

Lane- Scott

Electric Cooperative

A Touchstone Energy® Cooperative 

2020 Annual Report

Annual Meeting Official Notice

July 20, 2021
Lane County Fairgrounds





GUEST SPEAKER

DOUG SHEPHERD is the vice president of management consulting services at Kansas Electric Cooperatives, Inc. and has over 32 years of service to rural electric cooperatives in Kansas. He advises rural electric cooperatives in the areas of finance, rates and taxes and serves as a lobbyist as part of the KEC's government relations team. He's a Nebraskan by birth, but the fifth generation to call Kansas home.

6-7:30 P.M.

Free Fair Rides

6:30 P.M.

Dinner

**JOHN ROSS & CO.
SIGNATURE CATERING**

7:30 P.M.

Call to Order

Introduction of Guests

Report of Quorum

Approval of Minutes of 2020

Annual Meeting

Treasurer's Report

Employee and Trustee Recognition

Announcement of 2021 Continuing

Education Scholarship Recipients

KidWind Presentation

DIGHTON KIDWIND BTU CREW

Manager's Report

Guest Speaker

DOUG SHEPHERD, KEC

Election of Trustees and

Proposed Bylaw Amendments

Unfinished Business

New Business

Door Prizes Throughout

the Meeting

NOMINATING COMMITTEE REPORT

A meeting of the Lane-Scott Electric Nominating Committee was held on June 7, 2021, at 6:30 p.m. in the office of the cooperative at 410 S. High Street in Dighton.

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

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

- ▶ **RICHARD JENNISON** and **SARA MCWHIRTER** for the position of trustee representing Lane and Gove counties.
- ▶ **CRAIG RAMSEY** for the position of trustee representing Scott and Logan counties.
- ▶ **HAROLD HOSS** for the position of trustee representing Ness and Rush counties.

EXECUTIVE REPORT

The year 2020 was a difficult, frustrating yet rewarding year. The COVID-19 pandemic affected every sector of our lives from how we shop, to where we work, and even how we worship. We experienced mandated quarantines, store closures and isolation from loved ones in hospitals and nursing homes. It was a difficult and frustrating year, but like the saying goes, "Every cloud has its silver lining." 2020 was no exception. Travel restrictions that shutdown automobile and air travel led to cleaner air in most cities. Quarantines brought families together for meals and game nights. Isolation from loved ones reminded us how precious those relationships can be.

Around Lane-Scott Electric Cooperative, the year 2020 was not a favorite, but considering your cooperative has weathered global and regional wars, depression, inflation, countless political swings and the great Dust Bowl, we did OK.

The lockdowns, travel restrictions and quarantines slowed oil and gas production nationally. Like most rural cooperatives in Kansas, oil and gas production constitute a large amount of Lane-Scott's electrical load. The financial impact on your cooperative was that total revenue fell to \$16,137,299. This is a \$1,689,809 (or 9.5%) loss in sales, with commercial and industrial accounts representing 98% of our losses. Lane-Scott is used to running lean, so we tightened our belts, deferred capital investments and finished the year with \$488,304 in total margins.



RICHARD JENNISON
Board President



RICHARD MCLEON
General Manager

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**DESPITE COVID-19,
YOUR ELECTRIC COOPERATIVE
REMAINS FINANCIALLY STRONG.**

**Equity as a percent of assets is 36.55%,
6.45% above our 10-year average.**

Our current and accrued assets exceeded liabilities by 2.5 to 1.

EXECUTIVE REPORT CONTINUED

Despite COVID-19, your electric cooperative remains financially strong.

- ▶ Equity as a percent of assets is 36.55%, 6.45% above our 10-year average.
- ▶ Our current and accrued assets exceeded liabilities by 2.5 to 1.

As a non-profit electric utility, your board of trustees strives to keep our rates among the lowest in Kansas. Lane-Scott Electric Cooperative rates averaged 10.17 cents per kilowatt-hour (kWh) in 2020. Residential rates averaged 11.4 cents per kWh; that is 16.65% below the 2020 Kansas electric cooperative average residential rate of 13.6 cents per kWh.

A Lane-Scott member using 908 kWh/month would pay an average of \$103.60 per month or \$1,243.23 per year. Lane-Scott's members saved an average of \$248.43 per year over the average Kansas electric cooperative residential rates. In fact, only three of the 27 distribution electric cooperatives in Kansas had lower residential rates.

As I have said before, "You can't talk about rates without talking about reliability."

During the pandemic, we built over \$1.4 million in infrastructure, always improving, always keeping an eye on what we can do to improve your system reliability. These investments are paying off. Our average service availability index has improved to 99.97%. Meaning, on average, electricity is available when you need it 99.97% of the time.

No one likes a power outage but sometimes it is simply a fact of life. Know that whenever the power goes out, at whatever time, and in whatever weather the good Lord has decided to bless us with, your Lane-Scott Electric Cooperative linemen are on the job, restoring your light, your heat and your security.

Working around and near utility-grade electricity is dangerous. We remain focused on the safety of our employees, members and communities.

We hold monthly employee safety meetings and have invested thousands of dollars in equipment and training. This includes CPR and AED training as well as pole-top rescues and basic first aid.

We provide free electrical safety demonstrations for our first responders, member workplaces and throughout our communities.

Standard line clearances can put today's modern agricultural equipment operators within fatal reach of thousands of volts of electricity. With your help, we are identifying and raising power lines that could interfere with safe farming operations.

One of our guiding cooperative principles is "Commitment to Community" and your electric cooperative is proud to serve the communities we call home. In 2020, Lane-Scott began our Co-op Sharing Success Grant Program in partnership with CoBank, one of our financial institutions. As a customer of CoBank, we are able to provide grants to charitable organizations and causes in our local communities with a match contribution from CoBank.

Lane-Scott proudly supports local organizations through various donations —

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having contributed over \$17,000 to our schools, fire departments, 4-H groups, continuing education scholarships for our youth, and veteran organizations, to name a few. We sponsored an annual food drive to help stock our food bank pantries and sent holiday care packages to active military from our service territory.

Lane-Scott also supports our communities with master electrician and HVAC services. We are expanding that support by offering Generac generators. Our master servicemen are trained and ready to install and service your award-winning Generac today.

We will continue to investigate new technologies and efficiencies to keep your rates affordable and your reliability high. We will also continue working with our friends and partners at Sunflower Electric to investigate and implement renewable energy options to protect our natural resources.

Despite the challenges of 2020, we were able to maintain low rates and high reliability. We took a few hits, as have so many individuals and businesses, but we were still able to expand our services and support our communities. I am honored to serve you and work alongside these great individuals at Lane-Scott Electric Cooperative.

SHARING SUCCESS IN THE COMMUNITIES WE SERVE

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

The CoBank Sharing Success Grant Program is designed to help its customers, such as Lane-Scott Electric, work with local organizations to improve their communities. CoBank is a national nonprofit cooperative bank owned by the rural American cooperatives it serves. Since the Sharing Success Program was established in 2012, CoBank and its customers have together contributed more than \$50 million to groups such as volunteer fire departments, local schools, and hunger relief programs to name a few.

In 2020, Lane-Scott funded \$2,000 in grants, which was matched by CoBank for a total of \$4,000. These grants were awarded to four recipients, the **RANSOM UNITED METHODIST CHURCH** and **LANE COUNTY HEALTH DEPARTMENT** to support the Ness and Lane County Food Banks, the **DIGHTON ELECTRATHON TEAM** and **KIDWIND TEAMS**.

Applications are accepted at the beginning of each calendar year from 501(c)(3) non-profit organizations, and other non 501(c)(3)s such as schools, government organizations like counties, municipalities, and their agencies or departments. Use of the grants must be to benefit a community or communities who receive electric service from Lane-Scott or who's purpose benefits members of Lane-Scott. The project must serve a public purpose and must be used within 12 months of its award. Funding amounts are determined annually based on the financial situation of Lane-Scott for the year.

OUR EMPLOYEES

RICHARD MCLEON
General Manager

KATHY LEWIS
Manager of Financial Services

REBECCA CAMPBELL
Billing Clerk

CARRIE BORELL
Information Technology

ANN MARIE JENNINGS
Member Service Coordinator

DIANA KUHLMAN
Cashier

KALO MANN
Master Electrician

MARK MCCULLOCH
HVAC Technician

MICHAEL POLLOCK
Master Electrician

NATE BURNS
Engineering Coordinator

KASEY JENKINSON
Crew Chief

BEN MANN
Crew Chief

DAL HAWKINSON
Journeyman Lineman

CHAD RUPP
Journeyman Lineman

CHRIS TERHUNE
Journeyman Lineman

MYRON SEIB
Journeyman Lineman

KEVIN BRADSTREET
Journeyman Lineman

LEIGHTON AYERS
Journeyman Lineman

SCOTT BRIAND
Warehouse

STACEY FOOS
Part Time Custodian

DELLON SHELTON
Apprentice Lineman

BLAKE MCVICKER
Apprentice Lineman

RESPONDING TO A CALL FOR HELP

Cooperation Among Cooperatives is one of our Seven Cooperative Principles



In October 2020, Lane-Scott Electric responded to a mutual aid request from our co-op neighbors in Oklahoma when freezing rain and high winds damaged power lines and poles leaving thousands without electricity.

When natural disasters or other extreme circumstances occur, cooperatives step-up to help, it's the cooperative way! Organized by Kansas Electric Cooperatives, Inc. 68 lineworkers from 13 Kansas co-ops and one subsidiary responded to the call. Lane-Scott Electric crews and other Kansas cooperatives worked alongside crews from CKenergy in Binger, Oklahoma, a small town southwest of El Reno. At one time during the storm more than 20,000 members were without power.

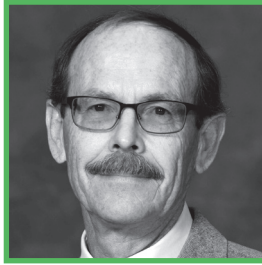
Four Lane-Scott lineworkers and two bucket trucks left for Oklahoma on Oct. 30, 2021. The crew worked for seven days with extended shifts helping to restore power to residential meters. The linemen assisting were Ben Mann, Chad Rupp, Kevin Bradstreet and Dellon Shelton.

"When one of our fellow cooperatives is in need of help, we lend a hand however we can," said General Manager Richard McLeon. "Other cooperatives helped us when ice took our lines and poles down. We'll be there for them."

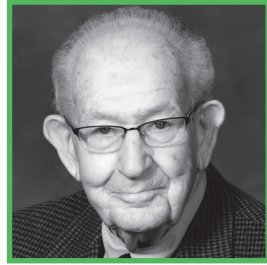
COOPERATIVE TRUSTEES



RICHARD JENNISON
Board President
Lane & Gove counties



CRAIG RAMSEY
Vice President
Scott & Logan counties



PAUL SEIB JR.
Secretary
Ness & Rush counties



ERIC DOLL
Treasurer
Finney & Hodgeman counties



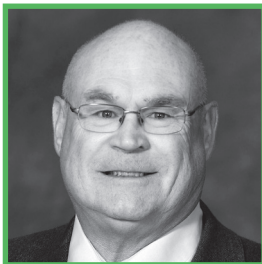
RANDY EVANS
Trustee
Lane & Gove counties



CHAD GRIFFITH
Trustee
Scott & Logan counties



HAROLD HOSS
Trustee
Ness & Rush counties



RAD ROEHL
Trustee
Lane & Gove counties



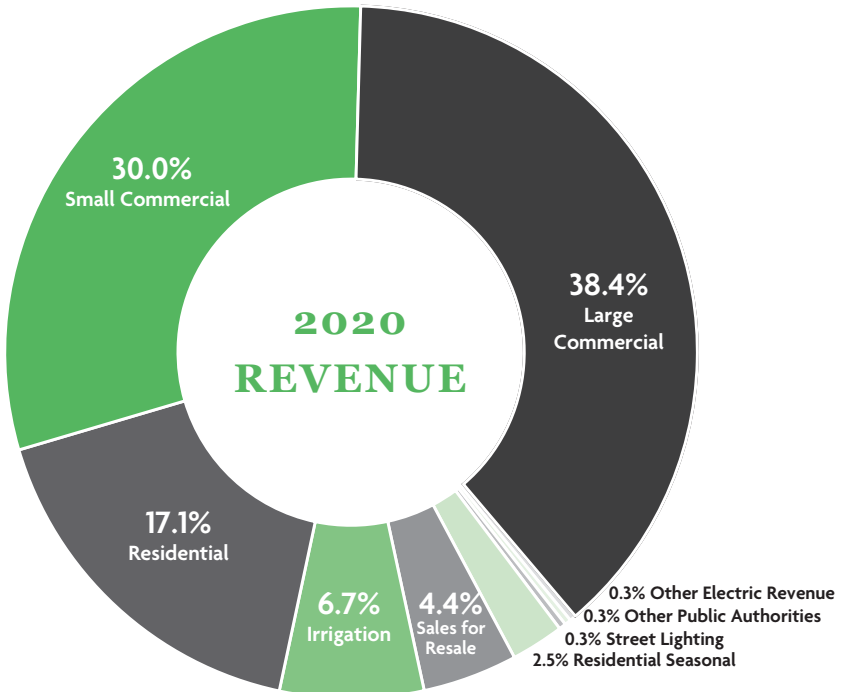
RICHARD SOREM
Trustee
Finney & Hodgeman counties

FINANCIAL REPORT

STATEMENT OF OPERATIONS

FOR YEAR ENDING DEC. 31, 2020

	2020	2019	2018
Income			
Operating Revenue	\$16,137,299	\$17,827,108	\$17,802,551
Expenses			
Cost of Power	\$9,219,252	\$10,467,955	\$10,698,587
Operations	\$4,015,321	\$3,720,981	\$3,682,453
Depreciation & Amortization	\$1,650,032	\$1,599,510	\$1,517,330
Interest	\$1,339,441	\$1,320,115	\$1,213,814
Miscellaneous	\$40,819	\$14,349	\$10,931
Total Expenses	<u>\$16,264,865</u>	<u>\$17,122,910</u>	<u>\$17,123,115</u>
Operating Margins	-\$127,566	\$704,198	\$679,436
Non-Operating Margins	<u>\$615,870</u>	<u>\$1,340,935</u>	<u>\$662,335</u>
Patronage Capital or Margins	<u><u>\$488,304</u></u>	<u><u>\$2,045,133</u></u>	<u><u>\$1,341,771</u></u>



BALANCE SHEET AS OF DEC. 31, 2020

ASSETS	2020	2019	2018
Total Utility Plant	\$58,392,568	\$56,926,974	\$52,475,269
Less Depreciation	(17,927,950)	(16,568,059)	(15,398,228)
Net Value of our System	\$40,464,618	\$40,358,915	\$37,077,041
Other Property & Investments	\$12,143,151	\$12,113,711	\$10,396,169
Cash & Temporary Investments	\$6,090,136	\$3,003,584	\$1,295,130
Receivables	\$1,420,778	\$1,390,602	\$1,685,430
Pre-Payments	(\$1,093)	(\$589)	\$11,388
Materials & Supplies	\$328,131	\$341,360	\$374,002
Other Current Assets	\$259,737	\$450,005	\$3,141
Deferred Debits	\$578,382	\$778,909	\$948,413
Total Assets	\$61,283,840	\$58,436,497	\$51,790,714
LIABILITIES & EQUITY			
Long Term Debt	\$36,884,920	\$33,968,143	\$30,490,966
Capital Leases	\$310,413	\$459,945	\$318,223
Accounts Payable	\$830,964	\$1,081,433	\$1,176,985
Consumer Deposits	\$121,550	\$112,413	\$125,592
Other Current & Accrued Liabilities	\$734,456	\$722,020	\$615,627
Total Liabilities	\$38,882,303	\$36,343,954	\$32,727,393
Equities & Margins	\$22,401,537	\$22,092,543	\$19,063,321
Total Liabilities & Equity	\$61,283,840	\$58,436,497	\$51,790,714

PROPERTY TAXES PAID BY COUNTY

County	2020	2019	2018	2017
Finney	\$63,666	\$29,163	\$27,362	\$23,903
Gove	\$12,744	\$11,890	\$12,122	\$11,019
Hodgeman	\$40,731	\$38,465	\$37,331	\$31,302
Lane	\$333,702	\$325,103	\$325,427	\$299,234
Logan	\$1,127	\$1,083	\$1,018	\$911
Ness	\$331,063	\$317,417	\$287,402	\$247,365
Scott	\$87,294	\$86,616	\$85,889	\$73,344
Rush	\$21,134	\$20,682	\$19,220	\$16,720
Totals	\$891,461	\$830,419	\$795,771	\$703,798

2020 ANNUAL MEETING MINUTES

The 2020 Annual Meeting of the Members of Lane-Scott Electric Cooperative, Inc. was held on Tuesday, July 14, 2020, at the Lane County Fairgrounds in Dighton, Lane County, Kansas. The meeting commenced at 7:30 p.m., pursuant to notice mailed to all members in accordance with the bylaws of the cooperative.

The meeting was called to order by President Richard Jennison. President Jennison welcomed those in attendance and introduced guests including Tom Ruth and Nolan Numerich of Western Co-op Electric; Lee Tafanelli CEO of Kansas Electric Cooperatives, Inc. (KEC); and Sunflower Electric Power Corporation CEO Stuart Lowry.

President Jennison next introduced the members of the board of trustees and legal counsel. Richard McLeon, general manager, was unable to be at the meeting due to a family emergency.

Joseph Gasper, legal counsel, certified notice of the annual meeting was mailed to members at each members address as it appears on the records of the cooperative and reported 85 members were in attendance and 87 signed mail-in ballots were received, for a total of 172 members constituting a quorum. Attorney Gasper called for any additional ballots and then announced the election had closed.

President Jennison referred the members to the printed minutes of the 2019 annual meeting appearing in the notice of the annual meeting. On motion duly made, seconded, and carried, the reading of the minutes of the 2019 annual meeting was waived and the minutes were approved as printed.

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

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

Chad Rupp and Dee Shull were recognized for their service of 15 years and were presented a watch.

Trustee Craig Ramsey was recognized for his service of 15 years and was presented a watch.

Trustee Ed Gough was recognized for his service of 24 years and retirement from the board and was presented with a rocking chair.

Kaden Bradstreet and Lexis Beasley presented a report about their experience at the 2019 Cooperative Youth Leadership Camp.

The Washington, D.C., Electric Cooperative Youth Tour was canceled this year.

President Jennison reported that Manager Richard McLeon was unable to attend and if any member has questions of him the member is welcome to meet with him at his office.

President Jennison then called for additional registrations. There were no additional registrations.

President Jennison introduced the guest speaker, Lee Tafanelli, CEO of KEC.

Highlights of his presentation are as follows:

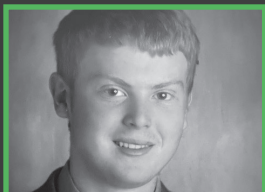
- ▶ Prior to becoming the CEO at KEC, he was the Kansas Adjutant General of the Kansas Army and Air National Guard. He has also served in the Kansas Legislature from 2001-2005 and 2006- January 2011. He has served 40 years in military service.
- ▶ His 40 years of military service was helpful in teaching him how to be agile and flexible since he started at KEC in the middle of a pandemic.
- ▶ He has a goal to visit all 30 Kansas electric cooperatives in the first 100 days so that he can build relationships and learn the issues of concern. This will allow KEC to address the concerns of its members more efficiently.
- ▶ KEC also assists rural communities through various programs.
- ▶ KEC assists the local electric cooperatives on large tasks as well as providing support for government relations in the legislature and regulatory bodies.
- ▶ In 2020, the Kansas legislature had more urban representatives than rural representatives for the first time in its history. This dynamic has made it more difficult for rural representatives to have rural issues as a primary concern. KEC presents rural issues to legislators as a service to its members.
- ▶ KEC coordinates the mutual aid program for assistance during storms.
- ▶ KEC publishes *Kansas Country Living* magazine providing communication to the cooperative members.
- ▶ Attorney Gasper presided over the election of trustees. The members of the nominating committee met and submitted names of the following individuals as nominees for three trustee positions: Billie Barnett Jr., Alan Berndt, Randall Evans and Neil Wilson, to represent Lane County and Gove County; Richard Sorem, representing Finney County and Hodgeman County; and, Paul Seib Jr., representing Ness County and Rush County. Attorney Gasper explained that due to the pandemic the election was done by written ballot. The ballots will be counted by an anonymous group of members and the results will be printed in the *Dighton Herald*, *Ness County News* and posted on the Lane-Scott Facebook page.

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

President Jennison thanked John Ross & Co. Signature Catering for the meal, and Howard Richards for the public address system.

There being no new business, President Jennison called for a motion to adjourn. By motion duly made, seconded, and carried the meeting was adjourned at 8:10 p.m. on July 14, 2020.

At various times during the meeting, attendance prizes were given away to members by drawing. The winners were: Darwin Whipple, Neil Wilson, Randall Evans, Amanda Doll, Boyd Shupe, Beverly Kerkhoff, Roberta Seifried, Darryl Johnson, Stan Bray, Whiterock Township Hall, City of Brownell, Steve Lockman, Cheyenne Township Firestation, Karey Clark, Tom Reed, Billie Barnett Jr., Yvonne Schmidt, Linda Foos and Cindy Fuentes.



CONTINUING EDUCATION SCHOLARSHIP RECIPIENTS

KADEN BRADSTREET is the son of Kevin and Mindy Bradstreet of Dighton. Kaden graduated from Dighton High School in May 2020 and completed his first year at Fort Hays State University in May. Kaden is pursuing bachelor's degree in business marketing.

KYLE DOLL is the son of Jesse Doll. Kyle graduated from Garden City High School in May 2020 and completed his first year at Kansas State University. He selected K-State for its agriculture and technology programs. Upon graduating, he wants to take the knowledge gained from K-State back to southwest Kansas.

ALYSSON FOOS is the daughter of Bryan and Jennifer Foos of Ness City. She graduated from Ness City High School in May 2019 and completed her second year at Tabor College in Hillsboro in May. Alysson plans to graduate from Tabor College in December 2022, obtaining a degree in social work.

PATRICK O'TOOLE is the son of Michele and Darcy O'Toole of Ness City. Patrick graduated from Ness City High School in May 2021. Patrick will attend North Central Kansas Technical College in Hays to complete its plumbing, heating, ventilation, and air conditioning (PHVAC) program.

ELI RUPP is the son of Chad and Charlie Rupp of Dighton. Eli graduated from Dighton High School in May and plans to attend Hutchinson Community College where he can get his associate's degree in heating, ventilation, and air conditioning (HVAC) program

KILEY WHIPPLE is the daughter of Toby and Michelle Whipple of Kalvesta. Kiley graduated from Ingalls High School in May and has been taking college classes through Dodge City Community College since July 2020. She plans to attend Fort Hays State University to obtain a bachelor's degree in agriculture education with a minor in elementary education.

BOARD CANDIDATES

RICHARD JENNISON (incumbent): Richard Jennison is a lifelong resident of rural Healy in Lane County. He graduated from Healy High School and Kansas State University. Jennison and his wife, Diana, have three grown children. He has been a member of the Lane-Scott Electric Board of Trustees for 39 years, currently serving as president. He is an active member in the United Methodist Church of Healy.



LANE & GOVE

SARA MCWHIRTER: I have lived in Lane County for 33 years. I was born and raised in Kansas. When I first moved to Dighton, I only worked on the farm and ranch. After three years I went to work for Lane County Hospital and was a CNA and CMA for two years. I then worked for the Lane County Medical Clinic as the clinic nurse for 13 years. I left the clinic and hospital in 2006 when my son was deployed with the National Guard. He still continues to serve to this day. I have been a business owner of Sara's Storage Sheds since 2008 and my husband and I farmed and ranched together until his death in 2017. I continued to run the farm and ranch as trustee of his trust since his death. I was raised in Plainville, Kansas, graduating from Plainville High School. While in high school I was active in 4-H, FFA and multiple athletic events. I learned accounting in high school and have used it ever since. As the trustee of my husband's trust, I have managed and paid off loans, managed all the investments, as well as checking and money market accounts. I took care of the beef herd and bought and sold as needed. I realize that things are not simple and that we are in a difficult situation and uncertain times in the United States. We have all learned that life is a struggle and that there will always be ups and downs. I would like to work with Lane Scott to see what the future holds for the electric business and its stockholders.



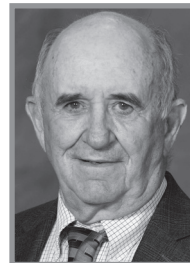
LANE & GOVE

CRAIG RAMSEY (incumbent): I am a lifelong resident of Scott County, having graduated from Scott Community High School, Colby Community College and Kansas State University. My wife and I have two grown children and nine grandchildren. I've served on the Lane-Scott Board for 15 years and have obtained the Credentialed Cooperative Director and Director Gold certifications through training by National Rural Electric Cooperative Association.



SCOTT & LOGAN

HAROLD HOSS (incumbent): After serving with the 101st airborne division, I came home and went back to school, graduating from Emporia State Teachers College with a degree in elementary education. At this point, I received a teaching position with the southwest Kansas education cooperative and started farming. I taught school and farmed for three years. At this time farming won out and I devoted my time totally to farming. Thirty-six years ago, I was given the opportunity to serve on the Lane Scott board. I have had the pleasure of working with a lot of good and interesting people and would like to continue to work for the people of Lane-Scott.



NESS & RUSH

PROPOSED BYLAW AMENDMENTS

The following nine proposed amendments to the Lane-Scott Electric Cooperative Inc. bylaws will be voted on by the membership present at the Lane-Scott Electric Annual Meeting on July 20, 2021.

ARTICLE III – MEETING OF MEMBERS

SECTION 5. VOTING. Each member shall be entitled to only one vote. All questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the articles of incorporation or these bylaws. Individuals voting on behalf of non-natural person members must present evidence satisfactory to the Cooperative that the individual is duly authorized to vote for the non-natural person member. **(PROPOSED AMENDMENT 1, ADDITION TO BYLAWS:** *“The board of trustees may allow for voting by Members by in-person voting, voice vote, member written vote or electronic means. The board of trustees shall authorize a means of electronic voting only if the board of trustees is satisfied that such means includes functionality designed to prevent duplicate and unauthorized balloting.”*)

SECTION 8. MEMBER ACTION BY WRITTEN BALLOT OR MAIL BALLOT.

A. Members may vote on any action that may be taken at any Member meeting **(PROPOSED AMENDMENT 2, ADDITION TO BYLAWS:** *“including election of trustees”*;) without a Member Meeting by the Cooperative by delivering a written ballot (“Member Written Ballot”) to every Member entitled to vote on the matter.

A 3a. Any material soliciting approval of any action by Member Written Ballot must: Contain, or be accompanied by, a copy or summary of each proposed action, **(PROPOSED AMENDMENT 3, ADDITION TO BYLAWS:** *“and if a trustee election is being held, a list of trustee nominees in alphabetical order along with blank spaces for additional nominees;”*)

(PROPOSED AMENDMENT 4, ADDITION TO BYLAWS: *“Section 10. Virtual Meetings. During emergencies or conditions that make meeting in person difficult or impossible, the board of trustees is authorized to designate that a meeting of the Members may be held by virtual, electronic or other non in-person means (“Virtual Meeting”). The virtual meeting must allow for participation of all members in attendance. Any action taken at the Virtual Meeting shall have the same force and effect as action taken by in-person meetings or by member’s written ballot. Quorum requirements for a virtual meeting shall be the same requirement for an in-person meeting.”*)

ARTICLE IV – TRUSTEES

SECTION 2. ELECTION AND TENURE. At the annual meeting, three (3) trustees shall be elected to succeed those trustees whose terms have expired, for a period of three (3) years or until their successors shall have qualified. If an election of trustees shall not have been held on the day designated herein at the annual meeting or any adjournment thereof, the board of trustees shall cause an election to be held at a special meeting of the members as soon thereafter as conveniently may be held; trustees shall be elected by plurality vote of the members. **(PROPOSED AMENDMENT 5, ADDITION TO BYLAWS:** *“The election of trustees may be held by voice vote, mail-in ballot, written ballot or electronic ballot at the discretion of the board of trustees. In the event of a tie election, the winner of the election shall be determined by the flip of a coin.”*)

SECTION 4. NOMINATIONS. The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principal office of the Cooperative at least twenty (20)

BRING THIS CARD TO THE ANNUAL MEETING

REGISTRATION CARD & PRIZE DRAWING TICKET

days before the meeting, a list of nominations for trustees, but any fifteen (15) or more members acting together may make other nominations by petition not less than (**PROPOSED AMENDMENT 6, REVISION TO BYLAWS:** *Changed from “fifteen (15) days” to “forty-five (45) days”*) prior to the meeting and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. The Secretary shall be responsible for mailing with the notice of meeting or separately, but at least ten (10) days before the date of the meeting, a statement of the number of trustees to be elected and the names and addresses of the candidates, specifying separately the nominations made by the Committee on Nominations and also the nominations made by petition, if any. (**PROPOSED AMENDMENT 7, REMOVAL OF BYLAW ITEM:** *“Nothing contained herein shall, however, prevent additional nominations from the floor at the meeting of members.”*)

SECTION 6. VACANCIES. Subject to the provisions of these bylaws with respect to the filling vacancies caused by the removal of trustees, the remaining trustees shall have the option to fill the vacancy by an affirmative vote of a majority of the remaining trustees for the unexpired portion of the term of the trustee in respect of whom the vacancy occurs (**PROPOSED AMENDMENT 8, ADDITION TO BYLAWS:** *“or the remaining trustees may upon a majority vote of the remaining trustees, choose to leave the vacancy unfilled until the next annual meeting or special meeting of the Members at which time the Members may elect a trustee for the unexpired term of the trustee in respect of whom the vacancy occurs.”*)

ARTICLE V – MEETINGS OF TRUSTEES

(**PROPOSED AMENDMENT 9, ADDITION TO BYLAWS:** *“Section 9. Virtual Meetings. During emergencies or conditions that make meeting in person difficult or impossible, the board of trustees is authorized to designate that a meeting of the trustees may be held by virtual, electronic or other non in-person means (“Virtual Meeting”). The virtual meeting must allow for participation of all trustees in attendance. Any action taken at the Virtual Meeting shall have the same force and effect as action taken by in-person meetings. Quorum requirements for a virtual meeting shall be the same requirement for an in-person meeting.”*)

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OFFICIAL NOTICE OF ANNUAL MEETING

The Annual Meeting of the Members of the Lane-Scott Electric Cooperative, Inc. will be held at the Lane Co. Fairgrounds, Tuesday, July 20, 2021, in Dighton. The events begins at 6 p.m. with free fair rides for the kids until 7:30 p.m. A catered meal by John Ross & Co. Signature Catering at 6:30 p.m., followed by the business meeting at 7:30 p.m.

The election of three trustees, voting on proposed bylaw amendments, approval of the minutes of the 2020 annual meeting, treasurer's report and manager's report are all on the agenda. Voting will take place **ONLY** at the annual meeting this year.

The committee on nominations, appointed by the board of trustees, has nominated the following members as candidates for the offices of trustees. Representing Lane and Gove counties, **RICHARD JENNISON** (incumbent) and **SARA MCWHIRTER**; representing Ness and Rush counties, **HAROLD HOSS**; representing Scott and Logan counties, **CRAIG RAMSEY**.

Other nominations may be made by petition or from the floor at the meeting. Of the persons nominated, and any other nominations made by petition, or from the floor, it will be necessary to elect three trustees to succeed the persons whose terms expire at the meeting.

Lane-
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