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

**RETURN SERVICE REQUESTED**

*This is your registration card.  
Please bring it to the Annual Meeting.*

## OFFICIAL NOTICE of Annual Meeting

The Annual Meeting of the members of the Lane-Scott Electric Cooperative, Inc., will be held at the Lane County Fairgrounds, Tuesday, July 12, 2011, in Dighton. The events will begin at 6:30 p.m. with a meal catered by Stan Hoss, with the business meeting to follow.


The election of three trustees, approval of the minutes of the 2010 Annual Meeting, the Treasurer's report and Manager's report are all on the agenda.

The committee on nominations, appointed by the Board of Trustees, has nominated the following members as candidates for the offices of trustees: Ed Gough, representing Lane and Gove counties; Richard (Dick) Sorem, representing Finney and Hodgeman counties; and Paul Seib Jr., representing Ness and Rush counties.

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.



Electric Cooperative

A Touchstone Energy®  
Cooperative 

## 2010 Annual Report

## Official Notice of 61st Annual Meeting

**Tuesday,  
July 12, 2011**

**6:30 p.m. Dinner  
7:30 p.m. Annual Meeting  
Lane County Fairgrounds  
Dighton, KS**



# Guest Speaker

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## **L. Earl Watkins, Jr.**

President and Chief Executive Officer  
Sunflower Electric Power Corporation

L. Earl Watkins, Jr., was selected to be Sunflower's president and CEO in June 2004. He is the fourth person to hold this position since the cooperative was formed in 1957. For more than 24 years, he served as general counsel for Sunflower.

Earl was admitted to practice law in Kansas in 1973 after earning his Juris Doctorate degree from the University of Kansas in 1973. Earl began his civilian career following his four-year service in the United States Air Force Judge Advocate Corps from 1973-1977. He was in private practice from the time he left the Air Force until November 2001 when he became Sunflower's Executive Vice President and General Counsel.

In all corporate decisions, Earl and his staff highly value and adhere to Sunflower's mission of providing a "reliable, long-term power supply and transmission services to its member-owners at the lowest possible cost consistent with sound business and cooperative principles."

Earl has been married to his wife, Karen, for 41 years. They have three married daughters and 10 grandchildren.



**L. Earl Watkins, Jr.**  
**President and**  
**Chief Executive Officer**  
**Sunflower Electric**  
**Power Corporation**

## About the Cover

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During the 2010 annual meeting, Adria Doll was given a plaque of appreciation for serving on the Junior Board of Trustees. Adria represented the Finney and Hodgeman counties (top left photo). The Dighton High School Electrothon team was awarded a trophy for placing second in the state for the Kansas Electro Rally. Pictured on the bottom right (from left to right) are Seth Shapland, Garrett Parker, and Cody Vincent.

Lane-Scott Electric coop hosted a high-voltage safety demonstration before and after the annual meeting. Pictured top right is lineman Kasey Jenkinson drawing an electric arc to show what would happen if a body were to make contact with high-voltage lines. The bottom left photo shows linemen David Howard (left) and Kasey Jenkinson (right) with Brian Dreiling (center) from Midwest Energy preparing for the high-voltage demonstration.

This is your

# Registration Card

**BRING THIS CARD TO THE ANNUAL MEETING**

**Visit us on the web at [www.lanescott.coop](http://www.lanescott.coop)**

## The 7 Co-op Principles

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Like cooperatives throughout Kansas and the nation, Lane-Scott Electric Cooperative is special because it is owned by the consumers it serves and because it is guided by a set of seven principles that reflect the best interests of those consumer-owners:

- 1. Voluntary and Open Membership**
- 2. Democratic Member Control**
- 3. Members' Economic Participation**
- 4. Autonomy and Independence**
- 5. Education, Training, and Information**
- 6. Cooperation Among Cooperatives**
- 7. Concern for Community**

# Junior Board



John Clarke



Catherine Huck



Chad Myers



Sarah Mulville



Alyssa Scheuerman



C. J. Shaffer



Austin Vieux



Darrick York

The Junior Board of Trustees is an educational program to encourage youth in our community to learn about cooperatives. This will include field trips and boardroom discussions on the operation and organization of cooperatives in general with emphasis on electrical cooperatives. The Board meets four times a year. Visit our website to learn more—[www.lane-scott.com](http://www.lane-scott.com).

The current members of the Junior Board are shown above. Parents of the board members and the counties they represent are:

### Representing Gove & Lane Counties

- Sarah Mulville—daughter of Tom and Roxie Mulville
- C. J. Shaffer—son of Darrel and Stephanie Shaffer
- Darrick York—son of Darrin and Jennifer York

### Representing Logan & Scott Counties

- Catherine Huck—daughter of Lance and Irene Huck
- Alyssa Scheuerman—daughter of Randy and Cindy Scheuerman

### Representing Ness & Rush Counties

- John Clarke—son of Jerry and Jane Clark

### Representing Finney & Hodgeman Counties

- Austin Vieux—son of Doug and Melody Vieux
- Chad Myers—son of Calvin and Diane Myers

# Program

## Annual Meeting Agenda

6:30 p.m. Dinner ..... catered by Stan Hoss

7:30 p.m. Call to Order ..... President Dick Jennison

- Early Bird Prize Drawing
- Introduction of Guests
- Report on Quorum
- Approval of Minutes of 2010 Annual Meeting
- Treasurer's Report
- 2010 Steamboat Springs Youth Tour Report, Morgan Lawrence and Kate Hagans
- 2011 Washington, D.C., Youth Tour Report, Kate Hagans and Hannah Speer
- Manager's Report, Earl Steffens
- Guest Speaker—L. Earl Watkins, President and Chief Executive Officer, Sunflower Electric Power Corporation
- Junior Board of Trustees
- Election of Trustees
- Unfinished Business
- New Business

Visit our website at [www.lanescott.coop](http://www.lanescott.coop)



# Report To Members

## Message from the President and General Manager

On behalf of the Trustees and employees of Lane-Scott Electric Cooperative and High Line Services, LLC, we would like to extend a special invitation for you to attend the 61st annual meeting of your cooperative.



**Richard Jennison**  
President



**Earl N. Steffens**  
General Manager

## Infrastructure

In 2010, Lane-Scott saw some very good things happen. Our Federal Emergency Management Agency (FEMA) project is finished. I am sure you have all noticed the amount of new line that has gone up in all areas of the cooperative. After working on this for the last four years, all of us are glad to have this project behind us, all 376 miles of it. This has been a tremendous undertaking for our cooperative, but it has greatly improved the Lane-Scott system.

Currently, we are in the process of putting in a substation transformer that will more than double the size of our Manning substation. This area has seen substantial growth, and with the addition of a pipeline pumping station we were in need of the capacity. Lane-Scott tested 3,500 poles this year and had tree trimming crews on our system for approximately six months. Lane-Scott is continually working to upgrade our total plant and has a maintenance program to make sure your utility plant is in the best condition possible.

## Safety

Safety is never taken for granted at Lane-Scott. Our employees have a monthly safety meeting with instruction from Kansas Electric Cooperatives, Inc. (KEC). This year our employees received a certificate for "No-Lost-Time Accidents" for 567,156 hours worked without a lost-time accident. This dates back to January 20, 1999. The safety of our employees and our members is always on our minds.

## MKEC & Aquila Acquisition

The Aquila acquisition took place on April 1, 2007, and we've now had a little over three years to get to know each other. I feel both the Lane-Scott native system and the new MKEC territory are coming together nicely. The next phase is for MKEC to have all the members officially become Lane-Scott members and for Lane-Scott to proceed with a deregulation vote of the MKEC members. It is our goal to have the deregulation process completed by September 2011, but it may be sometime next year before we will be able to bring the rates of all Lane-Scott members together. Lane-Scott appreciates the opportunity to visit with each of the city councils in our area during the year. This has proven to be a good method of communication to discuss any issues.

## Growth

Growth in 2010 was very good at Lane-Scott. We installed 130 new services, with the majority of these being oil wells or irrigation, both new and converted from other energy

# Youth Tour

## Washington, D.C. Youth Tour



Sarah Mulville and John Clarke (above) stopped for a Kodak moment during the Youth Tour to Washington, D.C., in June 2010. Kate Hagans and Hanna Speer represented Lane-Scott at this year's 2011 Youth Tour to Washington, D.C.



**Kate Hagans**



**Hanna Speer**

## Cooperative Youth Leadership Camp



Morgan Lawrence and Kate Hagans (above) posed in the Rocky Mountains for a photo during last year's Cooperative Youth Leadership Camp in Steamboat Springs, CO. Loretta Harmison and Chad Myers will represent Lane-Scott at this year's 2011 camp.



**Loretta Harmison**



**Chad Myers**

# Home Energy Saving Tips

Computers, printers, air conditioners, TVs, VCRs, DVD and CD players, fax machines, blow dryers, microwaves . . . We're more "plugged in" than ever before. By 2015, consumer electronics and small appliances will account for almost 30 percent of all household electricity use. As the cost of energy continues to increase, the cost for being so plugged in will become more apparent.

Look for the ENERGY STAR label, the symbol for energy efficiency, when shopping for room air conditioners, other heating and cooling equipment, major appliances, lighting, home office equipment, windows, and electronics. Find retailers near you by checking online at: <http://www.energystar.gov>.

Install appropriate insulation for the Kansas climate, and seal air leaks to increase your comfort, making your home quieter and cleaner.

Do online "window-shopping" at: [www.efficientwindows.org](http://www.efficientwindows.org). Discover how high-performance Energy Star windows can increase comfort and reduce heating and cooling costs by as much as 30 percent.

Forgetful? A programmable thermostat automatically coordinates indoor climates with your daily and weekend patterns. And you don't have to remember to turn the air conditioning or heating off when you won't be home.

Here's more:

- When refinancing your home, consider including energy-efficiency home improvements. Your interest may be tax deductible.
- Switch to cold water washing of laundry and save up to \$63 a year.
- Close blinds or shades on the south- and west-facing windows during the day or install shading devices such as trellises or awnings.
- Turn off everything not in use: lights, TVs, computers.
- Has your furnace or air conditioner been serviced lately? These hard-working appliances are the largest consumers of energy in most homes. Periodic service can improve their efficiency and extend their lifespans. If you hire a professional technician, ask about simple maintenance tasks you can perform yourself.
- How many old-fashioned incandescent lights do you have? These traditional bulbs use three times more electricity than modern compact fluorescent lamps (CFLs). Buy and install CFLs in any light fixtures you use more than a few hours a day.
- How old is your refrigerator? The newest refrigerators take advantage of technology that cuts their consumption to one-quarter that of older units. Shop for an ENERGY STAR® rated refrigerator to get the most efficient models. Buy a smaller refrigerator than you currently have for added savings.

Many additional tips and free resources for all types of home and vehicle energy use can be found on the Alliance to Save Energy consumer web site [www.ase.org/consumers](http://www.ase.org/consumers).

# Report To Members

sources to electric. This growth has been very consistent over the last few years.

Lane-Scott and the City of Dighton continue to work together on both the operations and maintenance agreements for the city's electrical system and the purchase of wholesale power. This relationship has had many positive benefits for both entities.

## Financial

Financially, Lane-Scott showed a bottom line negative margin of \$469,921, which produced a negative Times Interest Earned Ratio (TIER). We need a minimum TIER of 1.25 to meet the financial covenants of our lenders. Of this total negative margin, Lane-Scott showed a negative \$52,624 on the operating side.

Our Board of Trustees adopted a monthly (ECA) on June 6, 2011, to pass through the cost of purchasing wholesale power not reflected in the rates to the members.

The negative margins last year on the operating side of Lane-Scott were due to the increase in power cost. We did have an increase in your rates in October 2009 and with the ECA we expect to have the positive operating margins necessary to fulfill our financial covenants with our lender.

## High Line Services, LLC

High Line Services, LLC, showed negative margins of \$517,319; this was mainly due to extremely wet weather the first quarter from which we were unable to recover.

High Line Services has "No-Lost-Time Accidents" for 122,000 hours worked. High Line Services also added a full-time safety coordinator and full-time mechanic to help with our fleet of trucks. High Line Services has 38 employees, with crews in Missouri, Arkansas and Kansas. High Line Services has a good stable work force and is off to a much better financial start this year.

## Generation & Transmission

Sunflower Electric Power Corporation continues to be a valuable partner for us. Sunflower is who we purchase power from, but they also provide expertise in many areas that benefit Lane-Scott, such as economic development, the Aquila acquisition and youth activities.

I'm sure many of you are aware of the transmission line upgrade from Scott City to Dighton. This is a FEMA project and will help with capacity needs. Sunflower has also been working tirelessly to get the Holcomb Power Plant to become a reality. Lane-Scott and our members appreciate their efforts.

L. Earl Watkins, Sunflower CEO, will be retiring this year. It has been a pleasure to work with Earl, and we realize that one of the truly great leaders in the electric industry will be leaving our midst. Thanks, Earl, for all you have done for western Kansas and our Sunflower family.

## Community

Lane-Scott is committed to the improvement of all the communities we serve. Through volunteer work, monetary donations and just being there to help when we are needed. Community and youth activities are vital to the success of our communities.

In 2002, Lane-Scott started a Junior Board of Trustees. The activities this year included a visit to the Westar wind farm just north of Marienthal. We have three Junior Trustees leaving us this year: John Clark, Ness City, representing Ness and Rush counties; Alyssa

# Report To Members

Scheuerman, Scott City, representing Scott and Logan counties; and C.J. Shaffer, Dighton, representing Lane and Gove counties.

Lane-Scott takes an active role in supporting our young people, as we realize that our youth are our future. Lane-Scott is sponsoring two youth to Washington, D.C., and two youth to Steamboat Springs, CO. The trip to Washington, D.C., helps our young people learn about how our federal government works in our nation's capitol, along with all the history behind it. In Steamboat Springs, students learn how the cooperative system operates and the many advantages for its members.

If you ever need information about Lane-Scott, visit our website at [www.lanescott.coop](http://www.lanescott.coop). It is a great way to review what your cooperative is about, and I would encourage you to look at it and use it for your energy efficiency needs.

In closing, 2010 was an eventful, interesting and challenging year. By our Trustees, quality Lane-Scott employees, Sunflower Electric, KEC, RUS and CFC, Peak Power, our members and the local communities working together, we met the tests in the past and stand ready to meet all future challenges. Lane-Scott is excited about 2011 and looks forward to working with all of you in the future.

## Lane-Scott Employees

**EARL N. STEFFENS**—General Manager

**DOW MORRIS**—Assistant Manager

**KATHY LEWIS**—Manager of Financial Services

**JODI MARSTELLER**—Administrative Assistant

**REBECCA CAMPBELL**—Billing Clerk

**KATHY BALLEW**—Billing Clerk

**CARRIE BORELL**—Customer Service Representative

**BOB VENTERS**—Resale Manager/Member Services

**KALO MANN**—Master Electrician

**MARK MCCULLOCH**—Hvac Technician

**MICHAEL POLLOCK**—Apprentice Electrician

**MARY HEATH**—Administrative Assistant

**VIC TORSON**—Manager of Electrical Operations

**DAVID HOWARD**—Construction Foreman

**NATHAN BURNS**—Maintenance Foreman

**KASEY JENKINSON**—Crew Chief

**BEN MANN**—Crew Chief

**HENRY MORROW**—Journeyman Lineman

**DAL HAWKINSON**—Journeyman Lineman

**CHAD RUPP**—Journeyman Lineman

**LARRY KRAFT**—Journeyman Lineman

**MYRON SEIB**—Journeyman Lineman

**CHRIS TERHUNE**—Journeyman Lineman

**MARK LEWIS**—Apprentice Lineman

**DEANNE SHULL**—Warehouse Clerk

**KEVIN BRADSTREET**—Meter Reader

**ERIK STEFFENS**—Summer Help

**BOB KENNEMER**—Part Time-Maintenance Engineer

**KAYLA CHAVARRIA**—Part Time-Custodian

**BRITTANY BURNS**—Part Time-Custodian

**SARAH MULVILLE**—Part Time-Custodian

# Minutes of 2010 Annual Meeting

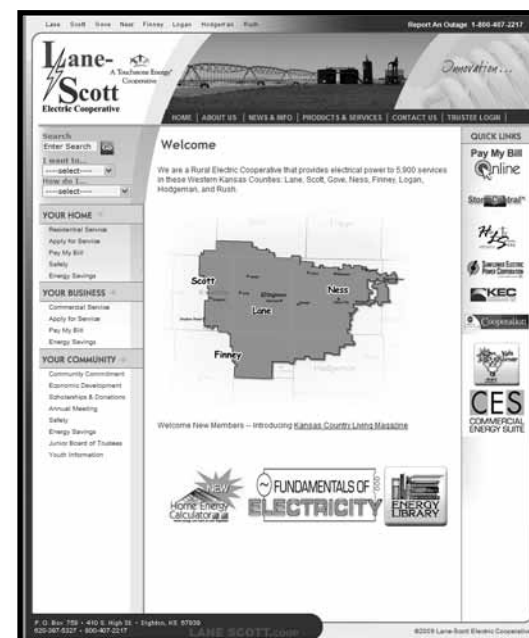
(continued from page 12)

for a motion to adjourn. By motion duly made, seconded and carried the meeting was adjourned at 8:22 o'clock p.m. on July 14, 2010.

At various times during the meeting, attendance prizes were given away to members by drawing. The winners were: Bar X Inc., John Dietrich, Bible Fellowship Church, E.R. Redburn, Henry York, Denise York, Pamela Jennison, Mulville Farms, Inc., Arthur Pember, CJ Beef & Grain, Joyce Shull, Lucas Miller, Mark Shapland, Beaton Farms, Inc., John Mishler, Postrock BB LLC., Alan Scott, Michael Penka, Enid Fooks, Billy Barnett Sr., Jay Walker Jr., JLD Farms, Marvin Knopp, John & Janice Hawkkinson, John Faulconer, Elsie Conine, Frank Jasper, Robert Dowell, Howard Burnett, Michael Scheuerman and Grover Whipple.

## Visit Lane-Scott's New & Improved Website at: [www.lanescott.coop](http://www.lanescott.coop)

- Pay Your Monthly Bill online.
- Check Our Many Energy Saving Features
- Try Our Online Energy Calculators
- Learn about Our Youth Programs
- Read Our Monthly Newsletters
- See Our Special Section Called "Kids Corner"



**Energy conservation is everyone's responsibility,**

**contact Lane-Scott Electric**

**for ways to conserve your energy needs.**



# Minutes of 2010 Annual Meeting

(continued from page 11)

- » work continues on the rebuilding of the line damaged by the ice storm;
- » approximately 350 miles of line have been rebuilt to date with a total of 376 miles to be rebuilt;
- » the goal is to have the project completed by the end of the year;
- Safety of the employees is very important and the employees attend monthly safety meetings;
- High Lines Services, a construction subsidiary, currently has three crews working at Lane-Scott and three crews working at Victory Electric. High Line Services has 82,000 hours without a lost-time accident;
- The Aquila acquisition has gone well. There will be a spin down of the assets as well as a de-regulation vote in the future;
- There were 129 new services added in 2009 with the largest growth in the oil load and irrigation;
- Lane-Scott is fortunate to have relatively low cost coal energy from Sunflower to provide base load energy service. Work continues on making the Holcomb expansion a reality; and,
- Lane-Scott received safety accreditation with 511,699 hours without a lost-time accident.

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

Bob Venters presented the Dighton High School Electro Rally team with a trophy for placing second in the experimental class.

Manager Steffens introduced the guest speaker, Kyle Nelson Senior Vice President of Sunflower Electric and asked him to speak. Highlights of his presentation are as follows:

- Sunflower continues to move forward with the Holcomb Expansion project. A settlement regarding the air permit has been reached with the Governor which allows the project to move forward;
- KDHE released a draft permit on July 1, 2010 and is seeking public comment. Members are encouraged to express their support for the project. There will be three public meetings regarding the air permit to be held in August in Overland Park, Salina and Garden City;
- Members are encouraged to contact Lane-Scott or Sunflower staff if they have any questions regarding the Holcomb expansion.

Manager Steffens recognized Junior Board of Trustees members Heather Applegarth, Adria Doll and Brinlee Griffith.

Attorney Gasper presided over the election of trustees. The members of the nominating committee met and submitted names of three individuals as nominees for three trustee positions: Rad Roehl, representing Lane County and Gove County; Bruce Wilkins, representing Scott County and Logan County; and, Eric Doll, representing Finney County and Hodgeman County. President Jennison called for additional nominations from the floor. There were no additional nominations. On motion duly made, seconded and carried the nominations ceased and a unanimous ballot was cast for the named nominees.

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

There being no new business, President Jennison called

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# Nominating Committee Report

## Report of Nominating Committee The Lane-Scott Electric Cooperative, Inc. June 6, 2011

A meeting of the Nominating Committee was held on Monday, June 6, 2011, commencing at 6:30 p.m. in the offices of the cooperative at 410 South High Street, Dighton, Kansas.

Members of the Nominating Committee present were Alan James, and Robert Scheib representing Lane and Gove counties; Randy Scheuerman and John Beaton representing Scott and Logan counties; Lane Copeland representing Rush and Ness counties; and Marvin Bohling and Grover Whipple representing Finney and Hodgeman counties. Also attending were Joseph Gasper, Attorney, and Earl Steffens, General Manager.

By vote the Committee nominated the following individuals:

- **Ed Gough** for the position of Trustee representing Lane and Gove Counties
- **Paul Seib Jr.** for the position of Trustee representing Ness and Rush counties
- **Richard (Dick) Sorem** for the position of Trustee representing Finney and Hogeman counties

## Lane-Scott Electric Cooperative

Has Electricians as well as Heating and Air Conditioning personnel on staff for all of your residential, agricultural and commercial needs. We give free estimates on all jobs. If we can assist you in any way with your needs call 620-397-5327 or 800-407-2217 or stop by our office at 410 South High for any questions or needs that you might have.

# Members' Financial Report

# Minutes of 2010 Annual Meeting

## STATEMENT OF OPERATIONS

	2008	2009	2010
Operating Revenue	\$11,812,653	\$11,369,139	\$13,057,889
Wholesale Cost of Power	\$8,015,571	\$7,342,998	\$8,480,304
System Operations & Maintenance Expenses	\$1,255,125	\$1,194,880	\$1,263,646
Consumer Billing & Service Expense	\$440,294	\$497,120	\$571,157
Administrative & General Expense	\$966,476	\$1,038,804	\$1,028,951
<b>Total Operations &amp; Maintenance Expenses</b>	<b>\$10,677,466</b>	<b>\$10,073,802</b>	<b>\$11,344,058</b>
Depreciation Expense	\$772,422	\$794,970	\$813,571
Interest on Long Term Debt	\$710,885	\$819,916	\$943,524
Other Deductions	\$14,459	\$7,678	\$9,360
<b>Total Cost of Electric Service</b>	<b>\$12,175,232</b>	<b>\$11,696,366</b>	<b>\$13,110,513</b>
<b>Operating Margins</b>	<b>-\$362,579</b>	<b>-\$327,227</b>	<b>-\$52,624</b>
Non-Operating margins Interest	\$17,977	\$14,740	\$14,599
Income From Equity Investments	\$622,934	\$804,222	-\$517,319
Margins Other	\$105,371	\$39,401	\$12,928
Other Capital Credits & Dividends	\$55,842	\$46,814	\$72,495
<b>Patronage Capital Or Margins</b>	<b>\$439,545</b>	<b>\$577,950</b>	<b>-\$469,921</b>

## Property Taxes Paid By County

	2007	2008	2009	2010
Finney	\$13,231	\$12,889	\$13,878	\$11,777
Gove	\$6,507	\$7,342	\$7,051	\$4,975
Hodgeman	\$19,807	\$21,380	\$19,478	\$16,668
Lane	\$134,485	\$146,157	\$140,768	\$147,305
Logan	\$598	\$515	\$571	\$548
Ness	\$58,857	\$144,623	\$151,879	\$140,054
Scott	\$37,534	\$40,308	\$37,980	\$39,546
Rush	\$0	\$13,726	\$13,352	\$12,306
<b>Totals</b>	<b>\$271,019</b>	<b>\$386,940</b>	<b>\$384,957</b>	<b>\$373,179</b>

## The Lane-Scott Electric Cooperative, Inc.

The year 2010 annual meeting of the members of Lane-Scott Electric Cooperative, Inc. was held on Tuesday, July 14, 2010, at the Lane County Fair Grounds in Dighton, Lane County, Kansas. The meeting commenced at 7:30 o'clock 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: Alan Westfall Stanion Electric; Larry Powell, Kansas Representative Dist. 117; Don Hineman, Kansas Representative Dist. 118; Dave Holthaus of KEC; Ralph Ostemeyer, Kansas Senator; Sunflower Electric Power Corporation was represented by Kyle Nelson, Cindy Hertle and Abby McGreevy.

Manager, Earl Steffens presented a tribute to former Board of Trustees President, Larry Jasper and dedicated the meeting to the former President. Members of Larry Jasper's family, in attendance, were introduced including his wife Virginia Jasper.

President Jennison next introduced the members of the Board of Trustees, the manager and legal counsel.

Joseph Gasper, legal counsel certified notice of the annual meeting was mailed to members at each members address as it appears on the records of the cooperative and reported 171 members were in attendance, constituting a quorum.

President Jennison referred the members to the printed minutes of the 2009 Annual Meeting appearing in the notice of the annual meeting. On motion duly made, seconded and carried, the reading of the minutes of the 2009 Annual Meeting was waived and the minutes were approved as printed.

President Jennison next referred the members to the Treasurer's Report appearing in the notice of the annual meeting. On motion duly made, seconded and carried, the reading of the Treasurer's Report was waived and the report appearing in the notice of the annual meeting was approved as printed.

President Jennison next called for the employees of the cooperative to stand and be recognized. President Jennison introduced the new employees: Mark McCulloch and Erik Steffens. President Jennison commemorated Eric Doll with serving on the Board of Trustees for fifteen years.

Jared Stieben and Chase Rein presented reports about their Steamboat Springs Youth Tour in 2009. John Clarke and Sarah Mulville presented reports about their Washington DC Youth Tour in 2009.

Manager, Earl Steffens, presented his report, emphasizing:

- He welcomed all members to the 60th Annual Meeting;
- Lane-Scott is owned by and benefits its members;
- The Manager, Board of Trustees and Employees, work to serve the members;
- The Lane Scott Employees were introduced;
- Competitive electric rates, the Country Living Magazine, the Youth Member Board, Youth Scholarships and sponsored youth programs including the electric car competition, 4-H and FFA, plus economic development opportunities including loans for a fire truck to the City of Dighton and Hometown Grocery in Healy;
- Annual challenges included:

(continued on page 12)



# Board Candidates

■ **Ed Gough** has been a member of Lane-Scott Electric Cooperative, Inc. Boards of Trustees for 15 years.

Gough moved to Lane County in 1973 from Mound City. He and his wife, Paula, live in rural Lane County.

He is the Assistant Manager of Lane County Feeders of Dighton. His hobbies include golf, hunting and fishing. Gough is also an accomplished vocalist and musician and has performed in local events.



**Ed Gough**

■ **Paul Seib, Jr.**, is the current Secretary of Lane-Scott Electric Cooperative's Board of Trustees. He and his wife, Shelby, farm in rural Ness County where they raised six children. Shelby also operates a jewelry store in Ness City.

The Seibs attend Sacred Heart Catholic Church of Ness City. He has served on the Lane-Scott Electric Board of Trustees since 1975.

Seib is the Lane-Scott Electric representative to our power supplier, Sunflower Electric Power Corporation, where he is past Chairman of the Board. He is the past director for Farm Credit Services in Ness City. He is past director on various boards including Western Fuels and Western Power Producers.



**Paul Seib, Jr**

■ **Richard (Dick) Sorem** grew up on a dry land farm in northwest Hodgeman County, on which he currently lives with his wife, Linda, and two daughters Riley, 16, and Ramey, 14.

Sorem went through the Jetmore school system and graduated from the University of Kansas with a Bachelor of Science in Electrical Engineering. In 1982, he returned to farm with his father and took over the farm when his father retired in 1992.

Currently Sorem serves on The Farmers State Bank Board of Directors. In his spare time, he enjoys bicycling, hunting and any activities that involve his children.



**Richard (Dick) Sorem**

# Members' Financial Report

## BALANCE SHEET

	2008	2009	2010
<b>ASSETS</b>			
Total Cost of Our System	\$30,361,485	\$32,789,053	\$36,709,652
Less: Depreciation	(\$12,272,610)	(\$12,264,322)	(\$12,607,659)
<b>NET VALUE OF OUR PLANT</b>	<b>\$18,088,875</b>	<b>\$20,524,731</b>	<b>\$24,101,993</b>
Cash & Temporary Investments	\$548,898	\$412,092	\$634,585
Investments in Associated Organizations	\$1,835,863	\$2,653,600	\$2,168,756
Owed to Us for Electricity & Misc. Service	\$3,296,389	\$3,393,947	\$3,397,903
Expenses Paid in Advance	(\$7,954)	\$0	\$0
Value of Materials on Hand	\$1,197,127	\$933,320	\$474,207
Misc. Deferred Debits	\$331,477	\$304,330	\$270,047
<b>TOTAL ASSETS</b>	<b>\$25,290,675</b>	<b>\$28,222,020</b>	<b>\$31,047,491</b>
<b>LIABILITIES</b>			
Long-Term Loans Owed to REA & CFC	\$9,992,870	\$10,767,771	\$14,631,862
Notes Payable	\$7,408,913	\$8,694,694	\$8,515,069
What We Owe for Insur., Taxes, Supplies, etc.	\$918,088	\$1,242,343	\$864,706
Consumer Deposits	\$127,307	\$118,727	\$124,967
Other Current & Accrued Liabilities	\$358,636	\$357,999	\$363,985
Misc. Deferred Credits	\$0	\$0	\$0
<b>TOTAL LIABILITIES</b>	<b>\$18,805,814</b>	<b>\$21,181,534</b>	<b>\$24,500,589</b>
<b>NET WORTH</b>			
Patronage Capital Credits	\$6,065,591	\$6,805,054	\$7,594,364
Other Equities	\$419,270	\$235,432	-\$1,047,462
<b>TOTAL VALUE OF OUR EQUITY</b>	<b>\$6,484,861</b>	<b>\$7,040,486</b>	<b>\$6,546,902</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$25,290,675</b>	<b>\$28,222,020</b>	<b>\$31,047,491</b>
<b>OUR SYSTEM EQUITY</b>	<b>25.6%</b>	<b>24.9%</b>	<b>21.1%</b>
T.I.E.R. (REA Minimum=1.50)	1.93	2.17	0.29
<b>% OF DEPRECIATED PLANT IN SERVICE</b>	<b>40.4%</b>	<b>37.4%</b>	<b>34.3%</b>

# Your Neighbors Serving as Your Cooperative's Trustees



**Ed Gough**  
Trustee  
Lane & Gove counties



**Dick Jennison**  
President  
Lane & Gove counties



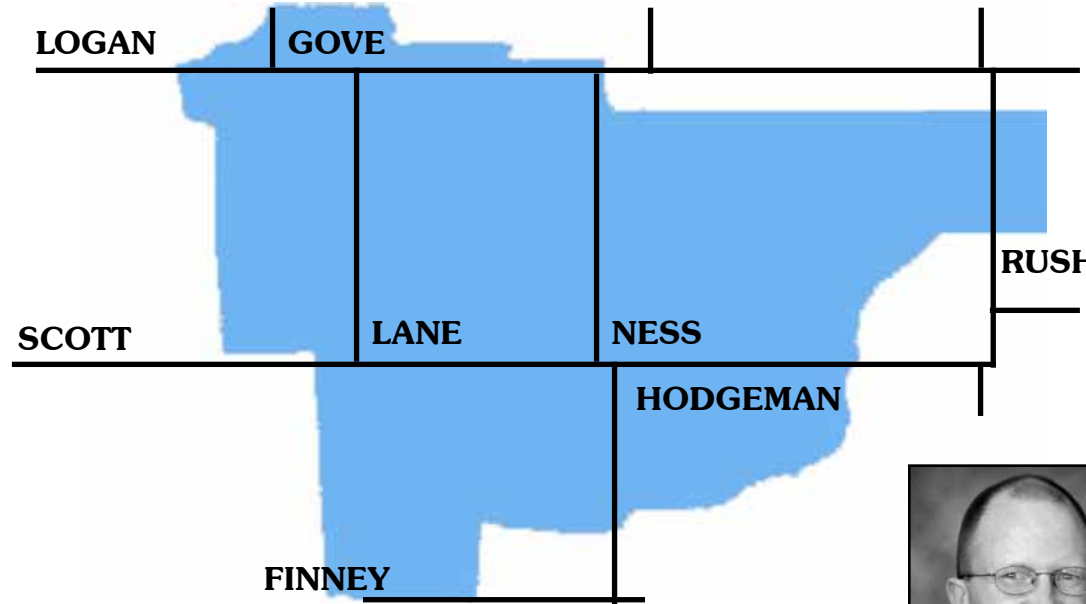
**Bruce Wilkens**  
Trustee  
Scott & Logan counties



**Rad Roehl**  
Trustee  
Lane & Gove counties



**Craig Ramsey**  
Vice President  
Scott & Logan counties



**Paul Seib, Jr.**  
Secretary  
Rush & Ness counties

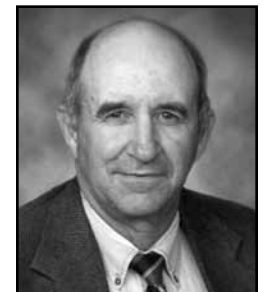


**Eric Doll**  
Treasurer  
Finney & Hodgeman counties

*Lane-Scott provides electrical power to more than 6,200 services in the Western Kansas counties of Lane, Scott, Gove, Ness, Finney, Logan, Hodgeman and Rush.*



**Dick Sorem**  
Trustee  
Finney & Hodgeman counties



**Harold Hoss**  
Trustee  
Rush & Ness counties