8,243.18)	(\$941.28)	(\$4,999.31)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$14,183.77)	

*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	
37	\$ 85.00	\$	3,145.00	110	\$ 85.00	\$	9,350.00
99	\$ 85.00	\$	8,415.00	225	\$ 85.00	\$	19,125.00
		\$	11,560.00			\$	28,475.00

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>
March-20	2	5.5	7	5.5	7	5	8
March-20	3	0	0	6.5	8	0	4
March-20	4	4.5	6	2	4	0	0
March-20	5	7.5	8	7.5	8	5	6
March-20	6	0	0	6.5	8	1	1
March-20	9	6	7	6	6.5	0	0
March-20	10	7.5	8	7.5	8	2	3
March-20	11	7.5	8	7.5	8	6	8
March-20	12	6	6.5	6.5	7	3	4
March-20	13	4	4	4	8	5	7
March-20	16	0	0	3	8	0	0
March-20	17	1.5	3	0	0	3	4
March-20	18	7.5	8	7.5	8	5	8
March-20	19	0	CPCH	5	6	3	5.5
March-20	20	0	CPCH	2.5	3	3	4
March-20	23	0	CPCH	6.5	8	4	6
March-20	24	0	CPCH	7.5	8	0	0
March-20	25	0	CPCH	8	8	8	8
March-20	26	0	CPCH	7.5	8	6	8
March-20	27	0	CPCH	4	4	3	6.5
March-20	30	0	CPCH	6	7	6	7
March-20	31	0	CPCH	3	8	2.5	3.5
TOTAL		57 1/2	65 1/2	120	148 1/2	70 1/2	101 1/2
Total 416 Billed		248					
Total 416 Charged		315 1/2					

LANE-SCOTT ELECTRIC
RESALE OPEN BALANCE
as of 04/28/20

NAME	AMOUNT DUE	ACTION TAKEN	AMOUNT PAID	
Kalo Mann	\$ 486.40	Payroll deduction		
Black Dog Restaurant	\$ 2,101.15	Payments	\$ 150.00	1-Apr
Janet Offutt	\$ -	Payment	\$ 86.00	8-Apr
Bruce Huber	\$ 35.59	Transf to Elec		
Daren York	\$ 8,392.27	Transf to Elec		
Rising Star Trust	\$ 991.51			
Craig Doris	\$ 36.98			
Stephen Riffle	\$ 362.02	Payments	\$ 50.00	3-Apr
.	\$ 12,405.92		\$ 286.00	

Operations Report

April 2020

I hope this report finds you and yours' all in good health. Our staff, crews and their families have weathered this and are all well. As we have worked through new procedures and tasks, we have found some very effective and others we needed to adjust. Overall, this has been a very informative, unplanned, implementation of disaster recovery procedures. Nothing like a real-world test to refine "what if" plans. As with every major obstacle we face here at Lane-Scott, we are coming out of this with improved knowledge and stronger for the experience. I feel truly blessed to be a part of this amazing group.

While new project requests have slowed, we continue to move forward on existing ones. We will have the new cell tower on Hwy. 4 in Scott Co. energized by the time you read this. Our contractor working in Ness has been doing a great job. Our crews have changed out some secondary ahead of them to speed the process. This week they have been working right on Hwy. 96 so the improvements will be seen by all. Our tree trimming contractor has been working East down Hwy. 4 and is now in McCracken. If the weather stays favorable both IES and Solida will most likely be finished by the writing of this report.

Better late than never. I have been working with the City of Dighton and KMEA on the transition. There will be many things to work out going forward but we have a strong understanding of this transitional stage will a paramount value on safety.

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

Nate Burns

Manager of Operations

OUTAGE STATISTICS March 2020

CATEGORY	OCCURRENCES			TOTAL OUTAGE HRS.			# of Meters
	14.4 KVA	7.6 KVA	Total	14.4 KVA	7.6 KVA	Total	
PHASE FLOATER			0			0	
BIRDS & ANIMALS			0			0	
TREES			0			0	
LIGHTNING\RAIN\WIND	1		1	955		955	382
ICE & WIND			0			0	
SNOW & WIND			0			0	
OCR OR FUSE FAILURE	1		1	25		25	25
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	0	2	980	0	980	407

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	1,721				

1. \$500 Continuing Education Scholarships: A committee reviewed the 14 applicants and individually voted on the top two. The applicants for your approval are:
 - a. Nate Gable – Ness City High School 2019-2020 graduate, attending the Rocky Mountain Lineman School.
 - b. Alysson Foos – Ness City High School 2018-2019 graduate, 1st yr at Tabor College 2019-2020, majoring in Social Work & Psychology.
2. Youth Tour / Camp Scholarship Recommendation: (See attached document)
3. Food Drive:

Last year the food drive was done in conjunction with the schools as a class contest. Since the schools couldn't participate, we decided to have it now to help the pantries restock. The Lane & Ness pantries both said they'd seen a big increase in the number of people using it since the COVID-19. Walnut Creek Extension was also planning on having a food drive, so we partnered with them. The food drive ended on 4/24. LSEC also donated financially with the funds that were budgeted for the food drive's classroom parties & prizes.
4. Hand Sanitizer: We purchased some Boot Hill Distillery hand sanitizer and received additional donated mostly from Sunflower Electric for co-ops to distribute. We distributed close to 500 bottles to various high-traffic locations in Lane & Ness counties.
5. Posting Covid-19 relief resources & LSEC updates as necessary in the paper, website, and social media.
6. The board vacancy notice is being advertised heavily until the end of May.
7. Annual Meeting: (See attached document)
8. The Notice to City Residence regarding the cancellation of LSEC's O&M agreement was published in the paper & social media.
9. Our new e-mail & text communication system via SmartHub's Messenger is being used. I've sent out several notices about COVID-19, the Board Vacancy & our first newsletter eblast.
10. Our farm safety message radio message ended 5/1.

11. Lineman Appreciation Breakfast was socially distanced this year. Breakfast pizza's and cinnamon rolls were provided to the linemen.
12. Continue working on the monthly newsletters, social media posts, and web updates.
13. Unfortunately, a lot of community events we would participate in during this time were cancelled including the Electrathon, June Jaunt & Old Settlers.

Picture from the food drive



IT/COMPLIANCE DEPARTMENT

CYBERSECURITY/IT PROJECTS COMPLETED AS OF APRIL 2020

1. Programmed and implemented NISC Cyber Protect cybersecurity program. Installed Cylance Protect behavioral antivirus on all endpoints.
 - First week was application executable monitoring of possible malicious code vulnerabilities and whitelisting allowed identities.
 - Second week was memory executable monitoring to resolve application executables that tries to dump or gain information by accessing the computer memory.
 - Third week was script control monitoring and whitelisting.Deployment and maintenance of existing devices is 100% completed. Implemented warning alert notifications and daily activity review process.
2. Programmed NISC Cyber Academy cybersecurity program. Set up KnowBe4 portal for employee cybersecurity education training.
3. iVue upgrade 2.47 scheduling, reviewed admin security settings, and software enhancements.
4. NISC cyber service upgraded NISC iVue module servers to SP5 operating system. Implemented a regular preventative maintenance monthly iVue module server upgrade and patching security program. This will perform regular operating system upgrades, OS and system patches, third party applications, critical CVE's, Zero-day patches, and server reboots.
5. Removed Lantronix remote control device which is a vulnerability point from company network.
6. Creating a detailed IT/Cybersecurity specific Emergency Management Response Plan and a Disaster Recovery Plan. Processes added:
 - In-house conference calling, remote conference calling, Verizon internal employee conference calling options with methods of ways to access the conference calls with or without Internet access.
 - Amended backup tape process to include long term isolation process.
 - Server email for warning alerts and notifications.
 - Added employee contact listing for quick referencing.
7. Auditor iVue securities set up. Supplied documentation of electronic device access security controls, IT disaster recovery plan, password requirements, and employee list for random fraud inquiries.

CYBERSECURITY/IT PROJECTS IN PROGRESS AS OF APRIL 2020

1. Creating a malicious software management protection procedure.
2. Reviewing Federated Insurance cybersecurity insurance implementation and reporting requirements.
3. Creating a cybersecurity simulation and toolkit practicing binder to record yearly result reports.
4. Creating a security awareness and training procedure.