



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for August 9, 2021 at 7:00 p.m.

Proposed Agenda:

1. Call to Order
2. Reorganization of the Board
3. Reading and Approval of Minutes
4. Presentation of Check Register
5. Presidents Report
6. Attorneys Report
7. Sunflower EPC Report
8. KEC Report
9. General Managers Report
10. Old Business –
 - a. Board Policy 113 Capital Credits
 - b. Kansas Hazard Mitigation Plan Resolution
11. New Business
 - a. IRS Form 8821
 - b. NRECA Regional Meeting Enrollment / NRECA and Federated Delegate
12. Safety Report
13. Executive Session – if requested
14. Adjourn

Upcoming Events:

Sunflower Board Meeting	Hays	August 23
LSEC / KEC Coops Vote!	Ness City	August 24
Office Closed – Labor Day		September 6
LSEC Board Meeting	Dighton	September 13
NRECA Annual Meeting	Las Vegas, NV	September 28-30

#	item	Board Packet	Supplemental information
3	Minutes	yy	
4	Check Register(s)	yy	
	Payroll	yy	
7	Sunflower Report	yy	
8	KEC Report	yy	
9	GM Report	yy	
	Financials		
	Form 7	yy	
	Statistical Report	yy	
	Non-operating margins		yy
	Operations		yy
	Engineering		yy
	Outage statistics		yy
	Transformer losses		yy
	Member Service		yy
	Warehouse		yy
	IT-Compliance		yy
	IT / Cybersecurity		yy
10	Old Business		
a	Board Policy 113 Capital Credits	yy	
	BSGM information slides		yy
	July Packet information		yy
b	KS Hazard Mitigation Plan	yy	
	July Packet information		yy
11	New Business		
a	IRS Form 8821	yy	
b	NRECA Regional Meeting	yy	
	Federated Delegate		
	NRECA Code of Conduct		yy
12	Safety Report		
	Safety Meeting minutes	yy	
	Safety Council minutes	yy	
	Safety Program Monthly Report	yy	
	KEC Safety Report		yy

2021-Line 25 - Non-Operating Margins

		January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Rev.-Electrician & Mat.	415.1	\$21,979.30	\$33,725.96	\$36,603.65	\$62,555.37	\$30,506.42	\$39,172.37							\$224,543.07
Exp.-Electrician & Mat.	416.1/11	\$37,455.59	\$33,719.44	\$58,676.34	\$53,497.52	\$46,608.94	\$40,092.82							\$270,050.65
		(\$15,476.29)	\$6.52	(\$22,072.69)	\$9,057.85	(\$16,102.52)	(\$920.45)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$45,507.58)
Rev.-Appliance Repair	415.2	\$18,124.45	\$16,600.50	\$10,552.30	\$20,556.46	\$15,359.94	\$17,982.14							\$99,175.79
Exp.-Appliance Repair	416.2/21	\$21,949.19	\$25,502.80	\$21,943.61	\$24,239.04	\$20,640.74	\$24,282.83							\$138,558.21
		(\$3,824.74)	(\$8,902.30)	(\$11,391.31)	(\$3,682.58)	(\$5,280.80)	(\$6,300.69)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$39,382.42)
Rev.-Member Damages	415.3	\$3,088.75	\$0.00	\$1,386.50	\$444.50	\$0.00	\$1,372.50							\$6,292.25
Exp.-Member Damages	416.3	\$893.06	\$0.00	\$605.60	\$0.00	\$605.11	\$401.57							\$2,505.34
		\$2,195.69	\$0.00	\$780.90	\$444.50	(\$605.11)	\$970.93	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,786.91
Finance Charges	415.5	\$117.64	\$87.85	\$133.25	\$142.52	\$84.02	\$99.59							\$664.87
MARGIN-Retail		(\$16,987.70)	(\$8,807.93)	(\$32,549.85)	\$5,962.29	(\$21,904.41)	(\$6,150.62)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$80,438.22)
Misc. Income	421.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00							\$0.00
Gain on Disposal	421.1	\$0.00	\$0.00	\$50.00	\$0.00	\$4,000.00	\$0.00							\$4,050.00
Loss on Disposal	421.2	\$0.00	\$0.00	\$0.00	\$0.00	(\$20,224.72)	\$0.00							(\$20,224.72)
NET NON-OP MARGIN		(\$16,987.70)	(\$8,807.93)	(\$32,499.85)	\$5,962.29	(\$38,129.13)	(\$6,150.62)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$96,612.94)

	Current Month				YTD Total			
	Billed Hours	Unbilled Hours	Hourly Rate	Total Unbilled Rev	Billed Hours	Unbilled Hours	Hourly Rate	Total Unbilled Rev
Kalo	146	57	\$ 85.00	\$ 4,845.00	799	317	\$ 85.00	\$ 26,945.00
Michael	125.5	83.5	\$ 85.00	\$ 7,097.50	822.75	297.25	\$ 85.00	\$ 25,266.25
Mark	150	47	\$ 85.00	\$ 3,995.00	831	284.5	\$ 85.00	\$ 24,182.50
Eli	35	0	\$ 35.00	\$ -	52	0	\$ 35.00	\$ -
	456.5	187.5		\$ 15,937.50	2504.75	898.75		\$ 76,393.75

70.89%

73.59%

Operations Report for July 2021.

- **Maintenance**

Changed out poles in Ness City and updated services.
Changed out bad meters system wide.
Repaired and adjusted air break switches's by Healy and Shields.
Changed out bad 150 KVAR capacitor on Scott City 3 phase.
Trimmed trees at Lex Bush residents and in Ness City.
Changed out poles and cross arms system wide.

- **Construction**

Built new connects for Citadel Oil Davis lease, Stacey Lawrence water well, MG Oil Lawrence # 15, and Shakespeare Oil CTB-6 pump.

- **Storms**

Worked storm outages from July 9th storm. High winds and lighting caused around 20 broken poles in Ness, Lane, and Rush County. We also had many floaters and bad transformers.

Inspections

Monthly sub checks and mowed around all sub stations.
Maintenance log inspections.
Formal line patrol out of Dighton and Manning subs.

- **Other**

Tree trimmers continue to work in Ness City.
Monthly safety meeting.
First aid and CPR training.
Meter change outs.
Annual meeting.
KEC on site regulatory visit.

- **Accidents**

Custom Harvester caught the neutral with the spout on his grain cart by McCracken.
Asphalt company raised his end dump trailer into the primary at Lane County Feeders.

IT/COMPLIANCE DEPARTMENT

IT/COMPLIANCE PROJECTS COMPLETED AS OF JULY 2021

1. MDMS webinar on data information testing and time syncing.
2. AppSuite meter number lookup process work management requirements.
3. Researched and implemented employee subscription which has the ability to customize the data information received and types of notifications according to user position and needs.
4. AppSuite after-hours disconnect for nonpayment status information implemented.
5. AppSuite outage duplication issue was resolved by updating the check surrounding meter options.
6. OMS auto restore settings updated to improve outage status reporting.
7. SmartHub outage descriptions updated.
8. SmartHub OMS outage reporting notification alerts implemented for office personnel to receive during office hours and updated lineman to receive AppSuite notifications 24/7.
9. SmartHub member incorrect meter outage reported caused an auto restore issue. Updated settings to perform a meter check which would report back the message conflict to OMS which would report the status to the employee so that the member could be called to confirm correct location of the actual outage.
10. SmartHub campaign ID updated to reflect company name to personalize member notifications.
11. Researched Microsoft Project and Microsoft PowerApp.
12. Researched service order e-signature options work management requirements.
13. Dal Hawkinson and Carrie Borell Victory Electric meeting to review OMS processes.
14. Researched SRS multispeak software platform.
15. NISC OMS platform programming to integrate with SRS.
16. Dal Hawkinson collector issues discussed options.
17. NRECA Tech Advantage RC3 Upcoming Resources webinar.
18. TriState IT mentor biweekly 1st webinar topics: cybersecurity books and resources. 2nd webinar topics: safety program software, automated backup processes, and discussed server and networking project. 3rd webinar topics: employee security permission protocol, server securities and element controls.
19. Server room rack and APC UPS battery backup installation.
20. Mapping printer repaired.
21. Troubleshooting employee and trustee software and device issues.

IT/COMPLIANCE PROJECTS IN PROGRESS AS OF JULY 2021

1. MDMS project implementation project.
2. NISC OMS and SRS dispatch integration project.

CYBERSECURITY - IT DEPARTMENT

CYBERSECURITY/IT PROJECTS COMPLETED AS OF JULY 2021

1. Microsoft Patch Tuesday webinar: Awareness of recent patches and vulnerabilities.
2. iVue 2.50 upgrade.
3. ASP iVue server monthly patching and updates.
4. NRECA Cybersecurity Insurance webinar.
5. Research Zero Day patches.
6. iVue security permission reporting discrepancy.
7. Print Nightmare hack on Windows print spooler vulnerability. Reviewed security setting changes and patches were implemented.
8. Kaseya breach and ransomware research. We have two vendors that use Kaseya software as a service to do monitoring and patching on cloud servers. It appears this only affected companies with a Kaseya on premise servers. As a precautionary measure cloud services were suspended, and systems are being monitored. Patches will be done manually via another backup method until confirmation that there is no additional risk and automated patching can be resumed.
9. S&T PBX server updates.
10. Veritas backup license renewal.
11. Landis & Gyr cybersecurity contacts and program goals.
12. Office 365 threat management daily review and risk mitigation.
13. Manage Engine Desktop Central patch management daily review and risk mitigation.
14. Cyber Detect Rapid 7 asset vulnerability management and risk mitigation.
15. Cyber Detect Insight end user vulnerability management and risk mitigation.
16. Ann Jennings's member safety awareness publishes to either KCL newsletter, social media, and/or the Lane Scott Electric website concerning:
 - Don't Fall Victim to Utility Scams
17. AppSuite version 1.79.0 upgrade.
18. Payment Gateway update maintenance. Gateway server capacity expansion.
19. US Payment KIOSK monthly server patching.
20. Verifone payment card machine VHQ software update.
21. Operations and domain server backups and alert warning daily review.
22. AppSuite MapView TPK imagery and data file monthly update.
23. Applications and windows updates and patching.

CYBERSECURITY/IT PROJECTS IN PROGRESS AS OF JULY 2021

1. Operations SCADA cybersecurity processes.
2. Networking and security system project.

Richard McLeon

From: Nate Burns
Sent: Wednesday, August 4, 2021 8:21 AM
To: Richard McLeon
Subject: Engineering update

Follow Up Flag: Follow up
Flag Status: Flagged

This month we have made (4) small oil well connects, (2) water well connects, a camper connect in McCracken, and a new house connect in Ness City. With the approval of the new CWP, I have entered the projects into NISC and built the work orders for the projects outlined for this year. We ordered materials for the Dighton City substation projects, and as I type the URD cable for Lane County Feeders project is being unloaded. I am putting together a quote for a 200hp addition at the Laird elevator, and working with Stelbar Oil on the development of a section they plan to drill in Scott county which may result in several wells. We completed the data gathering phase of the Cost of Service study this month as well. I have also been updating mapping data as I compile new outage sheets that will reflect changes and new connects.

Nate Burns

Engineering Coordinator
Lane-Scott Electric
(620) 397-5327 O
(620) 397-8063 C (best)

OUTAGE STATISTICS July 2021

CATEGORY	OCCURRENCES			TOTAL OUTAGE HRS.			# of Meters
	14.4 KVA	7.6 KVA	Total	14.4 KVA	7.6 KVA	Total	
PHASE FLOATER		1	1		8	2	4
BIRDS & ANIMALS			0			1	
TREES		3	3		577	577	360
LIGHTNING\RAIN\WIND	1		1	80		80	40
ICE & WIND			0			0	
SNOW & WIND			0			0	
OCR OR FUSE FAILURE			0			3	
TRANSFORMER FAILURE			0			0	
BROKEN JUMPER	1		1	237		237	79
PEOPLE CAUSED			0			0	
BROKEN POLE		1	1		276	276	138
POWER SUPPLY			0			0	
SCHEDULED			0			0	
MAJOR EVENT			0			0	
UNKNOWN			0			0	
TOTALS	2	5	7	317	861	1,178	621

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	2021			
	25,081	14,179	15,138			

Member Services Report - July

1. Annual Meeting Report:
 - a. Quorum of Members = 143
 - b. Election Results
 - i. Lane-Gove: Richard Jennison 74 / Sara McWhirter 21
 - ii. Ness-Rush: Harold Hoss 86
 - iii. Scott-Logan: Craig Ramsey 86
 - iv. Bylaw Amendments: All 9 revisions passed
 - c. We served 389 people

There are 3 Trustee folders that must have went home with people. If you have them, please bring them to the office! They are the binders with the blue edge.

- d. Secretary to sign Certification of Mailing
2. Reminder – Coops Vote Event is August 24th at 11:30 am at the Ness County Bank Building. A light lunch will be served.
3. Co-Bank Sharing Success– we have delivered grants to 2 of the 4 recipients so far, the Frank Stull Auxiliary and Ness Fire Dept.
4. Back to School Social Media Quiz “How Well Do You Know Lane-Scott Electric” for a chance to win a \$100 VISA card. Heavily promoting until the August 23rd deadline
5. Website and Smarthub Website revisions / updates
6. Normal monthly donation requests, magazine, social media posts, new member e-mail series, analytics, newsletter e-blast.
7. August Retail Store Lightbulb Sale - Heavily promoting through August.

July Warehouse Report

Total Inventory Dollars on Hand for July:

Line Material--\$198,061

Inventory Turns—0.420

Resale Material--\$176,835.99

Inventory Turns—0.633

(Increase in \$ amount for resale material is inventory for Lane County Feeders)

Generac Update:

Generac lead times are slowly starting to decrease, with lead time averaging 28 weeks now. Two more Generac generators were sold/ordered this month, bringing our total of waiting to be shipped up to six. We currently have two in stock waiting to be installed. Pricing for the Generac Service Plan is now finalized and will be offered with all new purchases, and we will reach out to those who have already received their generators to see if they would like to purchase this protection plan.

Monthly Specials:

For the month of July, we offered furnace filters with a 20% discount. This special seems to have been received well by our members and has driven foot traffic up in the Retail Building. An average month sees around 5 filters sold in the store; with the special we are at 44 filters sold with a few days yet to go.

Inventory to be Billed/Future Margins:

8 Generac generators: \$68,000 average gross/\$20,000 average net margin

12,000' Duct: \$30,500 gross/\$10,000 net margin

1500' 1/0 Duct: \$5,284 gross/\$1750 net margin

Electrician Update:

Construction has pushed to the point to where the electricians are spending more time at the D&A Farms grain bin site. Irrigation service calls have increased as the weather has warmed up. Both Ranger Feeders and Lane County Feeders have had several smaller jobs through the month as well. Supplies are getting tight and lead times have increased for many basic inventory items, making planning out jobs more difficult.

HVAC Update:

Mark was able to start getting caught up from the countless A/C service calls he received in late June and early July. This has allowed him to complete some appliance jobs that had to get pushed back. A reach-in cooler, three mini-split units, and some replacement coils were sold in July. Like the electrician supplies, HVAC supplies are getting harder to find and are experiencing price increases.

10. b. Board Policy 113 Capital Credits

The Board of Trustees identified Capital Credit discounting as part of the February 2019 Strategic Plan. This was part of the Primary Strategic Goal to develop a financial plan. The Draft Policy attempts to address that goal. In reviewing the policy, Kathy and I have identified other areas for the Boards consideration as amendments to the policy.

The following areas are for consideration and discussion. If agreeable, we seek Board approval. If amendments need to be made, we will bring it back in August. These items are in Section G. Special Capital Credits Retirements.

1. *The Cooperative may specially retire some or all capital credits allocated, or offset allocations, to a patron or former patron:*
 - a. *upon the death of an individual patron or former individual patron, subject to board approval; or*
 - b. *upon a former patron failing to pay an amount owed to the Cooperative when the ~~Board, in its sole judgment, determines the~~ indebtedness owed to the Cooperative by a patron is *determined* uncollectible.*

This amendment addresses the management practice of determining when a debt is uncollectible by the Cooperative. Currently, the cooperatives staff (not the Board) determines when the debt is uncollectible by the Cooperative and whether it should be sent to collection. Also, this would allow the Cooperative to apply bad debt against the capital credit allocations immediately rather than waiting for the actual retirement.

4. *Requests for payment of capital credits to estates of deceased patrons will be paid twice yearly, in ~~April and October~~ June and December, upon approval by the Board of Trustees.*

This amendment addresses a timing administrative problem. An allocation cannot be made for any year until after the Board approves the Audit, typically in May. If we get a request for an Estate retirement before April, we turn them out as quickly as possible. Then issue a second check in October for recently allocated year. Another issue with the April date is that it is during the Financial Audit when workload is already increased. Moving the dates to June and December maintains the six-month spread and gets us past the Audit and first quarter allocations.

5. *Discounting. Separate from the normal retirement of capital credits, a deceased patron's capital credit account may be liquidated on a discounted basis. The discount percentage is set at 5.0% per year, on a thirty-year scale. Capital Credits aged over thirty (30) years will be paid at 100% while those under 1 year old will be paid at 20%.*

Estate Capital Credits Retirement

age - yrs	amount paid	age - yrs	amount paid	age - yrs	amount paid
over 31	100%				
30	95%	20	57%	10	34%
29	90%	19	54%	9	32%
28	86%	18	51%	8	31%
27	81%	17	49%	7	29%
26	77%	16	46%	6	28%
25	74%	15	44%	5	26%
24	70%	14	42%	4	25%
23	66%	13	40%	3	24%
22	63%	12	38%	2	23%
21	60%	11	36%	1	21%
				under 1	20%

This amendment specifically creates a way to discount Capital Credit estate payments for allocations under thirty years old. Starting before 31 years, each year is discounted 5% up to year 1. Allocations over 31 years old are paid at 100%, those under 1 year are paid at 20%. For example:

allocation			retirement	
year	amount	age	%	amount due
1988	\$ 100.00	33	100%	\$ 100.00
1993	100.00	28	86%	86.00
1994	100.00	27	81%	81.00
1995	100.00	26	77%	77.00
1997	100.00	24	70%	70.00
1998	100.00	23	66%	66.00
1999	100.00	22	63%	63.00
2000	100.00	21	60%	60.00
2001	100.00	20	57%	57.00
2002	100.00	19	54%	54.00
2004	100.00	17	49%	49.00
2005	100.00	16	46%	46.00
2006	100.00	15	44%	44.00
2007	100.00	14	42%	42.00
2008	100.00	13	40%	40.00
2009	100.00	12	38%	38.00
2016	100.00	5	26%	26.00
2017	100.00	4	25%	25.00
2018	100.00	3	24%	24.00
2019	100.00	2	21%	21.00
\$ 2,000.00				\$ 1,069.00
				53.5%

If agreeable, Staff seeks Board approval of the amended Board Policy 113 Capital Credits. If further amendments need to be made, we will make the adjustments bring it back in August for Board consideration.

LANE-SCOTT ELECTRIC COOPERATIVE, INC. POLICY

Dated: August 9, 2021

Policy No.: 113

SUBJECT: Capital Credits

I. OBJECTIVE:

The objective of this Capital Credits Policy ("Policy") is to state the general policy of Lane-Scott Electric Cooperative, Inc., ("Cooperative") for allocating and retiring capital credits.

II. POLICY:

The Cooperative shall allocate and retire capital credits in a manner that:

- A. is consistent with state and federal law;
- B. is consistent with operating on a cooperative basis under federal tax law;
- C. is fair and reasonable to the Cooperative's patrons and former patrons;
- D. provides the Cooperative with sufficient equity and capital to operate effectively and efficiently; and
- E. protects the Cooperative's financial condition. Subject to law, the Cooperative's Articles of Incorporation, and the Cooperative's Bylaws, the allocation and retirement of capital credits are at the sole discretion of the Cooperative's Board of Trustees ("Board").

III. PROCEDURE:

- A. Board Approval. The Cooperative shall allocate and retire capital credits according to the manner, method, timing, and amount approved by the Board.
- B. Operating Margin Allocations. As required by the Cooperative's bylaws, for electric energy sales provided by the Cooperative on a cooperative basis during a fiscal year, the Cooperative shall allocate on a patronage basis to each patron during the fiscal year, the Cooperative's operating margins from providing the electric energy sales during the fiscal year. Capital credits allocated and credited to the Cooperative by its affiliated G&T cooperative in connection with the furnishing of electric energy to the Cooperative will be separately allocated on a patronage basis.
- C. Operating Margin Loss Allocations. For electric energy sales provided by the Cooperative on a cooperative basis, the Cooperative shall offset operating losses with the Cooperative's operating earnings from providing the electric energy sales during the next succeeding future fiscal year(s).
- D. Non-Operating Allocations. As approved by the Board, the Cooperative may use, retain, or equitably allocate the Cooperative's Non-Operating earnings.
- E. Non-Operating Loss Allocations. The Cooperative shall offset non-operating losses with the Cooperative's non-operating earnings during any fiscal year.
- F. General Capital Credits Retirements. The Cooperative will generally retire capital credits with the goals of:

1. maintaining an adequate equity level as determined by the Board;
2. retiring some capital credits each year, provided the financial condition will not be impaired thereby with the goal of working toward and maintaining an equity level of 40%;
3. retiring capital credits on a first-in, first-out full payment method of rotation;
4. retiring capital credits on a regular rotation;
5. communicating and promoting the cooperative principles;
6. fostering loyalty and support among patrons and former patrons; and
7. maximizing public relations and political goodwill. Notwithstanding the foregoing, affiliated G&T cooperative capital credit allocations will not be retired and paid in whole or in part until retired and paid by the G&T cooperative.

G. Special Capital Credits Retirements.

1. The Cooperative may specially retire some or all capital credits allocated to a patron or former patron:
 - a. upon the death of an individual patron or former individual patron, subject to board approval; or
 - b. upon a former patron failing to pay an amount owed to the Cooperative when the ~~Board, in its sole judgment, determines the~~ indebtedness owed to the Cooperative by a patron is ~~determined~~ uncollectible.
2. The Cooperative may not specially retire capital credits allocated to a patron or former patron:
 - a. during or after the dissolution, liquidation, or cessation of existence of an entity patron or former entity patron. No capital credits held in the name of a trust may be approved for the payment to a trustee, unless the trust was revocable by the member-grantor at death, or the trust was includable in the member-grantor's estate for federal estate tax purposes.;
 - b. during or after the reorganization, merger, or consolidation of an entity patron or former entity patron;
 - c. upon a patron or former patron reaching a certain age; or
 - d. upon a patron becoming a former patron. No payment shall be made to any person until the time to admit a will to probate and the time to file creditor's claims has expired.
3. Payment shall be made directly to those entitled thereto under a decree of descent or under an affidavit of heirship, an example of which is attached.
4. Requests for payment of capital credits to estates of deceased patrons will be paid twice yearly, in ~~April and October~~ **June and December**, upon approval by the Board of Trustees.
5. **Discounting.** Separate from the normal retirement of capital credits, a deceased patron's capital credit account may be liquidated on a discounted basis. The discount percentage is set at 5.0% per year, on a thirty-year scale. Capital Credits aged over thirty (30) years will be paid at 100% while those under 1 year old will be paid at 20%.

Estate Capital Credits Retirement

age - yrs	amount paid	age - yrs	amount paid	age - yrs	amount paid
over 31	100%				
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25	74%	15	44%	5	26%
24	70%	14	42%	4	25%
23	66%	13	40%	3	24%
22	63%	12	38%	2	23%
21	60%	11	36%	1	21%
				under 1	20%

- H. Recoupment, Offset, Setoff. After retiring, and before paying, capital credits allocated to a patron or former patron, the Cooperative shall recoup, offset, or setoff any amount owed to the Cooperative by the patron or former patron, including any interest or late payment fees, by reducing the amount of retired capital credits paid to the patron or former patron by the amount owed to the Cooperative, regardless of a statute of limitation or other time limitation.

IV. LIMITATIONS

Forfeiture of Capital Credits. The Cooperative shall not require or enter into contracts through which a patron or former patron forfeits the right to the allocation or retirement of capital credits as a condition of receiving or having received electric service.

V. Responsibility

The General Manager shall ensure that this policy is implemented.

ATTESTED _____

Secretary

Seal

Previous Revisions: August 13, 2018, January 8, 2018, July 28, 1997, February 24, 1997, May 24, 1993, August 1966, July 1966, and January 1962.

AFFIDAVIT OF DEATH AND HEIRSHIP

STATE OF KANSAS, COUNTY OF _____, SS:

I, _____, of lawful age, being first duly sworn, upon my oath depose and say:

1. During the lifetime of _____, I was related to him/her as a _____, and I am one of the heirs-at-law the following named persons, to-wit:
2. That said decedent died in the city of _____, on the _____ day of _____, leaving as his/her sole and only heirs-at-law the following named persons, to-wit:

If percent of distribution are not specified, capital credits will be paid equally to each heir listed.

A. Spouse: Name _____
Address _____
Percent of distribution _____

B. Living Children: Name _____
 Address _____
 Percent of distribution _____
 Name _____
 Address _____
 Percent of distribution _____

If additional space is needed, attach a separate sheet listing name, address & percent of distribution

C. Others: Name _____
 Address _____
 Percent of distribution _____

3. The decedent had no spouse or children or adopted children, or issue of deceased children, natural or adopted, or other heirs, who survived him, other than the above-named persons.
4. That more than six (6) months has expired after the decedent's death, and no administration of the estate has been commenced and that none is anticipated.
5. That decedent did not have a Will.
6. That all debts of decedent have been paid in full; that no taxes are due the United States or the State of Kansas by reason of the death of the decedent.
7. That during his lifetime, the decedent was a member of Lane-Scott Electric Cooperative, Inc., and this affidavit is submitted in support of application for payment of capital credits and refunds which might be due the deceased member by reason of his membership in said Cooperative.

DATE: _____ Affiant (Name) _____
 Mailing Address _____
 City, State & Zip _____

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____.

Notary Seal

Notary Public

From: Joseph Gasper <gasperlaw@ymail.com>
Sent: Wednesday, July 7, 2021 10:02 AM
To: Richard McLeon <richard.mcleon@lanescott.coop>
Subject: Re: Board Policy 113 Capital Credits

Richard-

I have looked over the draft changes and the questions you have.

1. The change to the months the retirements will be paid is perfectly fine. I am unaware of any legal requirement that these be paid in any certain month and June and December are just as good as April and October.

2. On the change to G 1 b, I think this change is okay as well. The cooperative is applying the capital credits to an unpaid debt owed to the cooperative. I don't know how you handle the accounting for a debt that was written off and approved by the board but that question would be more appropriate to the auditor, if necessary. Would adding language such as "after attempts at collection have been exhausted" to show that the cooperative has a duty to attempt to collect in other manners be appropriate?

That language is a double edge sword in that it requires the coop to make attempts at collection but it also provides cover if a member were to object.

One potential issue could arise if you have a large debt. On these small amounts of money, the decision being on the staff is near trivial but if there were to be a large amount, I am not sure it should fall on staff to make that decision on their own. There is nothing in the change that prevents the board from being involved in the decision, but there is no requirement.

An option that you could also look at not changing the language and having any unpaid debts listed on the approval for the board. The board could approve the capital credits being applied to the debt as well as approving the payment of the estates all at the same time. I don't know if this is practical for staff or not, but it is an idea to keep the board aware of these unpaid debts.

3. Discounting capital credits.

The language in the proposal looks good to me but a few comments.

a. Is a flat 5% rate appropriate? Is it more appropriate to have a policy that follows the current time value of money? This would obviously be more complicated but may be a more accurate reflection of the proper discount amount.

b. Unequal treatment of members. With the change, all estates going forward will be treated differently than the previous estates. From a legal standpoint, this is acceptable since all of the

new estates will be treated the same after the change, but there could be complaints from the new estates.

c. Does a change to discounting these capital credits limit your options for certain accounting options? This is really a question for Randy but I seem to remember there being a question as to whether or not the capital credits are discounted for one of the issues the coop had recently. I believe it may have been with the winter storm Uri and how the unpaid bills were accounted for.

I will be out of the office but you can always reach me on my cell if you want to discuss any of the issues.

Joe

Joseph D. Gasper, #21763 GASPER LAW OFFICE 419 Main St., PO Box 251 Stockton, KS 67669 785-415-2052 IMPORTANT: DO NOT read, copy or disseminate this communication unless you are the intended addressee. This e-mail communication contains confidential and/or personal information intended only for the addressee. If you have received this communication in error, please call us (collect) immediately at (785) 415-2052 and ask to speak to the sender of this communication. Also, please e-mail the sender and notify the sender immediately that you have received the communication in error. Thank you. The Kansas Disciplinary Counsel requires lawyers to notify recipients of e-mail that: (1) e-mail communication is not a secure method of communication; (2) e-mail sent between you and this law firm may be copied and held by various computers as it is transmitted; (3) persons not participating in our communication may intercept the communications by improperly accessing a computer that this e-mail passes through. This communication is sent via email given your prior consent to the same. If you do not wish to receive communications via email please contact this office immediately.

On Tuesday, June 15, 2021, 1:02:54 PM CDT, Joseph Gasper <gasperlaw@ymail.com> wrote:

Richard-

I will take a look at it and get back with you.

Joe

Joseph D. Gasper, #21763 GASPER LAW OFFICE 419 Main St., PO Box 251 Stockton, KS 67669 785-415-2052 IMPORTANT: DO NOT read, copy or disseminate this communication unless you are the intended addressee. This e-mail communication contains confidential and/or personal information intended only for the addressee. If you have received this communication in error, please call us (collect) immediately at (785) 415-2052 and ask to speak to the sender of this communication. Also, please e-mail the sender and notify the sender immediately that you have received the communication in error. Thank you. The Kansas Disciplinary Counsel requires lawyers to notify recipients of e-mail that: (1) e-mail communication is not a secure method of communication; (2) e-mail sent between you and this law firm may be copied and held by various computers as it is transmitted; (3) persons not participating in our communication may intercept the communications by improperly accessing a computer that this e-mail passes through. This communication is sent via email given your prior consent to the same. If you do not wish to receive communications via email please contact this office immediately.

On Tuesday, June 15, 2021, 10:37:55 AM CDT, Richard McLeon <richard.mcleon@lanescott.coop> wrote:

Joe,

The attached DRAFT policy is a proposed revision to Board Policy 113. Capital Credits. This revision allows:

1. Payment of Capital Credits in June and December from April and October. This is because April is a really busy month in the back office due to the Audit and December is a nice month to pay cash back. And,
2. A new provision for discounted capital credits to estates.

I would also like a clarification from you on G. 1. b.: "... upon a former patron failing to pay an amount owed to the Cooperative when the Board, in its sole judgment, determines the indebtedness owed to the Cooperative by a patron is uncollectible."

Currently, Staff decides when a debt is uncollectible, not the Board AND capital credits are applied only upon the class retirement by the Board, not when the account is determined to be uncollectible. What do you think about me amending it to read something like:

"... upon a former patron failing to pay an amount owed to the Cooperative when the ~~Board, in its sole judgment, determines the~~ indebtedness owed to the Cooperative by a patron is ~~determined~~ uncollectible."

This would allow Management to determine when the account is uncollectible (current practice) and allow us to retire (apply) the capital credits immediately to existing debt.

I would like to run a draft to the Board in July. Thoughts?

Richard

Richard A. McLeon, IV MBA
General Manager



Dighton, Kansas, USA
(620) 295-0236 *mobile*
(620) 397-5327 *office*
richard.mcleon@lanescott.coop

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***DISCOUNTED EQUITY REDEMPTIONS:
HOW TO IMPLEMENT A SPECIAL RETIREMENT
STRATEGY***

Presented by:

*Bill Miller, CPA
Utility Tax Partner
Bolinger, Segars, Gilbert & Moss LLP*



Key Concepts:

Understanding Net Present Value and Discounted
Redemptions

What is Net Present Value (NPV)?

- NPV is the measurement of the estimated value today of \$1 to be redeemed in the future.
- Formula: $(1/(1+r)^n)$
 - “*r*” is the discount rate
 - “*n*” is the discount period
- Example:
 - 5.5% market based rate; 30 year redemption period
 - \$1 investment is worth approximately \$0.20 today.

What are Discounted Redemptions?

- This is a special retirement where the Patron accepts less than face value for complete redemption of outstanding balances of patronage capital.
- Difference between face value and cash paid is known as the discount and is retained by the Co-op.
- The cash payment amount is generally representative of net present value.

Discounted Redemption – Illustrative Example

NPV Applied to Each Capital Credit Layer

Assumptions:

Patron first purchases electricity in 2013 and has 8 years of allocated, unretired patronage capital.

Actual Retirement Cycle: 30 Discount Rate: * 5.50%

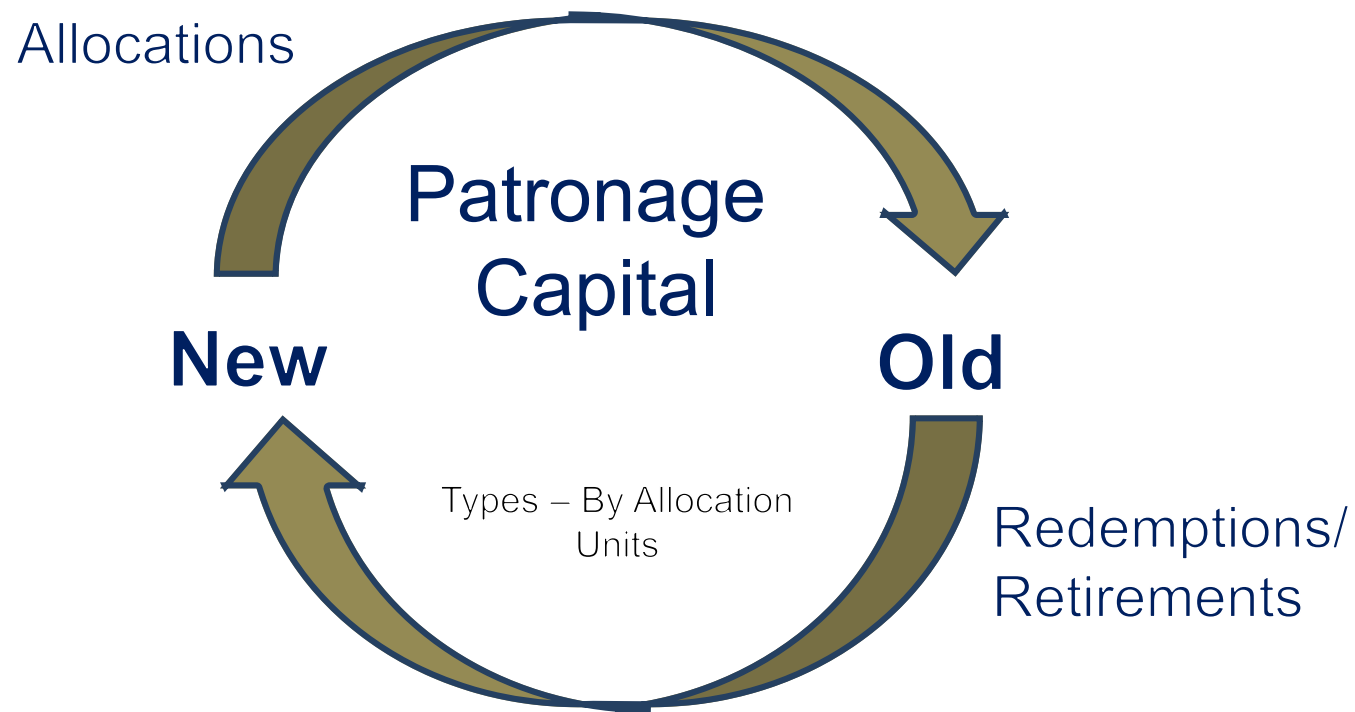
Year Outstanding	Discount Period	Discount Rate	NPV Factor (1/(1+r)^n)	Patronage Capital Credits	
				Face Value	NPV
2013	23	5.50%	29.1873%	\$ 7.35	\$ 2.15
2014	24	5.50%	27.6657%	91.28	25.25
2015	25	5.50%	26.2234%	115.87	30.39
2016	26	5.50%	24.8563%	92.15	22.91
2017	27	5.50%	23.5605%	106.29	25.04
2018	28	5.50%	22.3322%	107.09	23.92
2019	29	5.50%	21.1679%	114.41	24.22
2020	30	5.50%	20.0644%	100.32	20.13
				<u>\$ 734.76</u>	<u>\$ 174.01</u>
Less: Estimated NPV & Discounted Retirement				(174.01)	
Net Savings or other equity account				<u>\$ 560.75</u>	

* Used a weighted average cost of capital (WACC) calculation.

Steps for Implementing:

General Framework for Considering Discounted Redemptions

Step 1 – Understand that Patronage Capital is a Revolving Fund



Step 2 – Determine Goals and Objectives

- The analysis performed in step 1 will help answer the “Why” behind discounting special retirements. Reasons include, but are not limited to, the following:
 - *Shorten the redemption/retirement cycle.*
 - *Allow estates to close without jeopardizing general retirements.*
 - *Bring who holds patronage capital in line with who pays the rates.*
 - *Reduce the amount of unclaimed retirements*
 - *Reduce burden on future patrons by the creation of “net savings” distributable upon liquidation.*

Step 3 – Determine the Targeted Group of Patrons

- Plans can target one or more of the following:
 - *Estates of deceased natural persons.*
 - *Bad debts*
 - *Inactive patrons – current year disconnects*
 - *Inactive patrons – prior year disconnects*
 - *Negotiated contracts*

Step 4 – Determine Structure

- Select the discount rate.
 - *Select a process for periodically determining a market based discount rate.*
 - *Examples of common discount rates:*
 - Weighted Average Cost of Capital
 - Weighted Average or Blended Interest Rate
 - Return on Rate Base
 - Return on Equity
 - Cost of New Debt
 - Wall Street Journal Prime Rate;
 - Long-term Treasury Plus Risk Premium

Step 4 – Determine Structure (Continued)

- Select the allocation units/types of capital credits that will be included. For example, Distribution only or both Distribution and G&T.
- Select the discount period.
- Determine if participation will be voluntary or involuntary.
- Determine when the discount retirement will be paid; what about the allocation for the year of death or disconnect.
- Avoid structures that forfeit a member or former members' rights and interests in the Co-op.

Step 5 – Estimate Annual Cash Outlay and Establish Limits

- Run different scenarios and calculations for one or more prior years.
- Use these calculations for determining an estimated annual average cash outlay for cash flow planning and for establishing annual limits.
 - *By individual payment*
 - *In the aggregate*
 - *In total and/or by allocation unit*

Step 6 – Review Non-Financial Considerations

- Determine capabilities of software in light of results of Steps 1 through 5.
- Review Non-profit Operation article of the bylaws. Consider language that authorizes special retirements and provides general guidelines.
- Review existing policies and determine what changes, if any, should be made.
- Prepare proposal for the Board's consideration.

Step 7 – Present to the Board

- Get buy-in to overall goals and objectives; update for input from the Board.
 - *Summarize and share analysis.*
 - *Illustrate impact the discounted special retirement will have on general retirements and long-term equity management.*
 - *Involve in decision making process. See decision table for illustrative example.*
 - *Propose amendments to bylaws, if necessary.*
 - *Update existing capital credit retirement policies based on Board decision.*

Decision Table for Discounted Patronage Capital Credit Redemptions

	Allocation Unit 1	Allocation Unit 2
Who?		
When?		
What Documents?		
What Amounts?		
How?	Discounted Basis vs Face Value? <ul style="list-style-type: none"> • Discount Period? • Discount Rate? 	Discounted Basis vs Face Value? <ul style="list-style-type: none"> • Discount Period? • Discount Rate?
Limitations?	<ul style="list-style-type: none"> • None? • In the aggregate? • Per request? • Both? 	<ul style="list-style-type: none"> • None? • In the aggregate? • Per request? • Both?
Why?		

Completed Decision Table – Illustrative Example 1

	Distribution	G&T
Who?	Estates of deceased natural persons	Estates of deceased natural persons
When?	As applied for by Legal Representative of Estate	As applied for by Legal Representative of Estate
What Documents?	As recommended by legal counsel	As recommended by legal counsel
What Amounts?	All allocated but unretired patronage capital for patron; estimate current year allocation	All allocated but unretired patronage capital for patron; estimate current year allocation
How?	Discounted Basis <ul style="list-style-type: none"> • 30 year discount period • 5.5% discount rate 	Discounted Basis <ul style="list-style-type: none"> • 40 year discount period • 5.5% discount rate
Limitations?	Cash payment for year cannot exceed 1% of unretired patronage capital as of 12/31 of prior year	1% limitation is calculated on total patronage capital and applies to all early retirements.
Why?	To allow estates to close; minimize record keeping	Same as for the “Distribution” patronage capital

Completed Decision Table – Illustrative Example 2

	Distribution	G&T
Who?	Inactive accounts disconnecting during previous year	Inactive accounts disconnecting during previous year
When?	After allocation for previous year has been made	After allocation for previous year has been made
What Documents?	Obtain authorization through disconnect letter	Obtain authorization through disconnect letter
What Amounts?	All allocated but unretired patronage capital for inactive patron	All allocated but unretired patronage capital for inactive patron
How?	Discounted Basis <ul style="list-style-type: none"> • 30 year discount period • 5.5% discount rate 	Discounted Basis <ul style="list-style-type: none"> • 40 year discount period • 5.5% discount rate
Limitations?	Cash payment for year cannot exceed 1% of unretired patronage capital as of 12/31 of prior year; \$300K pool for PY inactives	Cash payment for year cannot exceed 1% of unretired patronage capital as of 12/31 of prior year; \$300K pool for PY inactives
Why?	To bring ownership of equity more in line with who pays the rates	To bring ownership of equity more in line with who pays the rates

Step 8 – Roll Out to Patrons

- Communicate plan to the patrons.
 - *Explain how discounting works and why an early retirement should be discounted.*
 - *Under a voluntary participation program, obtain approval and explain what happens if the discounted retirement is not accepted.*
 - *Address current year allocation and timing of check.*

Discounted Redemption – Illustrative Example

NPV Applied to Each Capital Credit Layer

Assumptions:

Special retirement occurs in 2021 for deceased natural person patron with 8 years of unretired patronage capital.

Actual Retirement Cycle: 30 Discount Rate: * 5.50%

Year Outstanding	Discount Period	Discount Rate	NPV Factor (1/(1+r)^n)	Patronage Capital Credits	
				Face Value	Discounted Retirement
2013	23	5.50%	29.1873%	\$ 7.35	\$ 2.15
2014	24	5.50%	27.6657%	91.28	25.25
2015	25	5.50%	26.2234%	115.87	30.39
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2019	29	5.50%	21.1679%	114.41	24.22
2020	30	5.50%	20.0644%	100.32	20.13
				<u>\$ 734.76</u>	<u>\$ 174.01</u>
Less: Discounted Retirement				(174.01)	
Net Savings or other equity account				<u>\$ 560.75</u>	

* Used a weighted average cost of capital (WACC) calculation.

Discounted Redemption – Illustrative Example

NPV Applied to Each Capital Credit Layer

Journal Entry for Co-op:

(Discount becomes part of Net Savings)

<u>Account No.</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
201.100	Patronage Capital Credits - Distribution	\$ 734.76	\$ -
131.400	Cash - Patronage Capital Account		174.01
217.100	Retired Capital Credits - Gain		560.75
		<u>\$ 734.76</u>	<u>\$ 734.76</u>

Discounted Redemption – Illustrative Example

NPV Applied to Each Capital Credit Layer

■ Observations:

- *Net savings are generally distributable upon liquidation to current & former patrons on the basis of historic patronage.*
- *Calculate the 85/15 Test using the discount as non-member income for purposes of the 85/15 Test for the purpose of determining if a lesser amount should be redeemed at a discount.*
- *Permanent equity is derived more from newer patrons.*

Concluding Remarks:

Determine What is Right for Your Co-op



Concluding Remarks

- Determine what is right for your Co-op and membership.
 - *What is unique to your Co-op?*
 - *Are multiple types of special retirement programs needed? Should a one time program be used to set up an ongoing program?*
 - *Educate and guide but do not rush your Board of Directors.*
 - *Review and amend bylaws as needed. Update policy accordingly.*

Contact Information

- Bill Miller, CPA
Utility Tax Partner
Bolinger, Segars, Gilbert & Moss, LLP
8215 Nashville Avenue
Lubbock, TX 79423
(806) 747-3806;
bmiller@bsgm.com



July 2021 Board meeting item

10. a. Kansas Hazard Mitigation Plan Resolution

Last month I presented the proposed Kansas Hazard Mitigation Plans for Regions A, B, C, and D along with the following table. I was in discussion with Cathy Hernandez (Southwest Region Emergency Management Coordinator) explaining why Lane-Scott could not accept their proposed resolution and commit to spending the dollars identified within the plans.

Kansas Homeland Security Region A, B, C, and D Hazard Mitigation Plans

Region	LSEC County	Table	narrative	estimated Cost	years	Cost per year
A	Gove	6.6	Enhance and upgrade electric transmission and distribution lines.	2,900,000	5	580,000
	Logan	6.7	Lane-Scott was not identified as operating within Logan County	-	0	-
B	Ness	6.6	Enhance and upgrade electric transmission and distribution lines.	3,000,000	5	600,000
	Rush	6.10	Enhance and upgrade electric transmission and distribution lines.	3,000,000	5	600,000
C	Scott	6.9	Enhance and upgrade all power lines within the County to better withstand all hazard events	8,000,000	10	800,000
D	Finney	6.5	Enhance and upgrade all power lines within the County to better withstand all hazard events	20,000,000	10	2,000,000
	Hodgeman	6.9	Enhance and upgrade all power lines within the county.	8,000,000	10	800,000
	Lane	6.10	Enhance and upgrade all power lines within the county.	8,000,000	10	800,000

Total Hazard Mitigation Plan Cost: \$ 52,900,000 per year: \$ 6,180,000

LSEC Total Utility Plant in Service (April 2021): \$ 58,473,508

decide to go for a grant.”

Cathy’s e-mail also stated, “I also exported the Finney County Mitigation Action Items for Lane Scott from the Kansas Region D Hazard Mitigation Plan, which is in pdf form, into a word document so that you can make the changes you want for Lane-Scott. Once

On June 10, 2021, I received an e-mail from Cathy which copied an e-mail that Kansas State Hazard Mitigation Officer Jeanne Bunting sent to Victory Electric.

It states, “Resolution of adoption is what you sign adopting the regional mitigation plan. You are not beholden to do any of the actions in the plan, however, if money becomes available through HMGP, BRIC, etc., you have to have adopted the plan through a resolution. Prior to now FEMA has not really monitored these resolutions of adoption, but now in order for the state to close out the grant we have to have all adoptions in. If we don’t then the money we received from FEMA will have to be paid back. The state put in for the grant and would be the entity that has to pay the money back, which is troublesome. It used to be that the counties paid the local share of their own plans, but 8 years ago the state

took it on in order to ensure coverage. Long story short, it does not hurt you to adopt the plan – you don’t have to do anything except a resolution of adoption. It only hurts you to not adopt should you

completed you can include it with the resolution. If you have the same action time for each county then just specify it in the email, or elsewhere in the word document so that it is placed in the appropriate county's mitigation action list, if the mitigation action item is the same for all counties then specify that it applies to all counties."

This is the current Finney County Mitigation Action Item:

Action Identification	Description	Hazard Addressed	Responsible Party	Overall Priority	Goal(s) Addressed	Estimated Cost	Potential Funding Source	Proposed Completion Timeframe	Current Status
Lane-Scott Electrical COOP-1	Enhance and upgrade all power lines within the County to better withstand all hazard events.	Utility / Infrastructure Failure	Director	High	1,2	\$20,000,000	Local, State, Federal	Ten years	Not started, lack of funding

I propose amending it as follows:

Action Identification	Description	Hazard Addressed	Responsible Party	Overall Priority	Goal(s) Addressed	Estimated Cost	Potential Funding Source	Proposed Completion Timeframe	Current Status
Lane-Scott Electric COOP-1	Enhance and upgrade all identified, defective power lines within the County to better withstand hazard events.	Utility / Infrastructure Failure	CEO / General Manager	High	1,2	As needed	Private, Local, State, and Federal	As needed	In progress

This would accompany the Resolution.

LSEC Resolution 2021 0712 Recognizing the Kansas Homeland Security Region A, B, C, and D Hazard Mitigation Plans is also attached. This Resolution and table attachment has been reviewed by Cathy Hernandez and they have stated that it will meet their needs.

Therefore, Staff asks the Board of Trustees to approve LSEC Resolution 2021 0712 Recognizing the Kansas Homeland Security Region A, B, C, and D Hazard Mitigation Plans.

Richard McLeon

From: Hernandez, Catherine J NFG NG KSARNG (USA) <catherine.j.hernandez9.nfg@mail.mil>
Sent: Thursday, June 10, 2021 4:49 PM
To: Richard McLeon
Subject: Additional information for Regional Hazard Mitigation Plans (UNCLASSIFIED)
Attachments: 2021 0610 Finney County Mitigation Action Items for Lane Scott.doc

Follow Up Flag: Follow up
Flag Status: Flagged

CLASSIFICATION: UNCLASSIFIED

Richard,

The paragraph below is copied from email that Kansas State Hazard Mitigation Officer Jeanne Bunting sent to Victory Electric. It has the information you needed regarding not being required to complete the Mitigation Action Item listed for Lane-Scott Electric. I also exported the Finney County Mitigation Action Items for Lane Scott from the Kansas Region D Hazard Mitigation Plan, which is in pdf form, into a word document so that you can make the changes you want for Lane-Scott. Once completed you can include it with the resolution. If you have the same action time for each county then just specify it in the email, or elsewhere in the word document so that it is placed in the appropriate county's mitigation action list, if the mitigation action item is the same for all counties then specify that it applies to all counties.

Resolution of adoption is what you sign adopting the regional mitigation plan. You are not beholden to do any of the actions in the plan, however, if money becomes available through HMGP, BRIC, etc., you have to have adopted the plan through a resolution. Prior to now FEMA has not really monitored these resolutions of adoption, but now in order for the state to close out the grant we have to have all adoptions in. If we don't then the money we received from FEMA will have to be paid back. The state put in for the grant and would be the entity that has to pay the money back, which is troublesome. It used to be that the counties paid the local share of their own plans, but 8 years ago the state took it on in order to ensure coverage. Long story short, it does not hurt you to adopt the plan – you don't have to do anything except a resolution of adoption. It only hurts you to not adopt should you decide to go for a grant.

Let me know if you need anything else. Once the resolution is adopted by Lane-Scott, would you cc me if you will be emailing the resolution the individual counties in your service area? Or, you could send me the document so that I can forward it to Jeanne Bunting in Topeka? I can also send to the county emergency managers and my KDEM regional emergency management coordinators for dissemination to the counties in their regions?

Cathy Hernandez
Southwest Region Emergency Management Coordinator
Kansas Division of Emergency Management
2120 1st Avenue
Dodge City KS 67801
785-646-2513 (Office)
620-255-4785 (Cell)
785-291-3333 (KDEM 24 hour Emergency Number)
catherine.j.hernandez9.nfg@mail.mil

2800 SW Topeka Blvd.
Topeka, KS 66611-1287



phone: 785-646-0001
fax: 785-646-0004
www.kansastag.gov

Major General David A. Weishaar
The Adjutant General and Director of
Emergency Management & Homeland Security

Laura Kelly, Governor

Date: June 17, 2021

To: Interested Parties

Subject: Resolution of Adoption of the Regional Hazard Mitigation Plans

It has come to our attention that some jurisdictions are hesitant to adopt the Regional Hazard Mitigation Plan because they are concerned that they will incur costs associated with their actions. I want to stress that this is not the case. If jurisdictions have actions in the plan they do not have to do them, ever, and no cost will be charged to them. Should a jurisdiction decide to go in for a grant than they will have the responsibility of coming up with the local cost share of 25%. But, putting in for a grant is always optional! What is not optional is if a jurisdiction does not adopt the plan then they are not eligible for any mitigation grant. When the planning grant closes all jurisdictions have to have adopted. If this does not happen, we are in talks with FEMA about amending our scope of work so that any jurisdiction that does not adopt will be eliminated from the plan and eliminated from any funding opportunities through HMGP, BRIC, and FMA until the next plan update. The plan updates are on a five year cycle.

It is my hope that any jurisdiction that is hesitant about submitting a resolution of adoption for their respective plan reconsiders. Again, if a jurisdiction decides not to apply for a grant there is no harm done and no costs are associated. However, if they decide to apply for a grant and they do not have a signed resolution of adoption then they are ineligible for any funding opportunities until the next plan update.

Sincerely

Jeanne L. Bunting
State Hazard Mitigation Officer (SHMO)
Kansas Division of Emergency Management
Jeanne.l.bunting.nfg@mail.mil

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
DIGHTON, KANSAS

RESOLUTION 2021 0712

Recognizing the Kansas Homeland Security Region A, B, C, and D Hazard Mitigation Plans

Whereas, The Lane-Scott Electric Cooperative, Inc. (LSEC or “the Cooperative”) recognizes the threat that natural hazards pose to people and property within our community; and

Whereas, undertaking hazard mitigation actions will reduce the potential for harm to people and property from future hazard occurrences; and

Whereas, the U.S. Congress passed the Disaster Mitigation Act of 2000 (“Disaster Mitigation Act”) emphasizing the need for pre-disaster mitigation of potential hazards;

Whereas, the Disaster Mitigation Act made available hazard mitigation grants to state and local governments; and

Whereas, an adopted Hazard Mitigation Plan is required as a condition of future funding for mitigation projects under multiple Federal Emergency Management Agency (FEMA) pre- and post-disaster mitigation grant programs; and

Whereas, the Kansas Division of Emergency Management and FEMA Region VII officials have reviewed the Kansas Homeland Security Region A, B, C, and D Hazard Mitigation Plans, and approved them contingent upon this official adoption of the participating governing body: and

Whereas, the Lane-Scott Electric Cooperative owns, maintains, and operates over two thousand miles of energized line in all or parts of Logan, Gove, Scott, Lane, Ness, Rush, Finney, and Hodgeman counties as authorized by the Kansas Corporation Commission, and

Whereas, LSEC desires to comply with the requirements of the Disaster Mitigation Act and to augment its emergency planning efforts with the Kansas Homeland Security Region A, B, C, and D Hazard Mitigation Plans; and

Whereas, The Cooperative has amended all County Mitigation Action tables pertinent to LSEC as attached to this Resolution; and

Now, therefore, be it resolved, that the Lane-Scott Electric Cooperative, Inc. recognizes the Kansas Homeland Security Region A, B, C, and D Hazard Mitigation Plans as amended by this resolution; and

Be it further resolved, the Lane-Scott Electric Cooperative, Inc. will submit this Adoption Resolution to the Kansas Division of Emergency Management and FEMA Region VII officials to enable the plan's final approval.

CERTIFICATION OF THE SECRETARY

I, Paul Seib, Jr., certify that I am Secretary of the Lane-Scott Electric Cooperative, Inc. Board of Trustees. I further certify that the above is a true excerpt from the Board of Trustees meeting held on the 12th day of July 2021, at which a quorum was present.

Paul Seib, Jr., Secretary

(Seal)

Action Identification	Description	Hazard Addressed	Responsible Party	Overall Priority	Goal(s) Addressed	Estimated Cost	Potential Funding Source	Proposed Completion Timeframe	Current Status
Lane-Scott Electric COOP-1	Enhance and upgrade all power lines within the County to better withstand all hazard events.	Utility / Infrastructure Failure	CEO / General Manager	High	1,2	As needed	Private and Federal	As needed	continuous

NRECA Programs, Meetings & Other Events:

Event Code of Conduct & Policies

NRECA is committed to providing a safe, productive and welcoming environment for all participants and staff in NRECA meetings, conferences, training programs, and events both online and in-person ("Events"). All Event participants including but not limited to attendees, speakers, exhibitors, staff, students, guests and vendors, are expected to abide by this NRECA Event Code of Conduct, and this code applies to all space and situations in which NRECA meeting-related activities are being conducted, including virtual meetings and those sponsored by organizations other than NRECA but held in conjunction with NRECA Events (see "Side Meetings Policy" below). NRECA has also adopted a number of other policies related to the conduct of its Events with which all participants are expected to comply. NRECA will communicate and enforce these policies. Please note that NRECA reserves the right to modify or revise these policies at any time with or without notice. Updates or revisions will be communicated via NRECA's web sites, Event mobile apps and other means as appropriate. Any questions regarding the policies can be directed to: vince.rodriquez@nreca.coop. **Participation constitutes agreement to comply with the Code of Conduct and these policies as a condition of attendance.**

NRECA EVENT CODE OF CONDUCT

EXPECTED BEHAVIOR OF ALL PARTICIPANTS

- Conduct yourself professionally, treating others with respect and courtesy,
- Recognize that the Event is intended to create a safe place for the sharing of diverse thoughts, ideas and perspectives,
- Communicate without engaging in personal attacks, harassment or intimidation,
- Follow this Code of Conduct as well as other applicable rules and policies, such as those related to COVID-19 safety and health precautions, and those of the Event venue and other sites at which Event functions are being conducted, and
- Bring any unsafe, discriminatory, harassing, or aggressive behavior or speech to the attention of NRECA Event staff as soon as possible.

▪

UNACCEPTABLE BEHAVIOR & CONSEQUENCES

- Harassment or intimidation of any kind includes, but is not limited to, sexual harassment, offensive or physically threatening bodily contact, and intimidation or discrimination based on race/ethnicity, nationality, religion, age, gender, gender identity, sexual orientation, disability or appearance. Sexual harassment includes sharing of inappropriate or suggestive images and any unwelcome sexual advances or attention whether physical, virtual or verbal.
- Physical or verbal abuse, physical or online threatening or stalking of another Event participant.

- Disruption of in-person Event sessions or other Event functions in an Event venue or other site being used in connection with an Event or in an online Event session or platform.

▪ **NRECA will not tolerate unacceptable behavior** and reserves the right to take any action it deems necessary and appropriate in its sole discretion, including reprimand, removal from the Event without prior notice or refund, and exclusion from future events.

REPORTING & INVESTIGATION OF UNACCEPTABLE BEHAVIOR

Suspected violations of the Event Code of Conduct or policies should be reported to the Event sponsor or any member of NRECA management while on site or online at the Event or as soon as possible. Violations involving NRECA staff, members or contractors should be reported to NRECA's Human Resources Department at humanresources@nreca.coop or in person if after the Event.

All reports will be treated seriously and investigated promptly. At NRECA's sole discretion, policy violations may result in removal from or denial of access to NRECA-sponsored meetings, events and activities without refund of any applicable registration fee or other costs to the participant.

ADDITIONAL PANDEMIC SAFETY & HEALTH POLICIES: *Staying Safe During the COVID-19 Pandemic: A Shared Responsibility*

The health and safety of our members, staff and event participants is an enterprise-wide priority at NRECA. In addition to our Code of Conduct, all Event participants are expected to adhere to and abide by the safety and health protocols NRECA has implemented to protect against the spread of COVID-19

PANDEMIC SAFETY & HEALTH POLICIES

While COVID-19 transmission and infection rates vary widely across the country for a variety of reasons, the Centers for Disease Control & Prevention (CDC) has stated that "the more people an individual interacts with at a gathering and the longer that interaction lasts, the higher the potential risk of becoming infected with COVID-19 and COVID-19 spreading." **Let's demonstrate the 7th Cooperative Principle of Concern for Community and all do our part!**

What NRECA is Doing as the Host of This Event

NRECA, working with the venue to follow local and state requirements and CDC recommended practices, is conducting this event with protocols aimed at limiting COVID-19 transmission risks, including:

- Room layouts modified to enable social distancing
- Modified food and beverage service
- Providing hand sanitizer and disposable masks
- Signs to provide reminders of protective measures
- Extended or staggered breaks
- Requirement for all attendees to perform a self-health check

For more information on the venue's protocols, please see the venue's web site.

What We're Asking You to Do as a Participant:

- When deciding whether to register and attend: If you have any underlying health conditions or other risk factors that raise your likelihood of contracting COVID-19, you may want to reconsider attending this or other events at this time. [Please see the CDC web site](#) for more information:
- Conduct a self-health check prior to and upon your arrival and each day of the event.

1. Do you have any of the following symptoms?

- Fever
- Cough
- Shortness of breath or difficulty breathing
- Chills
- Sore throat
- Headache
- Fatigue
- Muscle aches
- New loss of taste or smell
- Congestion or runny nose
- Nausea or vomiting
- Diarrhea

2. In the last 14 days, have you been in close contact with someone that has been diagnosed with COVID-19 when that person was contagious? (Close contact = within 6 feet for more than 10-15 minutes.)

If your answer to either of these questions is yes, then:

- Please stay away from the Event spaces and other participants.
- Contact your doctor, or if you want to seek medical care here, please contact the hotel concierge for information.

While at the event, you agree to:

- Follow the Venue's guidelines and protocols
- Follow the CDC guidelines, which include:
 - *Regardless of your vaccination status, wear a mask covering your nose and mouth while indoors except when eating and drinking.*
 - *If you have not been fully vaccinated:*
 - Keep Your Distance =
 - Stay a minimum of 6 feet apart from other people.
 - Avoid handshakes, hugs, fist-bumps or high five.
 - Protect yourself and others by wearing a mask.
 - Practice Healthy Behaviors:
 - Avoid touching your face.
 - Wash your hands or use hand sanitizer frequently.
 - Don't share things with others (pens or pencils, phones, chargers, ear buds, etc.).

- Open doors w/touchless keys, paper towels or tissues.
-

These measures help to protect you and everyone around you, including other event participants, venue staff and other guests.

Your acknowledgement as an Attendee:

Attendee understands that the measures being taken by NRECA and the venue are for Attendee's safety and that of all event participants. Attendee acknowledges that despite these measures, COVID-19 is highly contagious and there is an inherent risk that Attendee may contract COVID-19 while participating in this event and Attendee knowingly assumes that risk. Further, Attendee accepts sole responsibility should Attendee become infected with COVID-19 while attending this event.

Attendee agrees to comply with NRECA's Event Code of Conduct and policies including all COVID-19 related protocols implemented by NRECA or the venue in order to protect as much as possible Attendee's health and safety and that of all the other event participants. **Attendee also agrees that if Attendee observes noncompliance with or insufficiencies in the measures being taken, Attendee will do his/her part by promptly bringing this to the attention of NRECA's point of contact for this event. Finally, Attendee acknowledges understanding that by registering and/or participating, Attendee is agreeing to abide by these rules, policies and protocols as a condition of attendance and that noncompliance can cause Attendee to be denied admission to or removed from the event.**

Other Event Policies

SIDE MEETINGS AT NRECA EVENTS POLICY

NRECA understands that it may be convenient and economical to conduct various types of meetings in conjunction with an NRECA event. To the extent that such side meetings do not conflict with or detract from the NRECA event, these meetings are permissible. It is the policy of NRECA that no affiliate member, associate member, service member, sponsor, exhibitor, vendor and/or speaker will schedule and hold a side meeting (training meeting, demonstration meeting, member meeting, etc.) to which attendees of the NRECA event are invited to attend that conflicts with the NRECA program agenda. Side meetings by affiliate members, associate members, service members, sponsors, exhibitors, vendors and/or speakers may only be held during non-scheduled program times.

INFORMATION DISCLOSURE POLICY

By executing and submitting the Registration form, you acknowledge that you are authorized to agree to its terms on behalf of (1) yourself, (2) your employer or the entity on whose behalf you are registering and (3) each of the individuals you are registering listed on the Registration form who are not minors (collectively "Registrants").

Registrants understand that their contact information – name and co-op – will be provided to the event sponsors, upon request, as a benefit of sponsorship. This information may be used by sponsors to provide registrants with information about their products and services.

NON-MEMBER ELIGIBILITY & REGISTRATION FEE

NRECA convenes several members-only meetings throughout the year, specifically the Annual Meeting, Regional Meeting and Legislative Conference. These meetings are for NRECA member employees, directors and consultants only. By registering for and attending these meetings, the registrant acknowledges that he/she is one of these individuals and will not distribute or disclose information from any of these meetings to anyone other than these individuals. Requests to attend from non-members will be considered on a case-by-case basis. All such non-member requests to attend must be submitted in writing (email messages are acceptable) to education@nreca.coop. NRECA's decision will be final and provided in writing. Non-members cannot register until permission has been granted. Additionally, non-members permitted to register must pay the non-member registration fee (50% higher than the member fee) and agree to abide by the Photography Waiver, Disclosure Policy and the Meeting, Event and Activity Conduct Policy. Substitutions are not allowed. No-shows and registrants failing to cancel prior to the first day of the meeting are responsible for paying the full registration fee and any pre-con, post-con workshops, courses, etc., if applicable. Special events or ticketed item fees are non-refundable. NRECA reserves the right to refuse or cancel ineligible registrations at any time and shall not be held accountable for any external fees associated with the cancellation.

INELIGIBLE REGISTRATION POLICY

All registrations are reviewed to ensure they meet the NRECA eligibility requirements. NRECA reserves the right to refuse or cancel all ineligible registrations at any time and shall not be held accountable for any external fees associated with any cancellation.

ANTI-TRUST POLICY

NRECA and its members are committed to complying with all antitrust laws. While in many instances cooperatives have exclusive relationships with their members, cooperatives may be competitors in others, such as in the provision of non-electric services like propane or telecommunications services. As provided in NRECA's Antitrust Policy, the following sensitive issues should not be discussed during any part of the meeting: prices that your cooperative or others charge for products or services; costs or profit margins; salaries, wages and benefits; allocating markets, customers, territories, or products; or agreements not to deal with another company.

If while at the meeting a discussion begins on one of these topics, it is recommended that you leave the discussion. Please report any antitrust concerns promptly to NRECA staff at the meeting, or to the NRECA Office of General Counsel at 703-907-5846, and to your own cooperative's attorney. If you think there is a legitimate reason for discussing particular price or cost information, please seek legal advice beforehand.

INSIDE

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SAFETY SUMMARY

Safety Summary is published monthly by the Loss Control, Safety & Compliance Department at Kansas Electric Cooperatives, Inc., Topeka, Kansas.

EDITOR: Larry Detwiler,
Director, Loss Control, Safety & Compliance

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KEC STAFF LIAISONS

Larry Detwiler
Lee Tafarielli

What is a Positive Safety Culture?

The confusion about safety culture comes because of everyone simply having their own definition, and here I go giving you mine. A culture is something that results from other cultures or members residing in the same culture who have different values. A culture can result from being in a type of environment or conversely change or disappear because of an environment. To understand this further we can take an example of political environments around the world.

A group of individuals whose culture highly-values freedom to speak-up can become aggressive when that freedom of speech is threatened. However, if that group lives in an environment where people speak-up disappear or are punished their value for speaking-up is tested. In an environment such as this the brave who speak-up despite threats may find that they confirm the fear of the others. This will lead to a change in the culture unless the one doing the punishing values the individual's contribution and changes the environment to allow some to speak-up. If the environment allows free speech and expects individuals to speak-up (if they follow certain rules) the culture adjusts and will take what the environment will allow. The key to this thought exercise is understanding that to create a specific type of culture one must first identify results desired, values that are required, and create an environment that will allow the desired culture to sustain and grow.

A positive safety culture is one where people first want to prevent every injury. This requires an environment that values the efforts that prevent injuries, supports the efforts, and celebrates the efforts not

the results. In a positive safety culture, most of the individuals believe that every injury could have been prevented in some way. In such an environment the process of finding solutions to mitigate is valued and it is understood that failure is not the fault of the individuals in the culture, but a failure of providing the environment.

Since 1992 I have been consulting with companies, speaking at their annual safety stand-downs and delivering workshops and seminars to advance their ability to improve their current safety culture. In that past 10 years I have spent much of my work assessing safety cultures and making recommendations for improvement seeing those clients reach goals they never thought possible.

If you are looking to move forward and are open to a discussion about assessing your current safety culture and thereby identifying what the future safety culture could look like email me carl@safetyinstitute.com and we will schedule a time.

CARL POTTER, founder and president of the Safety Institute, is a certified safety professional (CSP) and certified management consultant (CMC). He has owned his own business for 28 years and is a speaker, consultant, and workshop facilitator. He is the author of seven books, including *Conquest for Safety*.



Carl Potter, CSP, CMC

The vision of a successful and sustainable safety culture is one where everyone knows their roles for safety, takes responsibility, and is continually looking for ways to improve the organizations ability to create a workplace where it is difficult to get hurt. — CARL POTTER

SAFETY SUMMARY

Accident Summary *May 2021*

	No Lost Time	Lost Time	Days Lost	Employees		Hours Worked	Vehicles Used	Miles Driven	Vehicle Accidents
				Full-time	Part -time				
4 Rivers	0	0	0	44	1	7,515	33	40,937	0
Ark Valley	0	0	0	15	0	2,242	14	10,349	0
Bluestem	0	0	0	30	0	5,467	28	22,878	0
Brown-Atchison	0	0	0	12	0	1,801	9	5,739	0
Butler	0	0	0	43	3	7,135	20	19,870	0
Caney Valley	0	0	0	17	2	3,143	16	11,819	0
CMS	0	0	0	22	0	4,939	23	27,332	0
DSO	0	0	0	29	0	5,840	32	24,512	0
Doniphan	0	0	0	7	0	1,239	5	2,726	0
Flint Hills	0	0	0	20	0	3,287	18	10,768	0
FreeState	1	0	0	77	1	11,715	45	44,446	0
Heartland	0	0	0	44	0	7,582	29	41,531	0
KEC	0	0	0	12	2	2,259	7	11,775	0
KEPCo	0	0	0	23	0	3,284	10	17,990	0
Lane-Scott	0	0	0	23	1	3,420	21	14,447	0
Nemaha-Marshall	0	0	0	14	3	2,610	12	13,676	1
Ninnescah	0	0	0	17	0	3,055	12	13,480	0
Pioneer	0	0	0	69	2	12,689	48	53,916	0
Prairie Land	0	1	4	85	2	12,289	64	57,210	0
Rolling Hills	1	0	0	42	3	6,610	39	58,259	0
Sedgwick County	0	0	0	20	1	3,006	16	8,860	0
Southern Pioneer	0	0	0	45	2	7,687	41	38,465	0
Sumner-Cowley	0	0	0	12	0	2,096	3	1,806	0
Twin Valley	0	0	0	13	1	2,032	12	9,772	0
Victory	0	0	0	71	0	12,324	40	36,896	0
Western	0	0	0	57	0	8,557	39	32,769	0
Wheatland	1	0	0	136	1	0	108	109,429	0
Total	3	1	4	999	25	143,823	744	741,657	1

**Accident Previously Reported +Reflects Cumulative Lost Time*

Accident Reports *May 2021*

May 2021

FREESTATE, MCCLOUTH/TOPEKA
N/A

Injury: Tick bite

Cause: No accident form submitted

Lost time: No

May 2021

ROLLING HILLS, BELOIT

Vehicle accident: No accident form submitted.

Lost time: No

May 14, 2021

PRAIRIE LAND, NORTON

Lineman

Injury: Allergic reaction to contact with poisonous plant.

Cause: Cooperative employee had been working to restore storm damage and realized they had been exposed to poison ivy.

Lost time: Yes (4 days)

May 18, 2021

WHEATLAND, SCOTT CITY

Wireless Tower Technician

Injury: Multiple puncture wounds to middle of back.

Cause: Cooperative employee was working on top of a silo, while hanging rope to hoist equipment, employee was attacked by an owl.

Lost time: No

May 18, 2021

NEMAHA-MARSHALL, AXTELL

Vehicle accident: Cooperative employee was backing up to check on the cooperative's pole trailer and backed into another cooperative vehicle.

Lost time: No

UPCOMING EVENTS

2021 WORKSHOPS

**Kansas Electric Cooperatives
Safety Summit**
August 12
(Solomon)

KEC Hot Line Schools
September 8-10
(Pratt)
September 14-16
(Manhattan)

**Kansas Line Supervisors
Fall Conference**
September 22-24
(Wichita)

**Safety Coordinators
Roundtable**
October 20
Beloit

Transformer Workshop
November 16-17
(Topeka)

Metering Workshop
November 18-19
(Topeka)

Speak Up!/Listen Up!
December 7 & 8 (Ulysses)
December 9 & 10 (Topeka)

Federated Near-Miss Reporting

Dear Safety Professional:

As you are aware, Federated launched a Near-Miss reporting program in December of 2015, encouraging employees to report any and all near-miss incidents experienced at the system or through interaction with the general public. Some of you have asked if we have received any reported incidents and the answer is yes, we have. For expediency, I am sending the reported incidents to you so you have an opportunity to discuss these incidents, with your employees as soon as possible. I will provide more information as it becomes available, and in the near future, you will have access to this information by accessing our website. Thank you.

R. COREY PARR

VP Safety & Loss Prevention

SAFETY SUMMARY

Building an ATV/UTV Training Program for Utilities and Contractors

BY TY FENTON AND CHUCK KEVWITCH

There are three broad categories that need to be addressed before these vehicles can be used on job sites.

Utility task vehicles (UTVs) and all-terrain vehicles (ATVs) are quickly becoming the preferred motorized equipment for lineworkers to use to access difficult terrain for necessary inspection and repair of infrastructure. And although they are exceptionally capable, these vehicles — identifiable by their large off-road tires, relatively small size and light weight — pose certain challenges for both utilities and contractors who wish to use them on job sites. For starters, some workers use these types of vehicles in their personal lives for various outdoor recreational activities. However, when they are deployed in a professional setting, many of the rider's habits and rules of operation must change.

Safety One Training, the company we work for, was recently tasked with implementing an industrial training program for a West Coast contractor that complied with a utility company's training requirements. From the outside, it appears that ATV/UTV training can be complex and challenging to implement, but based on our experience, there are typically three broad categories that need to be addressed before these vehicles can be used on the job site: when to choose these machines, operator training requirements, and machine capabilities and limitations.

When to Choose an ATV/UTV

When to choose an ATV or a UTV — which is sometimes referred to as a side-by-side or SxS — heavily depends on the work to be performed, terrain, weather and other transportation options available. To be allowed on a job site, a worker must first demonstrate that the ATV or UTV is the right tool for the job. That means proving that driving a pickup truck, walking or using a snowcat would not be practical. For example, it might make sense for two people to use a UTV to perform a line inspection on a right-of-way, allowing the operator to focus on driving safety and terrain while the passenger focuses on a thorough inspection. Naturally, more difficult jobs that require additional gear and more people favor larger vehicles with greater capacity,



but larger vehicles also can be more difficult to maneuver and cause damage to sensitive environments.

If inclement weather is in the forecast and it's been decided that an ATV or UTV will be used on a job site, it's important for the operator and any passengers to dress appropriately and choose a vehicle with a cab. Harsh weather also might affect the impact the vehicle has on the terrain, so that's something to take into consideration prior to use. Aggressive, knobby tires are great for staying on the move, but they can cause unnecessary damage to sensitive vegetation, muddy trails, and trails that cross fragile streams or rivers. Further, it's important to account for rocky, sandy, narrow and snowy conditions along the way. All of these considerations should be addressed during operator training.

Operator Training

Proper operator training is critical for all equipment used in the work setting. In the case of ATVs and UTVs, many people have recreational experience with off-road vehicles, but they still must learn the limitations and capabilities of each specific vehicle in service. Developing and delivering effective training is a delicate balance of art and science, one that is crafted with years of experience. So, delivery of all training material must be completed by a qualified trainer; this can be an in-house trainer employed by your company or a reputable third party. Instructors can be qualified based on their advanced knowledge

in a particular field or through a program of continued educational instruction in the area they intend to teach. As a best practice, it is recommended to divide training into separate classroom and field portions covering vehicle theory and hands-on practical skills.

The lecture-based portion of training should focus on rules, regulations and company policy that pertain to the class of vehicles in use. In particular, it is critical to clearly cover all the safety equipment required to safely operate the ATV or UTV, including personal protective equipment such as helmets, gloves, eye protection, boots and clothing. Additionally, the lecture-based portion of training is the appropriate time to show trainees photos of the vehicle controls they'll be working with; explain what each knob, switch, pedal and lever does and why; describe what to look for when conducting a vehicle inspection; and provide examples of what field repairs may be required.

When students move to the hands-on portion of training, they should be taught how to conduct a pre-trip vehicle inspection, identify likely points of mechanical failure and perform mild maintenance, such as replacing belts or changing a flat tire. Because ATVs and UTVs are small and nimble machines that can quickly maneuver into hazardous situations, a successful instructor also should demonstrate to trainees how to prevent a vehicle from becoming stuck in various ground conditions, teach students what to do if their vehicle does become stuck and show them how to properly conduct a vehicle recovery with the equipment that they have available. The trainer also should explain what steps to take if a vehicle suffers a mechanical failure.

Once trainees have learned about basic vehicle operation and controls, that should be followed by detailed oversight as students perform various exercises designed to demonstrate their ability to safely interpret the terrain and operate their vehicle. Only after students have successfully demonstrated proficiency at operating their vehicle should they be allowed to move on to more advanced terrain that closely matches where they intend to work.

It is worth repeating that all training provided should be specific to the vehicles to be used on the job site. With new and more capable machines being released all the time, it is



critical that each operator periodically demonstrates their skills. Industry standards recommend an annual skills demonstration, with most certified training programs requiring retraining and requalification every two years.

Machine Capabilities and Limitations

When making the choice to purchase and use ATVs and UTVs in an industrial setting, it's important to select the appropriate machine or machines. It can be tempting to choose the fancy new rig with over 20 inches of wheel travel and a giant turbo, but first it's necessary to understand the scope of work to be performed, where the machine will be

used and the safety features included.

Something else to be aware of is that many companies have set limits on the maximum hill angles that can be safely ascended, descended and traversed. Operators must be trained on any such policy and also be made aware that they must never exceed the manufacturer's limitations on their machine, particularly with regard to hills climbed, side hills traversed and weight capacities.

If you work for a contractor, you should know that many utilities will require specific vehicle information from you before they allow it to be used on their sites. This can include the number of workers that can be transported, determined by the number of seat belts on the machine or a sticker that clearly designates the maximum number of users; a list of all safety features present from the factory and any safety equipment added; cargo capacity; and if the machine has engineered controls limiting speed, brightly colored three-point seat belt assemblies, and seat belt interlocking systems, which prevent engine ignition unless the seat belt is securely engaged.

All ATVs and UTVs used at a job site will likely be required to have a rollover protection system, which must be intact, structurally sound and certified. There also has been a recent trend to equip these vehicles with full cabs, including HVAC controls, to keep the operator and any passengers comfortable year-round and protected from the elements. If a cab is installed, this can bring with it a longer list of safety inspection points due to doors, latches, wipers, defrost units and an affected center of gravity. If nothing else, almost all UTVs are required to have partial doors or nets that are designed to prevent occupants from being ejected onto rough terrain.

SAFETY SUMMARY

Building an ATV/UTV Training Program for Utilities and Contractors *Continued from page 5*

Conclusion

UTVs and ATVs are quickly becoming go-to machines for traveling across difficult terrain to access work sites. These machines become more capable and safer as they evolve each year. But in choosing to use them, you will need to develop a plan that includes appropriate operator training, and you may want to collaborate with your organization's fleet department to offer input on the specification process. Implementing ATVs and UTVs into your workflow requires much time and effort; however, when it's done well, you can take comfort in knowing your workers will be able to use these machines safely and correctly.

TY FENTON is the general manager of Safety One Training, the nation's leader in backcountry vehicle operation and fall protection training. He can be reached at ty.fenton@safetyoneinc.com. **CHUCK KEVWITCH** is a lead instructor and the contracts manager for Safety One Training. Reach him at chuck@safetyoneinc.com



Special thanks to Incident Prevention for allowing KEC to reprint the article.

KANSAS' MOVE OVER LAW NOW INCLUDES UTILITY VEHICLES

As of July 1, 2021, vehicles will now be required by law to move into the next lane over (when possible) and slow down while passing utility vehicles stationed on the side of a road.

