



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for October 4, 2021 at 7:00 p.m.

Proposed Agenda:

1. Call to Order
2. Reading and Approval of Minutes
3. Presentation of Check Register
4. Presidents Report
5. Attorneys Report
6. Sunflower EPC Report
7. KEC Report
8. General Managers Report
9. Old Business – Strategic Plan update
10. New Business
 - a. Special Capital Credit Retirement
 - b. BP 113 Capital Credits – proposed revision
 - c. General Capital Credit retirement
 - d. 2022 Annual Meeting date
 - e. Youth Tour
11. Safety Report
 - a. KEC On Site Regulatory Compliance Visit
12. Executive Session – is requested by the General Manager
13. Adjourn

Upcoming Events:

LSEC Board Meeting	Dighton	October 4
KEC Board Meeting	Wichita, KS	October 12-13
Sunflower EPC Board	Hays, KS	October 20
LSEC Board Meeting	Dighton	November 1

10/1/2021

#	item	Board Packet	Supplemental information
2	Minutes	3-6	
3	Check Register(s)	7-12	
	Payroll	13-15	
6	Sunflower Report	16-18	
7	KEC Report		
8	GM Report	19-21	
	<u>Financials</u>		
	Form 7	22-23	
	Statistical Report	24	
	Non-operating margins	25	
	<u>Operations</u>		1
	<u>IT-Compliance</u>		2
	<u>IT / Cybersecurity</u>		3
	<u>Engineering</u>		4
	Outage statistics		5
	<u>Member Service</u>		6
	<u>Warehouse</u>		7-8
9	Old Business		
	Strategic Plan update	26-31	
10	New Business		
a	Special Capital Credit Retirement	32	
b	Board Policy 113 Capital Credits	33-36	
c	General Capital Credit Retirement	37	
d	2022 Annual Meeting date	38	
e	2022 Youth Tour	39	9-10
11	Safety Report		
	KEC Safety Regulatory Compliance Visit	40-46	
	9/28 Safety Meeting minutes	47-49	
	Safety Program Monthly Report	50	

**MINUTES OF THE REGULAR SEPTEMBER 2021
MEETING OF THE BOARD OF TRUSTEES
OF THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

CALL TO ORDER

A regular meeting of the Board of Trustees of the Lane-Scott Electric Cooperative, Inc., was held on Monday, September 13, 2021, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:58 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Harold Hoss, Randy Evans, Richard Sorem, Chad Griffith, Paul Seib Jr. and Craig Ramsey. Also present Richard McLeon IV, Lee Tafarielli, and Joseph Gasper, Attorney. Eric Doll was absent.

KEC UPDATE

Lee Tafarielli of KEC presented an update of KEC activities:

- KEC is there to provide support and programs to its members. He asked to let him know if there is anything KEC can do to assist LSEC.
- The current federal discussion of the infrastructure budget plan has clean energy provisions. The smaller \$1.5 Trillion has less concerning clean energy provisions than the larger \$3.5 Trillion plan with regards to electric generation.
- It is expected that the administration will likely try to implement various clean energy mandates through EPA regulation.
- Kansas specific issues will likely include discussions of Winter Storm Uri in the legislature. KEC is trying to build relationships with urban legislatures to help explain rural issues to them.
- A question regarding the FEMA mitigation plan was raised and Lee answered that the mitigation plan has been changed to a regional mitigation plan rather than county based. He has received a follow up letter from FEMA regarding the requested resolutions and has no concerns with the resolution.
- Covid does not appear to be going away and will likely be something we will deal with into the future.

Lee Tafarielli left the meeting after the KEC update.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on August 9, 2021. *Hearing no corrections to the minutes, President Jennison declared the minutes stand approved as corrected.*

CASH DISBURSEMENTS

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

There was a question about check #903 to the NISC. Manager McLeon answered he will check on it, and that it may have do with some conversions from NISC.

PRESIDENT'S REPORT

President Jennison had no current items to report.

ATTORNEY'S REPORT

Attorney Gasper had no current items to report.

REPORT OF SUNFLOWER DELEGATE

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

Trustee Seib added that Corey Linville discussed the need to start looking at the retirement of older plants.

Manager McLeon advised that he has been in discussion with the City of Dighton regarding a special rate.

KEC REPORT

Trustee Hoss had no additions to the KEC update.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- The monthly average power cost was 10.98 cents compared to 9.84 cents last year. There has been a 13.5% increase in the wholesale power cost this year.
- The winter storm Uri balance has been corrected. A calculation was in error and that number made many of the other calculations incorrect. Revised form 7s have been made to correct the mistake. This correction has changed the operating loss from \$710,752 to an operating loss of \$60,318.

- The increase in power costs, closing of last year's work orders on Covid, Hineman Tower repairs, increased depreciation and NISC costs are contributing to the negative operating margins.
- The PPP loan is being forgiven in the amount of \$619,088. This will be applied to controllable expenses and spread between 2020 and 2021.
- Distribution income is up \$126,840 over 2020 despite Operating Revenue increases of \$924,776. The Cost of Purchased power is up \$797,939. Controllable expenses are up due to not having a work plan. With the new work plan controllable expenses will begin to be shifted to the construction work plan.
- Equity as a percent of Capitalization is 37.46% and the General Fund level is 19%.
- The Black Dog outstanding balance has been turned over to collections.

RECEIPT OF MANAGER'S REPORT

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

SAFETY REPORT

A safety report was included in the board packet.

OLD BUSINESS

1. Capital Credits Policy 113

- LSEC has \$9,582,564 in allocated but unretired LSEC and MKEC distribution capital credits.
- Manager McLeon discussed two main methods of the rotation cycle which is the calendar method and the average method to calculate the retirements to maintain a retirement schedule. The average method smooths out the amount when there are swings in the amounts of capital credits retired in various years.
- 77% of the members having capital credits are still on the system.
- Staff recommends the average method.
- *A motion to utilize the average method with the calculation tied to the depreciable life of the plant was made, duly seconded, and carried.*

2. Kansas Hazard Mitigation Plan Resolution

- *A motion to adopt the Kansas Hazard Mitigation Plan Resolution as amended and presented to the board was made, duly seconded, and carried.*

NEW BUSINESS

1. Load Forecast

- Manager McLeon presented the 2021 load forecast study.
- The study was based on 12-year historical data and normalized due to Covid 19 and February 2021 winter weather event.
- Energy revenues were prepared using rate adjustments of 5.25% in 2022, 2026, 2030 and 2034.
- *A motion to approve the 2021 Load Forecast as presented to the board was made, duly seconded, and carried.*

2. Wage and Salary Discussion

- Manager McLeon presented the board with the 2022 Wage and Salary plan.
- An average 2.18% COLA increase for all employees except for the General Manager and a projected 2.20% increase in the 4th quarter of 2022.
- A discretionary fund of \$92,500 for the General Manager to reward employee performance, promotions, and new hire wages.
- No changes to the components of the KECHIT and NRECA benefits package.
- *A motion to approve the 2022 Wage and Salary plan as presented to the board was made, duly seconded, and carried.*

3. Audit Engagement Letter

- *A motion to approve the audit engagement letter for the 2021 audit with Bolinger, Segars, Gilbert & Moss LLP was made, duly seconded, and carried.*

4. Schedule

There are no changes to the 4th quarter schedule.

EXECUTIVE SESSION

A motion to enter executive session to discuss personnel was made, duly seconded, and carried at 8:55 p.m. The board came out of executive session at 9:14 p.m.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 9:16 p.m., on Monday, September 13, 2021.

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Accounts Payable Check Register

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08/04/2021 To 09/02/2021

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2500 08/04/2021	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
2488 08/06/2021	WIRE	468	U.S. BANK	Monthly Invoice	8,447.01
2489 08/06/2021	WIRE	1267	AFLAC	Premiums	465.84
2501 08/06/2021	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS-Group Ins	44,594.10
2502 08/06/2021	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA Gr 1-August Group Ins	2,490.11
2503 08/06/2021	WIRE	180	NRECA	NRECAGr 1 Adm Fee-Aug Gr Ins Adm Fee	206.96
2487 08/09/2021	WIRE	168	ONLINE INFORMATION SERVICES, INC	Utility Exchange Fee	60.20
2490 08/10/2021	WIRE	18	CITY OF DIGHTON	Monthly Invoice	2,125.45
47365 08/10/2021	CHK	1	ROCKY MOUNTAIN LINE SCHOOL	Scholarship Nate Gabel ID# 502736113	500.00
47366 08/10/2021	CHK	14	OFFICE SOLUTIONS, INC	Monthly Invoice	59.68
47367 08/10/2021	CHK	15	ERIC DOLL	August Board Meeting	389.20
47368 08/10/2021	CHK	20	BASIN ELECTRIC POWER COOP	Dispatch Fee	2,128.66
47369 08/10/2021	CHK	30	HAROLD HOSS	August Board Meeting and KEC mtg in KC	2,523.60
47370 08/10/2021	CHK	37	JETMORE REPUBLICAN	Ad-Annual Meeting	32.00
47371 08/10/2021	CHK	40	KANSAS ELECTRIC COOPERATIVES	Dues & Booklets	8,129.05
47372 08/10/2021	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Invoice	243.49
47373 08/10/2021	CHK	55	NESS COUNTY NEWS	Advertising	266.20
47374 08/10/2021	CHK	60	PAUL SEIB JR	August Board Meeting	386.96
47375 08/10/2021	CHK	63	RICHARD JENNISON	August Board Meeting and KEC Mtg in KC	2,396.92
47376 08/10/2021	CHK	96	STEPHENS LUMBER - DIGHTON	Monthly Invoice	150.05
47377 08/10/2021	CHK	104	HOME OIL CO	Monthly Fuel Invoice	1,122.80
47378 08/10/2021	CHK	105	CITY OF NESS CITY	Postage and Pay Station-July	613.45
47379 08/10/2021	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	191.03
47380 08/10/2021	CHK	117	NESS CITY FARM & FEED	Monthly Invoice	113.07
47381 08/10/2021	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	6,889.30
47382 08/10/2021	CHK	169	AMERICAN ELECTRIC-GARDEN CITY	Monthly Invoice	893.54

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
47383 08/10/2021	CHK	179	RAD ROEHL	August Board Meeting	360.08
47384 08/10/2021	CHK	184	JOHNSTONE SUPPLY	Monthly Invoice	2,189.82
47385 08/10/2021	CHK	194	POST ROCK	Advertising	300.00
47386 08/10/2021	CHK	202	CHAD GRIFFITH	August Board Meeting	392.00
47387 08/10/2021	CHK	210	MARMIE MOTORS INC	Truck # 117	89.25
47388 08/10/2021	CHK	220	LANDIS+GYR TECHNOLOGY, INC	SaaS Fee for May	1,604.66
47389 08/10/2021	CHK	238	ILLINOIS MUTUAL	Premiums	153.20
47390 08/10/2021	CHK	306	BORDER STATES INDUSTRIES INC	Monthly Invoice	1,721.43
47391 08/10/2021	CHK	328	RED D ELECTRIC	Monthly Invoice	27.28
47392 08/10/2021	CHK	329	SOUTHWIND BROADCASTING	Advertising-Annual Meeting	648.00
47393 08/10/2021	CHK	380	GRAINGER	Monthly Invoice	74.91
47394 08/10/2021	CHK	387	WESTERN FUEL & SUPPLY	Monthly Fuel Invoice	243.56
47395 08/10/2021	CHK	427	DIGHTON HERALD LLC	Advertising	247.00
47396 08/10/2021	CHK	450	RANDALL G EVANS	August Board Meeting	350.56
47397 08/10/2021	CHK	473	SCOTT BRIAND	Per Diem for training in York NE	192.50
47398 08/10/2021	CHK	479	CASE BECKMAN	Lawn Care-July	600.00
47399 08/10/2021	CHK	481	CARTMILL FLORAL & CREATIONS	Cookies for Board Meeting	82.03
47400 08/10/2021	CHK	493	SCOTT CITY ACE HARDWARE	Tote and Rake	104.61
47401 08/10/2021	CHK	506	K&J FOODS	Monthly Invoice	453.12
47402 08/10/2021	CHK	745	GOVE COUNTY ADVOCATE	Advertising	118.00
47403 08/10/2021	CHK	790	SOLOMON CORPORATION	300 KVA 3 phase Padmount	10,475.68
47404 08/10/2021	CHK	803	ALTEC INDUSTRIES, INC	Monthly Invoice	825.14
47405 08/10/2021	CHK	860	KANSAS LINE SUPERVISORS ASSOC	KLSA Dues	100.00
47406 08/10/2021	CHK	903	NISC	Monthly Invoice	9,758.64
47407 08/10/2021	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fee	126.00
47408 08/10/2021	CHK	1030	THE SCOTT COUNTY RECORD	Advertising-Annual Meeting	104.80

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
47409 08/10/2021	CHK	1169	WASHER SPECIALTIES CO.	Monthly Invoice	997.36
47410 08/10/2021	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	139.10
47411 08/10/2021	CHK	1225	CINTAS CORPORATION	Monthly Invoice-Dighton	112.99
47412 08/10/2021	CHK	1234	JF BEAVER	Caps	1,274.89
47413 08/10/2021	CHK	1248	COMPLIANCE ONE	Drug & Alcohol Testing	423.50
47414 08/10/2021	CHK	1251	TECHLINE, LTD	Monthly Invoice	6,150.37
47415 08/10/2021	CHK	1254	EAGLE RADIO	Advertising-Annual Meeting	435.00
47416 08/10/2021	CHK	1263	RICHARD SOREM	August Board Meeting	398.16
47417 08/10/2021	CHK	1287	COLLINS STEEL	Monthly Invoice	131.59
47418 08/10/2021	CHK	1300	CRAIG RAMSEY	August Board Meeting	378.00
47419 08/10/2021	CHK	1301	GARDEN CITY COOP, INC	Chemicals for Sub Station	197.42
47420 08/10/2021	CHK	9999	RUSSEL DEARINGER	INACTIVE REFUND	189.73
47421 08/10/2021	CHK	9999	ANGEE LATOUSH	INACTIVE REFUND	152.38
47422 08/10/2021	CHK	9999	LORI ROLO	INACTIVE REFUND	146.73
2491 08/11/2021	WIRE	384	UPS	Postage	17.74
2493 08/11/2021	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Invoice	977.29
2492 08/12/2021	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Invoice	190.53
47423 08/16/2021	CHK	1	KANSAS ASSOCIATION OF WHEAT GRO	Membership Dues	100.00
47424 08/16/2021	CHK	1	LANE COUNTY LIONS CLUB	CoBank Sharing Success Grant	500.00
47425 08/16/2021	CHK	1	WESTERN KANSAS CHILD ADVOCACY	Co Bank Sharing Success Grant	500.00
47426 08/16/2021	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Invoice	3,749.52
47427 08/16/2021	CHK	59	NRECA	NRECA Membership Dues	6,974.00
47428 08/16/2021	CHK	105	CITY OF NESS CITY	Monthly Invoice	25.09
47429 08/16/2021	CHK	248	CENTRAL PUMP & SUPPLY	Monthly Invoice	22.22
47430 08/16/2021	CHK	429	IT1 CONSULTING LLC	Monthly Invoice-Software	245.85
47431 08/16/2021	CHK	472	C.H. GUERSNEY & COMPANY	Misc Engineering and COSS	7,585.00

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
47432 08/16/2021	CHK	473	SCOTT BRIAND	Supplies	308.51
47433 08/16/2021	CHK	903	NISC	Monthly Invoice	203.86
2494 08/18/2021	WIRE	274	VERIZON WIRELESS	Monthly Invoice	666.61
2495 08/18/2021	WIRE	1229	SCHABEN SANITATION	Monthly Invoice	491.43
47434 08/20/2021	CHK	1	NES CITY FUN RUN	Car Show Donation	100.00
47435 08/20/2021	CHK	34	AMERICAN SAFETY UTILITY CORP	Monthly Invoice	61.76
47436 08/20/2021	CHK	40	KANSAS ELECTRIC COOPERATIVES	Tee Box Sponsor	175.00
47437 08/20/2021	CHK	79	POSTMASTER	Postage for Newsletter	99.43
47438 08/20/2021	CHK	105	CITY OF NESS CITY	Franchise Fee	7,558.95
47439 08/20/2021	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Ness City	71.56
47440 08/20/2021	CHK	122	MYRON SEIB	gas and supplies	217.23
47441 08/20/2021	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	6,592.15
47442 08/20/2021	CHK	135	CITY OF BAZINE	Franchise Fee	2,165.35
47443 08/20/2021	CHK	304	STECKLINE COMMUNICATIONS INC	Advertising	200.00
47444 08/20/2021	CHK	380	GRAINGER	Monthly Invoice	11.36
47445 08/20/2021	CHK	467	DIGHTON CHIROPRACTIC	Wellness Program-Dr Bennett	200.00
47446 08/20/2021	CHK	903	NISC	License Renewal	2,983.75
47447 08/20/2021	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Gloves Testing	117.00
47448 08/20/2021	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	198.84
2497 08/24/2021	WIRE	101	ATMOS ENERGY	Monthly Invoice	50.10
2498 08/25/2021	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	25,232.88
2496 08/27/2021	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Invoice	124.24
2499 08/31/2021	WIRE	1187	MIDWEST ENERGY	Monthly Invoice	71.10
2504 09/01/2021	WIRE	274	VERIZON WIRELESS	Monthly Invoice	314.24
47449 09/01/2021	CHK	1	FORT HAYS STATE UNIVERSITY	Youth Tour-scholarship	2,500.00
47450 09/01/2021	CHK	1	RANSOM OKTOBERFEST	Donation	50.00

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
47451 09/01/2021	CHK	3	MJ'S STITCHING & SCREENING	Shirt for Randy Evans	39.60
47452 09/01/2021	CHK	14	OFFICE SOLUTIONS, INC	Kyocera Copier Contract	87.84
47453 09/01/2021	CHK	34	AMERICAN SAFETY UTILITY CORP	Monthly Invoice	452.29
47454 09/01/2021	CHK	73	STANION WHOLESALE ELEC CO INC	Monthly Invoice	36,468.95
47455 09/01/2021	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	27.13
47456 09/01/2021	CHK	113	HALL'S SAFETY EQUIPMENT CORP	Clothing Allowance-Dellon Shelton	447.95
47457 09/01/2021	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	2,730.90
47458 09/01/2021	CHK	147	DIGHTON HIGH SCHOOL	Electrathon Donation	500.00
47459 09/01/2021	CHK	160	SHULL OIL COMPANY	Monthly Fuel Invoice	9,080.70
47460 09/01/2021	CHK	172	TYNDALE COMPANY, INC.	Clothing Allowance-Leighton Ayers	581.62
47461 09/01/2021	CHK	220	LANDIS+GYR TECHNOLOGY, INC	SaaS June 2021	1,604.66
47462 09/01/2021	CHK	232	KEY REFRIGERATION SUPPLY LLC	Monthly Invoice	2,120.71
47463 09/01/2021	CHK	261	LOCKE SUPPLY CO	Monthly Invoice	209.13
47464 09/01/2021	CHK	311	ELDRIDGE FENCING INC	Viking batteries for gates	86.13
47465 09/01/2021	CHK	317	JOHN DEERE FINANCIAL	Chain and oil for saw	40.05
47466 09/01/2021	CHK	361	ANN M JENNINGS	Coop Vote Meal	238.10
47467 09/01/2021	CHK	380	GRAINGER	Monthly Invoice	145.04
47468 09/01/2021	CHK	383	HUXFORD POLE AND TIMBER CO INC	Poles	22,566.16
47469 09/01/2021	CHK	395	DOLLAR GENERAL - REGIONS 410526	Supplies-storm	148.03
47470 09/01/2021	CHK	442	QUADIENT INC.	Postage Meter	328.70
47471 09/01/2021	CHK	495	FOOS OILFIELD TRACTOR WORKS, LLC	Towing	540.00
47472 09/01/2021	CHK	496	OCONNOR COMPANY	Monthly Invoice	334.13
47473 09/01/2021	CHK	497	COMPLIANCE SIGNS, LLC	Sign	245.50
47474 09/01/2021	CHK	506	K&J FOODS	Supplies	257.00
47475 09/01/2021	CHK	1197	GARDEN CITY WHOLESALE SUPPLY	Monthly Invoice	2,983.84
47476 09/01/2021	CHK	1225	CINTAS CORPORATION	MOntly Invoice	198.72

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
47477 09/01/2021	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Office Supplies	239.21
47478 09/01/2021	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Monthly Invoice	1,791.69
Total Payments for Bank Account - 2 :					(132) 284,284.53
Total Voids for Bank Account - 2 :					(0) 0.00
Total for Bank Account - 2 :					(132) 284,284.53
Grand Total for Payments :					(132) 284,284.53
Grand Total for Voids :					(0) 0.00
Grand Total :					(132) 284,284.53

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Payroll/Labor Check Register

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Pay Date: 08/01/2021 To 08/31/2021

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Other Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
5	KATHERINE E LEWIS	08/12/2021	5685	5,072.81	0.00	80.00	0.00	597.01 384.42	41.46 0.00	1,579.85 2,707.16	2,895.95 985.00 175.00 1,735.95	DD DD DD
21	CARRIE M BORELL	08/12/2021	5686	2,318.40	0.00	80.00	0.00	311.93 172.33	11.88 0.00	386.10 1,986.55	1,620.37	DD
22	REBECCA L CAMPBELL	08/12/2021	5687	2,080.00	0.00	80.00	0.00	357.78 150.07	5.96 0.00	365.50 1,880.93	1,356.72 450.00 906.72	DD DD
26	RICHARD A MCLEON	08/12/2021	5688	9,583.33	0.00	80.00	0.00	350.07 689.95	132.91 0.00	2,793.71 3,336.01	6,439.55	DD
34	KALO M MANN	08/12/2021	5689	3,422.94	0.00	85.00	0.00	552.35 265.32	98.03 0.00	774.25 1,860.72	2,096.34	DD
35	NATHAN A BURNS	08/12/2021	5690	2,884.80	0.00	80.00	0.00	349.79 220.27	18.95 0.00	732.33 1,581.99	1,802.68	DD
50	KASEY R JENKINSON	08/12/2021	5691	5,494.39	0.00	107.50	0.00	678.67 415.61	16.13 0.00	1,379.04 2,511.88	3,436.68	DD
55	BENJAMIN L MANN	08/12/2021	5692	6,435.66	0.00	120.00	0.00	649.81 491.67	15.88 0.00	1,748.70 1,856.00	4,037.15	DD
74	DAL S HAWKINSON	08/12/2021	5693	3,983.01	0.00	89.50	0.00	483.91 299.19	5.67 0.00	899.39 2,457.64	2,599.71	DD
84	MICHAEL S POLLOCK	08/12/2021	5694	3,800.55	0.00	95.00	0.00	676.07 285.27	6.29 0.00	680.97 2,323.17	2,443.51 100.00 25.00 25.00 25.00 2,268.51	DD DD DD DD DD
85	CHAD A RUPP	08/12/2021	5695	5,271.94	0.00	109.50	0.00	470.63 400.89	46.22 0.00	1,289.83 2,457.64	3,511.48	DD
89	CHRIS R TERHUNE	08/12/2021	5696	6,777.25	0.00	130.00	0.00	528.24 513.65	14.82 0.00	2,241.81 2,457.64	4,007.20	DD
93	MYRON E SEIB	08/12/2021	5697	5,667.81	0.00	113.00	0.00	592.72 429.70	26.89 0.00	1,279.19 2,457.64	3,795.90	DD
99	KEVIN A BRADSTREET	08/12/2021	5698	5,314.20	0.00	110.00	0.00	413.67 406.21	17.64 0.00	1,637.54 1,499.21	3,262.99	DD
108	MARK R MCCULLOCH	08/12/2021	5699	3,279.72	0.00	88.00	0.00	916.05 250.70	21.93 0.00	776.61 1,588.15	1,587.06	DD
117	LEIGHTON J AYERS	08/12/2021	5700	5,240.24	0.00	106.50	0.00	360.17 395.86	12.05 0.00	1,307.48 2,356.22	3,572.59 150.00 3,422.59	DD DD

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Payroll/Labor Check Register

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Pay Date: 08/01/2021 To 08/31/2021

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Other Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
129	STACEY L FOOS	08/12/2021	5701	106.45	0.00	6.75	0.00	0.00	0.00	8.14	98.31	DD
								9.42	0.00	0.00		
130	ANN MARIE JENNINGS	08/12/2021	5702	1,933.60	0.00	80.00	0.00	255.34	8.07	351.70	1,326.56	DD
								137.81	0.00	1,537.31		
131	DIANA KUHLMAN	08/12/2021	5703	1,908.80	0.00	80.00	0.00	339.01	10.75	293.56	1,276.23	DD
								142.82	0.00	1,221.10		
132	DELLON SHELTON	08/12/2021	5704	4,364.36	0.00	127.00	0.00	136.53	1.70	1,325.56	2,902.27	DD
								332.13	0.00	947.64		
134	SCOTT A BRIAND	08/12/2021	5705	1,757.50	0.00	87.50	0.00	80.21	3.00	260.97	1,416.32	DD
								128.73	0.00	980.89		
135	BLAKE MCVICKER	08/12/2021	5706	5,591.91	0.00	121.00	0.00	234.53	3.18	1,678.61	3,678.77	DD
								426.15	0.00	1,056.50		
136	ELI O RUPP	08/12/2021	5707	240.00	0.00	16.00	0.00	0.00	0.00	21.28	218.72	DD
								21.24	0.00	0.00		
5	KATHERINE E LEWIS	08/30/2021		5,072.81	0.00	96.00	0.00	597.01	41.46	1,579.84	2,895.96	
			5708					384.41	0.00	2,707.16	985.00	DD
											175.00	DD
											1,735.96	DD
21	CARRIE M BORELL	08/30/2021	5709	2,782.08	0.00	96.00	0.00	358.30	11.88	501.54	1,922.24	DD
								207.79	0.00	2,009.73		
22	REBECCA L CAMPBELL	08/30/2021		2,496.00	0.00	96.00	0.00	403.54	5.96	470.98	1,621.48	
			5710					181.91	0.00	1,901.73	450.00	DD
											1,171.48	DD
26	RICHARD A MCLEON	08/30/2021	5711	9,583.33	0.00	96.00	0.00	350.07	132.91	2,244.65	6,988.61	DD
								140.89	0.00	3,336.01		
34	KALO M MANN	08/30/2021	5712	4,295.00	0.00	107.00	0.00	552.35	98.03	1,040.80	2,701.85	DD
								332.03	0.00	1,860.72		
35	NATHAN A BURNS	08/30/2021	5713	3,461.76	0.00	96.00	0.00	349.79	18.95	936.26	2,175.71	DD
								264.39	0.00	1,610.84		
50	KASEY R JENKINSON	08/30/2021	5714	5,297.38	0.00	112.50	0.00	755.72	16.13	1,297.75	3,243.91	DD
								400.54	0.00	2,546.90		
55	BENJAMIN L MANN	08/30/2021	5715	4,717.04	0.00	106.00	0.00	649.81	15.88	1,141.16	2,926.07	DD
								360.19	0.00	1,891.02		
74	DAL S HAWKINSON	08/30/2021	5716	4,553.27	0.00	106.00	0.00	565.05	5.67	1,108.16	2,880.06	DD
								342.81	0.00	2,491.45		
84	MICHAEL S POLLOCK	08/30/2021		4,095.99	0.00	106.00	0.00	737.61	6.29	744.99	2,613.39	

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Payroll/Labor Check Register

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Pay Date: 08/01/2021 To 08/31/2021

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Other Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
			5717					307.89	0.00	2,353.94	100.00	DD
											25.00	DD
											25.00	DD
											25.00	DD
											2,438.39	DD
85	CHAD A RUPP	08/30/2021	5718	4,758.66	0.00	106.00	0.00	538.25	46.22	1,108.39	3,112.02	DD
								361.63	0.00	2,491.45		
89	CHRIS R TERHUNE	08/30/2021	5719	4,247.13	0.00	99.00	0.00	595.86	14.82	1,296.81	2,354.46	DD
								320.09	0.00	2,491.45		
93	MYRON E SEIB	08/30/2021	5720	4,099.22	0.00	97.00	0.00	694.15	26.89	766.06	2,639.01	DD
								309.70	0.00	2,491.45		
99	KEVIN A BRADSTREET	08/30/2021	5721	4,758.94	0.00	106.00	0.00	488.05	17.64	1,430.15	2,840.74	DD
								363.74	0.00	1,533.02		
108	MARK R MCCULLOCH	08/30/2021	5722	3,774.02	0.00	101.00	0.00	985.63	21.93	932.08	1,856.31	DD
								288.52	0.00	1,617.14		
117	LEIGHTON J AYERS	08/30/2021		5,113.47	0.00	112.50	0.00	373.69	12.05	1,258.91	3,480.87	
			5723					386.15	0.00	2,369.74	150.00	DD
											3,330.87	DD
129	STACEY L FOOS	08/30/2021	5724	149.82	0.00	9.50	0.00	0.00	0.00	11.59	138.23	DD
								13.27	0.00	0.00		
130	ANN MARIE JENNINGS	08/30/2021	5725	2,320.32	0.00	96.00	0.00	274.68	8.07	449.73	1,595.91	DD
								167.39	0.00	1,556.65		
131	DIANA KUHLMAN	08/30/2021	5726	2,290.56	0.00	96.00	0.00	396.27	10.75	378.67	1,515.62	DD
								172.01	0.00	1,240.19		
132	DELLON SHELTON	08/30/2021	5727	2,814.00	0.00	99.00	0.00	158.93	1.70	765.94	1,889.13	DD
								213.52	0.00	970.04		
134	SCOTT A BRIAND	08/30/2021	5728	1,824.00	0.00	96.00	0.00	80.21	3.00	276.50	1,467.29	DD
								133.82	0.00	980.89		
135	BLAKE MCVICKER	08/30/2021	5729	3,806.25	0.00	100.00	0.00	276.53	3.18	1,018.40	2,511.32	DD
								289.55	0.00	1,086.50		
Grand Total:				\$ 178,840.72	\$ 0.00	4,207.75	\$ 0.00	\$ 19,515.99	\$ 1,038.82	\$ 44,571.48	\$ 114,753.25	
								\$ 12,911.65	\$ 0.00	\$ 82,600.01		



SUNFLOWER ELECTRIC POWER CORPORATION BOARD MEETING – SEPTEMBER 15, 2021

CURRENT ACTIVITIES

December Board Meeting

Current topics on the agenda for the planned December strategy session include time-of-use rates/vehicle charging opportunities—PSE/Rich Macke; vehicle charging/business case scenarios—Burns & McDonnell; and a joint strategic initiative between Sunflower and Members—Wholesale to Retail.

The December Board meeting is scheduled for Friday morning, Dec. 10. Both sessions will be held at the InterContinental Hotel, City, MO. As of Aug. 2, masks are required indoors, unless sitting to eat or drink.

FERC Order 2222

Sunflower and Member staff continue to engage with SPP as well as internally to discuss the impacts of FERC Order 2222, also referred to as the 2x4 Order, which addresses the use of Distributed Energy Resources (DERs) behind and in front of distribution meters. The internal taskforce will determine what value Members need to experience from DERs and whether to develop an associated program. Members who would like to add participants to the internal taskforce should contact Al Tamimi.

ICARE – Energy Hedge Option Winter 2021/2022

Sunflower staff, along with ACES staff, have evaluated several financial hedge products to protect against the type of energy price increase Sunflower experienced in February 2021 during extreme weather conditions. The Weather Derivative Energy Call option is designed to hedge the loss of wind generation due to extremely cold temperatures. The Fixed Energy Block option is designed to cover a portion of Sunflower's load not covered by Holcomb dispatchable capacity (on average) with a fixed price block of energy. The Natural Gas Financial Hedge option is designed to cover Sunflower's expected natural gas exposure in January and February 2022 with financial swaps. The Board will seek updated pricing and revisit the hedging products at a special meeting on Sept. 28 to determine a path forward.

PRESIDENT'S REPORT

Operations

Maintaining adequate coal inventory at Holcomb Station continues to be a challenge due to nationwide events impacting coal supply and rail delivery. The derate of the Holcomb unit to 50 percent through the remainder of the year and a two-week maintenance outage in November will help conserve coal for the upcoming winter months.

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Transmission Policy and Planning

Staff reviewed FERC's activity regarding cost allocation in the Southwest Power Pool (SPP). SPP staff are drafting adjustments requested by FERC on the C2 waiver. FERC has issued Advanced Notice of Proposed Rulemaking (ANOPR) FERC regarding reforms for electric regional transmission planning, cost allocation, and generator interconnection processes. Specifically, FERC wants feedback on whether to require transmission providers to establish a process for identifying and planning transmission related to geographic zones with significant renewable energy generation potential; how to appropriately identify and allocate the costs of new transmission facilities consistent with FERC's historic cost allocation standards; and whether participant funding of interconnection-related network upgrades may be unjust and unreasonable.

SPP's Strategic and Creative Re-Engineering of Integrated Planning Team (SCRIPT) is tasked with proposing policies to consolidate planning processes, improve service processes, optimized the transmission network, improve decision quality, facilitate beneficial interregional energy transfers, and improve cost sharing. The SCRIPT drafted a 115-page report on processes and recommendations and will meet Sept. 24 to discuss necessary revisions. Final recommendations will be shared in October with SPP working groups and the SPP Board.

Technology Services - CIP Update

CIP Standards establish processes, practices, and procedures to protect the critical electronic systems needed to support the reliable operation of the bulk electric system that benefits our Members' communities. Currently, 12 CIP Standards and 42 requirements are mandatory and enforceable by the North American Electric Reliability Corporation. The rapid evolution of the standards has increased demand on staff resources to maintain compliance while simultaneously maintaining reliability.

The new version of CIP-008 (Incident Reporting and Response Planning) became effective January 1. CIP-008 requires criteria to evaluate and define "attempts to compromise"; notifications to the National Cybersecurity and Communications Integration Center in addition to the Electricity Information Sharing and Analysis Center; notifications of "attempts to compromise" by end of the next calendar day; and deadlines for providing notifications of the Cyber Security Incident.

Next steps: CIP-013 MRO Self-Certification due March 2022 will include assessment guidance, evidence collection and packaging, and final review and submittal; the CIP v8 Transformation due July 2022 will include designing processes for new CIP-012 Communication between control centers and modifying existing CIP standards (e.g., CIP-005, CIP-010, and CIP-013); and the CIP MRO Audit from June thru November 2022 will include a program assessment, mock audit, responding to multiple evidence requests, and offsite/onsite audits.

Financials

Overall Member loads were up 4.62% from budget for the month and down 1.97% year to date. Large industrial loads were down 3.31% from budget for the month and 2.67% from budget year to date. Year-to-date operating expenses were down 17.6% from budget, a large portion due to the \$10 million Paycheck Protection Plan (PPP) loan forgiveness. Storm Uri caused an increase in the ECA of \$276.22/MWh over budget for the month of February and was the primary contributor to the increase in the year-to-date average Member rate of \$90.16/MWh.

Sunflower Equity

Since August, Sunflower staff have studied ways to ways to mitigate cost impacts of Storm Uri through additional patronage or rate reductions. Staff reviewed patronage retirement constraints as well as risks associated with rate discounts. Staff recommended maintaining Margin for

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Interest (MFI) and Times Interest Earned (TIER) targets consistent with or higher than the TIER granted in the Transmission Formula Rate (TFR) and adjusting patronage versus rates or MFI/TIER targets to meet Member objectives. Extended discussion focused on the already approved patronage, a possible increased patronage distribution, or a rate reduction, as well as timing and amount. The topic will be revisited during the October Board meeting.

2024 Budget

Revenue projections for 2022 changed significantly from 2021 due to lower load forecasts, increased operating costs caused by supply chain disruptions and demand destruction during COVID. Staff presented the preliminary 2022-2024 budget in August, and meetings were scheduled with Members to review the budget and address questions.

Based on discussion with Members, staff presented several changes to the proposed budget by deferring projects to later years and accelerating into the current year, as well as the option to reclass the control system contract expense to capital.

The average Member rate in 2022 is now \$58.07 vs. \$58.06, but there is no change to the average Member rate in 2023 and 2024. The Times Interest Earned (TIER) reduced in 2022 from 1.66 to 1.64, but there is no change in 2023 and 2024.

Board action: The Sunflower Board approved the 2022 budget as shown in BoardPaq.

Board action: The Sunflower Board approved the Income Tax Resolution as presented.

8. General Manager's Report

A. Rates and Reliability Dashboard

Rate Summary - Aug 2021

	current month (\$/kWh)	year to date (\$/kWh)	ytd 2020 avg. (\$/kWh)	
Residential	0.1224	0.1273	10.4%	0.1141
Residential - Seasonal	0.1914	0.2036	6.9%	0.1895
Irrigation	0.0976	0.0903	6.2%	0.0847
C&I 1000kVa or less	0.1207	0.1152	9.1%	0.1048
C&I over 1000 kVA	0.1260	0.1120	14.6%	0.0956
Public Street and Lighting	0.1420	0.1325	6.0%	0.1246
Other Sales to Public Authorities	0.1385	0.1411	-2.1%	0.1441
Sales for Resale - Other	0.0829	0.1053	35.0%	0.0685
Total Sales price per kWh:	0.1098	0.1143	12.9%	0.0995

September 2021			
SAIDI	3.37	Interruption DURATION / average for every member (hrs)	
SAIFI	2.16	Interruption FREQUENCY / Average # of Interruptions per customer	
CAIDI	1.56	Customer Average Interruption Duration Index - IF you are out, how long to expect (hrs).	
ASAI	99.96%	Service Availability	

B. Administration

- 1) Cost-of-Service Study Update. The Revenue Requirements portion of the COSS has been completed and projects that an overall increase in revenue of \$1,040,149 or 6.44% is the minimum required to meet financial metric (TIER, OTIER, DSC, and ODSC) requirements over the next 3-4 years. That amounts to a 1.07% increase per year since January 2016.

Guernsey is now working on Rate class adjustments based on costs to serve each rate class (without "subsidies" from other classes). This can be spread to monthly Customer, energy, or demand charges. I will forward those out in the weekly reports as we get them for your input.

The original schedule was to present the COSS to the Board in October with public meetings in November and December and implementation in January 2022. Because the Revenue Requirement study indicates that a overall increase of at least 6.44% is required changed the schedule to present the COSS to the Board in November with public meetings in December and January. Implementation would be in March or April when members billings are naturally low.

- 2) Annual Salary reviews and Employee evaluations have been completed as per Board Policy 501. Employee Compensation:

"Employees are to be compensated for their performance in such manner as may be passed by the Board. Annual salary review will take place in September with any salary adjustments to become effective October 1. It is the Board's intent that

employees be compensated at or above levels paid in the area for similar work in so far as is possible and practical.”

“In order to provide the maximum opportunity to achieve success, performance evaluations will be performed with each employee in September.”

3) The Credit Card records are available for the Boards review.

C. Operations Report

- 1) New Construction included various connections and service expansions: grain bins for Robert Drees, James Bergin and Scott Coop Grigston elevator, 3 phase to Chad Griffith roller mill, several new oil wells, and various single=phase lines.
- 2) Accidents. Calvin Humburg caught the neutral on the 4 mile rd. We changed out the poles for better clearance, so it does not happen again. Also, Swen Finnigan hit a meter pole in Bazine. We changed out the pole and meter loop.
- 3) Construction Work Plan. New concrete is being set on the yard in Dighton and the new digital radios have been ordered. We are getting cost estimates for steel poles for critical junctions on the 34.5kV line.

D. Operating Margins

- 1) August Income Statement.
 - a. Total Operating Revenue is up \$259,814 over the 10-year average for August.
 - b. Operating Margins for August are \$75,155 with \$347,908 year to date. This produces a OPTIER of 1.39.
 - c. Total Margins are \$69,324 for August with \$362,476 year to date. This gives a 1.41 TIER.
 - d. Billing Past Due (current – Sept 27, 2021)
 - i. 30 day – \$ 4,983.96
 - ii. 60 day – 1,828.82
 - iii. 90 day – 7,565.57 (24 accounts with an average of \$315.23)
- 2) Balance Sheet.
 - a. Cash Balances remain strong at \$7,152,235.
 - b. Equity as a percent of Capitalization is up at 38.72%
 - c. General Funds level is steady at 19%
 - d. Current Ratio is stable at 1.72.
 - e. Total Long-term debt is \$35,999,653 down \$2,703,409 (6.98%) from a high of \$38,703,062 in March 2021.

E. Non-Operating Margins

- 1) Our year-to-date Non-Operating margins [Form 7, Part A, Lines 22(b) + Line 25(b) + Line 27(b)] is a \$14,568 gain.
- 2) Retail Services.
 - a. A \$7,798.09 loss in August and a YTD loss of \$96,669.39.
 - b. Resale Hours (YTD). Billable hours represent 74.22% of total hours.

- c. We currently have \$95,284 in Inventory which has been paid and is waiting for delivery and install. This will offset the current YTD loss of \$96,669.39 (leaving a 1,385.39 loss) and produce an average net margin of \$29,250.
- d. Outstanding Balances. (As of Sept 27, 2021)
 - i. 30-60 day - \$ 3,358.88
 - ii. 60-90 day - \$ 5,001.06
 - iii. Over 90 day - \$ 4,985.77
- 3) Interest earned (YTD) – \$106,461
- 4) Other capital Credits and patronage Dividends (YTD) – \$21,597

F. Member Services

- 1) Military Care Packages in progress: This year we are just asking for contact information rather than donations and items in addition. I plan on contacting the Dighton, Ness, Western Plains, Healy and Bazine schools to see if one of their classes would like to write thank you letters to include.
- 2) Paperless Billing Campaign (begins in October). Significant increases in postal rates stimulated a campaign to incentivize members to “go paperless”. We are offering:
 - a. A \$50.00 drawing for all members who switch through December and a
 - b. A \$15.00 bill credit on next month’s billing to new members.

G. Warehouse /Retail Report

- 1) Material wait time is a major concern. Typically, we would increase inventory in advance of winter, but deliveries have been limited. We are working with our vendors and neighboring cooperatives and believe we have it under control.
- 2) Generac. We have had several inquiries about Generac portable generators, and we are pursuing those leads. Also, we have ordered the new Generator for the Dighton Office.

Respectfully submitted,

Richard McLeon, MBA
General Manager

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION <div style="text-align: right;">KS0042</div>
	PERIOD ENDED August 2021
INSTRUCTIONS - See help in the online application.	BORROWER NAME <div style="text-align: right;">The Lane-Scott Electric Cooperative, Inc.</div>

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII
(check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Richard McLeon

9/20/2021
DATE

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	11,106,076	12,359,412	11,368,987	1,973,902
2. Power Production Expense				
3. Cost of Purchased Power	6,500,402	7,588,294	6,867,374	1,295,078
4. Transmission Expense	1,442			
5. Regional Market Expense				
6. Distribution Expense - Operation	931,766	554,407	679,818	80,104
7. Distribution Expense - Maintenance	545,557	731,418	466,665	114,924
8. Customer Accounts Expense	131,737	116,410	120,271	19,839
9. Customer Service and Informational Expense	27,333	42,159	24,963	3,158
10. Sales Expense	34,727	28,853	31,717	4,685
11. Administrative and General Expense	868,556	820,711	793,274	108,064
12. Total Operation & Maintenance Expense (2 thru 11)	9,041,520	9,882,252	8,984,082	1,625,852
13. Depreciation and Amortization Expense	1,092,323	1,226,205	1,153,242	154,157
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	888,905	887,551	825,611	112,135
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	1,324	97	1,675	11
19. Other Deductions	6,709	15,399	8,400	6,592
20. Total Cost of Electric Service (12 thru 19)	11,030,781	12,011,504	10,973,010	1,898,747
21. Patronage Capital & Operating Margins (1 minus 20)	75,295	347,908	395,977	75,155
22. Non Operating Margins - Interest	134,704	106,461	174,064	2,613
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(42,173)	(113,490)	18,333	(8,444)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	18,198	21,597	20,000	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	186,024	362,476	608,374	69,324

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION KS0042		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED August 2021		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	37	35	5. Miles Transmission		
2. Services Retired	45	28	6. Miles Distribution – Overhead	2,036.59	2,035.37
3. Total Services in Place	6,028	6,049	7. Miles Distribution - Underground	7.53	7.66
4. Idle Services (Exclude Seasonals)	232	248	8. Total Miles Energized (5 + 6 + 7)	2,044.12	2,043.03
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	58,406,822		30. Memberships	0	
2. Construction Work in Progress	261,177		31. Patronage Capital	21,708,074	
3. Total Utility Plant (1 + 2)	58,667,999		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	18,868,439		33. Operating Margins - Current Year	347,908	
5. Net Utility Plant (3 - 4)	39,799,560		34. Non-Operating Margins	555,868	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	132,862	
7. Investments in Subsidiary Companies	219,889		36. Total Margins & Equities (30 thru 35)	22,744,712	
8. Invest. in Assoc. Org. - Patronage Capital	10,935,588		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	33,472,786	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	221,958		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	6,820,824	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	4,293,957	
14. Total Other Property & Investments (6 thru 13)	11,828,397		43. Total Long-Term Debt (37 thru 41 - 42)	35,999,653	
15. Cash - General Funds	110,168		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	100		45. Accumulated Operating Provisions and Asset Retirement Obligations	0	
17. Special Deposits	25		46. Total Other Noncurrent Liabilities (44 + 45)	0	
18. Temporary Investments	6,294,631		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	1,518,976	
20. Accounts Receivable - Sales of Energy (Net)	2,068,716		49. Consumers Deposits	106,315	
21. Accounts Receivable - Other (Net)	290,897				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	2,270,099	
23. Materials and Supplies - Electric & Other	422,946		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	39,184		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	72,668		53. Other Current and Accrued Liabilities	1,516,055	
26. Total Current and Accrued Assets (15 thru 25)	9,299,335		54. Total Current & Accrued Liabilities (47 thru 53)	5,411,445	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	3,228,518		56. Other Deferred Credits	0	
29. Total Assets and Other Debits (5+14+26 thru 28)	64,155,810		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	64,155,810	

LANE-SCOTT ELECTRIC ENERGY SALES STATISTICS FOR AUGUST 2021

CLASS OF SERVICE	NO. RECEIVING SERVICE		kWh SOLD		AMOUNT BILLED		Y.T.D AVERAGE		SALE PRICE PER kWh Y.T.D.
	Y.T.D. AVG.	THIS MONTH	THIS MONTH	Y.T.D.	THIS MONTH	Y.T.D.	kWh USED	AMOUNT	
Residential Sales	2,228	2,228	2,981,213	16,855,973	\$364,949	\$2,103,329	946	\$117.99	12.48
Residential Sales-Seasonal	50	51	18,235	85,154	\$3,134	\$18,425			
Irrigation Sales	331	332	2,412,728	6,824,875	\$235,476	\$629,651			
Small Commercial	1,851	1,849	4,236,781	32,418,950	\$511,234	\$3,734,215	2,190	\$252.21	11.52
Large Commercial	178	179	2,936,814	22,422,576	\$382,509	\$2,819,825	15,757	\$1,981.61	12.58
Public Street Lighting	13	13	35,946	287,568	\$5,105	\$38,113			
Public Building Sales	49	49	40,414	254,740	\$5,599	\$35,422			
Non-Domestic	1,057	1,061	192,184	1,347,132	\$37,197	\$268,323			
City of Dighton	1	1	1,165,801	6,605,046	\$96,590	\$661,084	825,631	\$82,635.50	10.01
Idle Services on rate 90	37	35	0	0	(\$63)	\$2,268			
Large Industrial	3	3	2,709,660	22,391,060	\$328,941	\$2,194,877	932,961	\$91,453.21	9.80
Irrigation Horsepower Charges	0	0	0	0		\$267,015			
Total Energy Sales	5,799	5,801	16,729,776	109,493,074	\$1,970,671	\$12,772,547			11.67
Other Electric Revenue					(\$1,970,671)	(\$12,772,547)			
Total									

SUBSTATION DATA

Substation	(NCP)KW	kWh Purchased	Cost Per kWh	kWh Sold	Line Loss	Load Factor-P	Load Factor-S
Beeler-Sub 3	7,349	3,934,139		3,544,817	9.90%	71.95%	64.83%
Dighton-Sub 1 - 7200	2,969	1,722,232		1,593,301	7.49%	77.97%	72.13%
Dighton-Sub 2 - 14400	6,857	2,554,436		2,499,410	2.15%	50.07%	48.99%
Manning-Sub 4	7,231	4,324,498		4,105,643	5.06%	80.38%	76.31%
LS Seaboard-Sub 5	266	137,330		131,027	4.59%	69.39%	66.21%
Twin Springs Lo 7.6-Sub 7	367	201,459		185,064	8.14%	73.78%	67.78%
Twin Springs Hi 14.1-Sub 8	369	174,728		161,248	7.71%	63.64%	58.73%
City of Dighton	2,783	1,058,122	7.9400	1,058,122	0.00%	51.10%	51.10%
City of Dighton - WAPA	176	107,679	2.6000	107,679	0.00%	82.23%	82.23%
Alexander 115	2,185	1,128,212		1,049,169	7.01%	69.40%	64.54%
Ness City 115	5,631	2,373,606		2,294,296	3.34%	56.66%	54.76%
Total	36,183	17,716,441	6.9400	16,729,776	5.57%	65.81%	62.15%

RUS/CFC LOAN FUND TRANSACTIONS

MISC.

OTHER STATISTICS

					Y.T.D	M.T.D.
Gross Obligation to RUS	\$ 54,111,889	General Fund Balance	\$109,898	Miles Energized	2043.03	
Pymts Applied Against Principal	\$ 19,786,183	MMDA Investments	\$415,850	Density	2.84	
Net Obligation to RUS	\$ 34,325,706	Cash Available at Month End	\$525,748	kWh Purchased	116,513,529	17,716,441
CFC Line of Credit	\$ -			kWh Sold (Inc. Office Use)	109,544,226	16,736,104
CoBank Line of Credit	\$ -	CFC Investments - CP, SN, MTN	\$5,878,781	Percent of Line Loss	5.98%	5.53%
CFC Note #9004-RUS refinance	\$ 5,599,127	CFC CTC's	\$221,958	Idle Services	248	
CFC Note #9006-RS Prepymt	\$ 331,264			Oper. Revenue Per kWh Sold	11.28	11.79
CoBank Note-Feb 21 Winter Event	\$ 2,307,612			Expense Per kWh Sold	10.96	11.35
PPP Loan	\$ -			Income Per Mile		966.16
				Expense Per Mile		929.38

ACCOUNT AGING

	Current	30-89 Days	90 Plus
Irrigation Accounts Receivable	\$212,582		
Electric Accounts Receivable	\$1,686,217	\$24,649	\$6,629
Retail Accounts Receivable	\$63,977	\$7,516	\$3,317

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	\$36,754.36	\$43,398.07					\$304,695.50	415.1
Exp.-Electrician & Mat.	416.1/11	\$37,455.59	\$33,719.44	\$58,676.34	\$53,497.52	\$46,608.94	\$40,092.82	\$41,190.87	\$47,974.50					\$359,216.02	416.1
		(\$15,476.29)	\$6.52	(\$22,072.69)	\$9,057.85	(\$16,102.52)	(\$920.45)	(\$4,436.51)	(\$4,576.43)	\$0.00	\$0.00	\$0.00	\$0.00	(\$54,520.52)	
Rev.-Appliance Repair	415.2	\$18,124.45	\$16,600.50	\$10,552.30	\$20,556.46	\$15,359.94	\$17,982.14	\$17,238.50	\$19,202.59					\$135,616.88	415.2
Exp.-Appliance Repair	416.2/21	\$21,949.19	\$25,502.80	\$21,943.61	\$24,239.04	\$20,640.74	\$24,282.83	\$21,500.39	\$22,813.30					\$182,871.90	416.2
		(\$3,824.74)	(\$8,902.30)	(\$11,391.31)	(\$3,682.58)	(\$5,280.80)	(\$6,300.69)	(\$4,261.89)	(\$3,610.71)	\$0.00	\$0.00	\$0.00	\$0.00	(\$47,255.02)	
Rev.-Member Damages	415.3	\$3,088.75	\$0.00	\$1,386.50	\$444.50	\$0.00	\$1,372.50	\$204.39	\$0.00					\$6,496.64	415.3
Exp.-Member Damages	416.3	\$893.06	\$0.00	\$605.60	\$0.00	\$605.11	\$401.57	\$142.91	(\$205.47)					\$2,442.78	416.3
		\$2,195.69	\$0.00	\$780.90	\$444.50	(\$605.11)	\$970.93	\$61.48	\$205.47	\$0.00	\$0.00	\$0.00	\$0.00	\$4,053.86	
Finance Charges	415.5	\$117.64	\$87.85	\$133.25	\$142.52	\$84.02	\$99.59	\$203.84	\$183.58					\$1,052.29	415.5
MARGIN-Retail		(\$16,987.70)	(\$8,807.93)	(\$32,549.85)	\$5,962.29	(\$21,904.41)	(\$6,150.62)	(\$8,433.08)	(\$7,798.09)	\$0.00	\$0.00	\$0.00	\$0.00	(\$96,669.39)	
Misc. Income	421.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00					\$0.00	421.0
Gain on Disposal	421.1	\$0.00	\$0.00	\$50.00	\$0.00	\$4,000.00	\$0.00	\$0.00	\$0.00					\$4,050.00	421.1
Loss on Disposal	421.2	\$0.00	\$0.00	\$0.00	\$0.00	(\$20,224.72)	\$0.00	\$0.00	(\$645.60)					(\$20,870.32)	421.2
NET NON-OP MARGIN		(\$16,987.70)	(\$8,807.93)	(\$32,499.85)	\$5,962.29	(\$38,129.13)	(\$6,150.62)	(\$8,433.08)	(\$8,443.69)	\$0.00	\$0.00	\$0.00	\$0.00	(\$113,489.71)	

	Current Month				YTD Total			
	Billed Hours	Unbilled Hours	Hourly Rate	Total Unbilled Rev	Billed Hours	Unbilled Hours	Hourly Rate	Total Unbilled Rev
Kalo	165	27	\$ 85.00	\$ 2,295.00	1093	413	\$ 85.00	\$ 35,105.00
Michael	148	53	\$ 85.00	\$ 4,505.00	1101.25	411.75	\$ 85.00	\$ 34,998.75
Mark	149	40	\$ 85.00	\$ 3,400.00	1139.5	360	\$ 85.00	\$ 30,600.00
Eli	25	0	\$ 35.00	\$ -	77	0	\$ 35.00	\$ -
	487	120		\$ 10,200.00	3410.75	1184.75		\$ 100,703.75

80.23%

74.22%

9. Old Business

Strategic Plan Update

October 4, 2021

The Board of Trustees and General Manager of Lane-Scott Electric Cooperative met on November 5, 2020 in a Strategic Planning session that was facilitated by CFC's Lindy LaChance and Mike Lewis. The goals of the session were to achieve consensus on the strategic goals Lane-Scott EC will focus on during the next three years and develop an implementation plan for the strategic goals. The planning group achieved consensus on the following strategic goals:

Number	Strategic Goals	completion	Last update
1	Demonstrate leadership in employee and public safety. <ul style="list-style-type: none">Fully implement KEC Safety Accreditation.Explore improved field communication technology.Develop improved record keeping.Ensure free flow of information via whistleblower policy.	58%	36%
2	Identify, assess, and mitigate cyber security risks. <ul style="list-style-type: none">Research and implement cybersecurity mitigation strategies.Identify and make necessary investments in hardware, software, and facilities.Establish a cybersecurity training and awareness regimen for employees and members.	55%	45%
3	Complete and evaluate the results of a cost-of-service study. <ul style="list-style-type: none">Line extension policy impact.Rate structure and level impact.Prepaid metering assessment.Streamline security lighting program.	58%	21%
4	Assess and complete all remaining elements of the 2019 Strategic Plan. <ul style="list-style-type: none">Review existing plan progress.Evaluate remaining goals for continued relevance.Complete all incomplete goals and objectives.	97%	97%

Action Items:

- Present the strategic plan to the board at the January 2021 board meeting. The Board of Trustees met in regular session on January 11, 2021 and approved the Strategic Plan as presented. The Board also approved that the Strategic Plan would serve as the basis of the General Managers evaluation.
- Provide updates to the board on a quarterly basis. This is the first quarterly update.

Implementation and Overview.

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

Goal 1: Demonstrate leadership in employee and public safety. 36% complete.

Safety is an area where we will never be “done”. This strategic goal was divided into four critical areas which the Safety Council has used as the basis for the 2021 Safety Program.

- A. Fully implement the KEC Safety Accreditation. We are looking at this from two sides: first is the actual KEC Safety Accreditation Program, second is the LSEC Safety Program.
 - i. RESAP / Annual Supervisory Inspections and improvements. This involved correcting items identified on various KEC and Federated Insurance inspections – *85% completed*.
 - ii. Lane-Scott Safety Program.
 - a. Employee
 - 1. Research and implement OSHA Emergency Action Plan (EAP) - *done*.
 - 2. Research and implement RUS electric program loan Emergency Response Plan (ERP) – *done*.
 - 3. Update / Develop Lane-Scott EAP and DRP – *50% completed*
 - 4. Review and implement Fire, Fire Extinguisher, Tornado, and General Evacuation Procedures and Drills – *implemented*.
 - 5. Employee Safety Training. This includes but is not limited to: CPR / AED, Live shooter, pole rescue, OSHA 10-hour, heat injuries, etc. – *implemented*.
 - b. Public Safety
 - 1. Demonstration (Arching) Trailer – *delayed until 2022 due to higher trailer costs*.
 - 2. Storm Restoration Guide for Visiting Crew Booklet – *completed*
 - 3. Public Safety demonstrations and Training – *5%*
 - 4. Increased public safety messaging in KCL, social media, newsprint, and radio.
 - c. Update Safety Manual – *completed*.
- B. Explore improved field communication technology. The 2021 Construction Work Plan identifies replacing the existing analog radio system. A new Motorola digital system has been ordered and we hope to have installation this year – *25% completed*.
- C. Develop improved record keeping – *20% complete*.
 - i. Electronic form templates are being created and tested for safety briefings, maintenance inspections, etc. – *15%*
 - ii. Updates to SRS outage reason codes and ticket reporting – *completed*.
 - iii. I am planning to hire a part-time / seasonal employee this summer to move documents to the iVue Document Vault if the financials allow. *I have removed this item after Winter Storm Uri presented some financial challenges*.
- D. Ensure free flow of information via whistleblower policy. *70% complete*.
 - i. Whistleblower policy updated and implemented – *completed*.
 - ii. Discuss with employees at Safety meetings – *completed*.
 - iii. We are planning an all-employee survey this year to measure employee satisfaction.
- E. OSHA SHARP. We are exploring the OSHA SHARP program. *90% complete*. All forms have been submitted to OSHA and we are waiting on their reply.

Goal 2: Identify, assess, and mitigate cyber security risks. 55% complete.

Cybersecurity is an area where we will never be “done”. This strategic goal was divided into three critical areas which Carrie has used as the basis for a Cybersecurity Strategic Plan. Carrie has made great strides in our protection and has provided a Strategic Planning 2021 2nd Quarter – Cyber Security update which is included in the Board Packet.

- A. Research and mitigate cybersecurity mitigation strategies. This is by far the most comprehensive item.
- B. Identify and make necessary investments in hardware, software, and facilities.
- C. Establish a cybersecurity training and awareness regimen for employees and members.

Goal 3: Complete and evaluate the results of a cost-of-service study. 59% complete.

- A. Data gathering. Rebecca and Kathy have begun uploading data to Guernsey – 100%
- B. Revenue Requirement. *100% complete.*
- C. Rate Design and review. Guernsey has begun this study – 50% complete.
- D. Financial Forecast. – 20% complete.

The Cost-of-Service Study is scheduled for the third quarter of 2021. We have begun preparations as follows:

- Assemble a Tariff document. The components of the Tariff are currently scattered between Board Policies, Operating Policies, Rules and Regulations, and Rate Sheets. I am consolidating these into a single, comprehensive document – 50%
- Construction Work Plan. Much of the operations load data used in the CWP can be applied to the COSS for C&I rates. This is mainly demand information – done.
- COSS training. Kathy and Rebecca attended virtual COSS training class offered by Guernsey. This gives them insight into how rates are designed and what data is required - done

Goal 4: Assess and complete the remaining elements of the 2019 Strategic Plan. 99% complete

The 2019 Strategic Plan identified the following 3-year goals:

Number	Primary Strategic Goals	Completion	Last update
1	Continuous improvement of the safety program, to include construction height requirements review.	100%	100%
2	Craft a long-term comprehensive technology plan focused on maximizing utilization, resource requirements, and the outage management system.	100%	100%
3	Develop a financial plan to include a long-term forecast, equity management plan, rates (formulary and decoupling) and capital credits (discounting).	98%	98%
4	Create a comprehensive member communication / engagement plan to include social media, information content and outage notification.	100%	100%
5	Implement a succession plan for key employees (accounting and operations management) and board members (potential nominating committee utilization for appointments) to include education and development focus.	90%	75%

Number 1: Continuous improvement of the safety program, to include construction height requirements review - **100% complete within the scope of this item.**

This Strategic Goal was divided into three areas:

- A. Benchmarking. This was established using OSHA and Workman's Compensation data.
- B. Safety Strategic Plan. This plan was created and is reviewed monthly.
- C. Line Clearances. Operations employees were trained on clearances and provided Line Clearance materials. A Work Order was established to track reported deficiencies and remediation and a member communications campaign was established.

Number 2: Craft a long-term comprehensive technology plan focused on maximizing utilization, resource requirements, and the outage management system – **100% complete within the scope of this item.**

This Strategic Goal was divided into four areas:

- A. NISC Maximization. A series of virtual meeting was accomplished across LSEC with NISC. These meeting identified strengths and weaknesses in our application of the existing iVue system.
- B. SCADA implementation and integration. We worked with Landis & Gyr and NISC to integrate limited automation and information flow. This allowed us to launch an on-line Outage Map on our website and has given us much better outage management information.
- C. CyberSecurity. A Comprehensive plan was developed as required. Cyber Security has moved forward into the 2020 Strategic Plan.

- D. Hineman Tower. The tower has been inspected and a \$57,800 investment made in repairs. The lease contract has been renewed to April 1, 2025.

Number 3: Develop a financial plan to include a long-term forecast, equity management plan, rates (formulary and decoupling) and capital credits (discounting) - **100% complete within the scope of this item.**

This Strategic Goal was divided into six areas:

- A. Depreciation study – completed.
- B. Equity management study – completed.
- C. Capital Credits Plan – 100% completed.
 - i. Rotation. A payment plan was created and presented to the Board in the End of Year report. This was carried forward into the Financial Forecast.
 - ii. Discounted. *A discounted plan has been development and will be presented to the Board as an amendment to Board Policy 113.*
- D. Financial Forecast – completed.
- E. Construction Work plan and Loan – carried forward to 2020 Strategic Plan.
- F. Rates – carried forward to 2020 Strategic Plan.

Number 4: Create a comprehensive member communication / engagement plan to include social media, information content and outage notification – **100% complete within the scope of this item.**

This Strategic Goal was divided into three areas:

- A. Key Accounts Program. The database has been created and is updated quarterly. We have used this database to contact them on several issues.
- B. Retail Wheeling legislation. Relationships have been developed with KEC as well as KS and US legislators. Retail wheeling issues are monitored and there is currently no credible push for Retail Wheeling in Kansas.
- C. Member Survey. Two member surveys were accomplished by LSEC.

Number 5: Implement a succession plan for key employees (accounting and operations management) and board members (potential nominating committee utilization for appointments) to include education and development focus – **95% complete within the scope of this item.**

This Strategic Goal was divided into two areas:

- A. Employees
 - i. Wage and Salary Plan. Wages and Benefit reviews are ongoing. Our goal is to remain competitive to assure we can attract and retain high quality employees.
 - ii. Training. Training opportunities are being identified and offered grow employee skill sets. Also, we have established training record files for each employee.
 - iii. Retirement tracking. All employee retirements are projected and tracked. This allows planning time to identify and develop potential key employees.
- B. Board of Trustees
 - i. Trustee applicant process. A process to ensure Board applicants are properly vetted according to the Bylaws has been developed and implemented. This process precedes sending applicants to the Nominating Committee for consideration.

- ii. Bylaws amendment. *The Bylaws amendment related to filing vacancies, election, and nomination of Trustees was passed by the membership at the 2021 LSEC Annual Meeting.*

2021 Strategic Plan Updates

		April	July	Oct
1	Demonstrate leadership in employee and public safety.	30	36	58
	· Fully implement KEC Safety Accreditation.	65	85	85
	· Explore improved field communication technology.	5	10	25
	· Develop improved record keeping.	20	20	20
	· Ensure free flow of information via whistleblower policy.	60	60	70
	· Develop OSHA SHARP	0	5	90
2	Identify, assess, and mitigate cyber security risks.	35	45	55
	· Research and implement cybersecurity mitigation strategies.	Carrie assessment	Carrie assessment	Carrie assessment
	· Identify and make necessary investments in hardware, software, and facilities.			
	· Establish a cybersecurity training and awareness regimen for employees and members.			
3	Complete and evaluate the results of a cost-of-service study.	5	21	59
	· Data gathering	0	65	100
	· Revenue Requirement Study	0	5	100
	· Rate Design	0	0	25
	· Financial Forecast	0	0	20
	· Tariff document	25	35	50
4	Assess and complete all remaining elements of the 2019 Strategic Plan.	95	97	99
	· Continuous improvement of the safety program, to include construction height requirements review.	100	100	100
	· Craft a long-term comprehensive technology plan focused on maximizing utilization, resource requirements, and the outage management system.	100	100	100
	· Develop a financial plan to include a long-term forecast, equity management plan, rates (formulary and decoupling) and capital credits (discounting).	98	98	100
	· Create a comprehensive member communication / engagement plan to include social media, information content and outage notification.	100	100	100
	· Implement a succession plan for key employees (accounting and operations management) and board members (potential nominating committee utilization for appointments) to include education and development focus.	75	90	95

10. a. 2021 Special Distribution Capital Credit Retirement

Board Policy 113, Expectation G. Special Capital Credit Retirements provides the Cooperative the opportunity to make special retirements for a variety of reasons, among them Estate Liquidations. The policy states that these retirements will be made twice annually, in April and October upon the approval of the Board of Trustees.

This fall, staff presents a total of \$14,382.58 in Estate Liquidation requests for the Boards consideration. Staff warrants that these accounts are eligible for the special retirement of distribution allocations. G&T allocations will be held until such time as the G&T retires them.

CAPITAL CREDIT LIQUIDATION REQUESTS SUBMITTED FOR BOARD APPROVAL OCTOBER 2021							
Last Name	First Name	Cust No.	ELEC-COOP	ELEC-MKEC	Total ELEC Amount	Form W-9	G&T <i>not paid</i>
Brackney	Kenneth H.	20586	\$ -	\$ 265.78	\$ 265.78	N/A	\$ 166.33
Daubert	Florence L.	4095	106.73	-	106.73	N/A	-
Diemer	Delores	40344	-	462.34	462.34	N/A	281.64
Flax	Jonathan F.	60342	-	516.39	516.39	N/A	304.37
Fritzler	James S.	60082	1,059.84	757.31	1,817.15	Received	1,154.91
Grose	Twila M.	70301	-	363.14	363.14	N/A	229.67
Hogsett	Marcheta M.	80497	-	437.89	437.89	N/A	258.50
Johnston	Alvin C.	100046	1,590.89	-	1,590.89	N/A	2,398.87
Johnston	James C.	100021	1,758.80	-	1,758.80	Received	-
Kraft	Hubert	110223	-	366.12	366.12	N/A	223.79
Moomaw	W. Max	130123	1,758.95	-	1,758.95	N/A	1,142.72
Moore	Bernice L.	130504	-	302.14	302.14	N/A	188.56
Munsch	Marina	130282	136.00	363.80	499.80	N/A	237.72
Pavlu	Anthony J.	16011	47.71	-	47.71	N/A	-
Schuckman	Floyd E.	190776	-	540.57	540.57	N/A	330.98
Sehl	Thomas E.	190808	-	2,229.62	2,229.62	Received	1,354.72
Stenzel	L. Joanne	190887	-	452.30	452.30	Received	302.39
Stiawalt	Wayne L.	190239	169.52	343.74	513.26	N/A	213.53
Tillitson	Mary Lou	200157	-	353.00	353.00	N/A	228.19
Total LSEC Coop Pay Outs					<u><u>\$ 14,382.58</u></u>		

Staff requests that the Board approve the above Special Retirements.

10. b. Board Policy 113 Capital Credits

Staff is proposing amending LSEC Board Policy 113 Capital Credits to move Special Capital Credit Retirements from April and October to June and December.

The purpose of the request is to level the workload on Staff. April typically involves the financial Audit and October is occupied with the coming years' budgeting and forecasts. June and December have less activity in the finance and accounting section. The proposed amendment would be effective November 1, 2021, to avoid conflict with the October 2021 Special Capital Credit retirement. The proposed amendment is:

A. Special Capital Credits Retirements.

- 1. The Cooperative may specially retire 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 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.*

Staff requests the Board approve this amendment to Board Policy 113 Capital Credits.

LANE-SCOTT ELECTRIC COOPERATIVE, INC. POLICY

Dated: November 1, 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 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 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 June and December, upon approval by the Board of Trustees.

- 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.

10. c. 2021 General Distribution Capital Credit Retirement

Background

The Lane-Scott Electric Cooperative currently has \$9,582,564.89 in allocated but unretired LSEC and MKEC Distribution Capital Credits. These unretired Capital Credits date from 1988. Most people agree that the overall goal of a Capital Credit retirement program is to return equity (capital) to inactive members who are no longer benefiting from Cooperative membership.

The Board has a Strategic initiative to retire Capital Credits with the goal of reducing the rotation cycle from 33 calendar years to a 20- or 25-year cycle. An analysis of our Capital Credit allocation shows:

- Active members of Lane-Scott currently account for 77.55% of distribution Capital Credits allocated (22.45% inactive).
- There are thirteen years of unallocated Capital Credits since 1988 (1989-1992, 1996, 2003, 2010-2015, and 2020).
- There are two distribution sources of equity (LSEC and MKEC) until the asset merger.

Since Capital Credits represent member / owner equity in the LSEC utility plant, staff recommends an average retirement based on the overall depreciation cycle. We would calculate this number annually using the audited, year-end Form 7 and the total capital credit allocation amount after the spring special estate retirement.

$$\frac{\text{Total allocated Capital Credit balance remaining}}{(\text{Yearend Net Utility Plant} \div \text{Yearend Depreciation and Amortization Expense})}$$

Or

$$\frac{\$9,582,564.89}{(\$40,464,618 \div \$1,650,032)}$$

This produces a 2021 General Capital Credit retirement of **\$390,749.73** on an average **24.5-year depreciation cycle**. A retirement of this amount will not compromise the Cooperatives' financial position.

Lane-Scott Electric Cooperative Board Policy 113. Capital Credits §F. 3) requires retiring general Capital Credits on a **First-In, First-Out** schedule. Retiring \$390,749.73 would retire years 1988, 1993, 1994, 1995, 1997, and a small portion of 1998.

The Cooperative has historically applied retirements of \$5.00 or less to active members accounts and mailed checks to inactive members. The expense of processing and mailing checks has increased such that we would recommend that the Board approve applying all active retirements to the members current power bill according to Board Policy 113 unless the active member opts to receive a check.

Therefore, Staff recommends that the Board approve a 2021 General Capital Credit retirement of \$390,749.73 to be paid on a FIFO basis. Staff further recommends that the retirement amount be applied to active members current balance unless the member opts to receive a check.

10. d. 2022 Annual Meeting date

The Lane County Fair Board has set the 2022 County Fair as beginning July 20, 2022.

Staff recommends that the Board set Tuesday, July 19th as the date of the next Annual meeting.

10. e. 2022 Youth Tour Recommendation

Our commitment to the Youth Tour programs is due by 10/29. Additional information including dates, cost, concerns, challenges, and cancellation policies are outlined in the supplemental information.

Last year both programs were cancelled (in-person) so instead we offered six \$1,500.00 scholarships. This year, because no one has a working crystal ball, NRECA and KEC are offering several options which may, or may not occur. After reviewing these options, staff asks the Board to consider:

Washington DC June 16-23:

Due to Coronavirus concerns in Washington DC, we recommend forgoing this program again in 2022. Instead, we propose offering four \$1,500 continuing education scholarships. The total amount for DC is \$7,000 (2 x \$3,500 ea.), so this would reserve \$1,000 in the event there are additional expenses that arise at the Youth Leadership Camp.

Steamboat Springs July 15-22:

We recommend sending two students (2 x \$1,800 ea.) to attend the Youth Leadership Camp in Steamboat Springs. Coronavirus concerns are less due to the nature of a camp, and if exposure/sickness does take place, we are not dependent on airline policy to get kids home.

If the camp is cancelled before promotion of the continuing education scholarship, we recommend the refunded deposit amount and remaining cost of the two trips be applied to additional education scholarships.

Staff proposes offering four \$1,500.00 scholarships in lieu of attending the Washington D.C. Youth Tour and committing to send two students to Youth Leadership Camp. If the YLC is cancelled, staff recommends applying those funds to additional education scholarships.

On-Site Regulatory Compliance Visit
July 23, 2021
(Dighton/Ness City)



Submitted to:
Richard McLeon, General Manager
Lane-Scott Electric Cooperative Inc.

(Dighton)

Warehouse Facilities

South Shop

- DONE** • Maintenance and care of personal protective equipment (PPE) need to be addressed (i.e., face shield (clear) needs to be cleaned or replaced due to excessive contamination.)
[**Note:** recommend personal protective equipment (PPE) be stored in a cabinet to limit damage/contamination.]
29 CFR 1910.132
ANSI z87.1-10
- Will do in October** • Recommend mechanical jumper(s) (MAC's) have insulation dielectrically tested annually.
- Checking on Prices** • Maintenance and care of live-line tools needs to be addressed (i.e., auxiliary (hot) arms (A.B. Chance/cross-arm type) need to be re-glossed due to visual condition (deterioration of the glossy surface).)
[**Note:** after auxiliary arms are re-glossed live-line tools will need to be waxed and tested.]
29 CFR 1910.269
IEEE Std. 978-84
NESC Rule 446
Refer to Utilities Safety Rules/Policies
- DONE** • Signage needs to be installed on portable battery charger (i.e., “Eye/Face Protection Required”, “No Smoking”).
[**Note:** signage would include pictograms.]
29 CFR 1910.441
ANSI z535
- DONE** • Skidding tongs need to be discarded.
- DONE** • Area in front of existing fire extinguishers needs to be identified, visibly marked (painted) to indicate no material stored to ensure devices are readily accessible (i.e., striping/diagonal on floor.)
29 CFR 1910.157
NFPA 10-13
- DONE** • Area in front of existing emergency eyewash station needs to be identified, visibly marked (painted) to indicate no material stored to ensure device is readily accessible (i.e., striping/diagonal on floor.)
29 CFR 1910.151
ANSI z385.1-09

Morton

- DONE** • Area in front of existing fire extinguishers needs to be identified, visibly marked (painted) to indicate no material stored to ensure devices are readily accessible (i.e., striping/diagonal on floor.)
29 CFR 1910.157
NFPA 10-13
- DONE** • Area in front of existing first-aid kit needs to be identified, visibly marked (painted) to indicate no material stored to ensure device is readily accessible (i.e., striping/diagonal on the floor.)
29 CFR 1910.151
ANSI z308.1-2015
- DONE** • Area in front of electrical disconnect(s) need to be identified, visibly marked (painted) to indicate no material stored to ensure device is readily accessible (i.e., striping/diagonal on the floor.)
29 CFR 1910.303
NEC Rule 110.26(A)(1)
- Doing in October** • Threshold at door entrance (walk-in) to warehouse needs to be identified and visibly marked (i.e., painted.)
29 CFR 1910.144
- DONE** • Signage needs to be installed on portable battery charger (i.e., “Eye/Face Protection Required”, “No Smoking”).
[Note: signage would include pictograms.]
29 CFR 1910.441
ANSI z535

Salt Shed

- Replacing Door** • Threshold at door entrance (walk-in) needs to be replaced, identified, and visibly marked (i.e., painted.)
29 CFR 1910.144
- DONE** • Area in front of existing fire extinguishers need to be identified, visibly marked (painted) to indicate no material stored to ensure devices are readily accessible (i.e., striping/diagonal on the floor.)
29 CFR 1910.157
NFPA 10-13
- DONE** • Area in front of electrical disconnect(s) need to be identified, visibly marked (painted) to indicate no material stored to ensure devices are readily accessible (i.e., striping/diagonal on the floor.)
29 CFR 1910.303
NEC Rule 110.26(A)(1)

- DONE** • Recommend flammable (cardboard) be stored away from possible ignition source (i.e., gas heater.)

Meter Room

- DONE** • Area in front of electrical disconnect(s) need to be identified, visibly marked (painted) to indicate no material stored to ensure devices are readily accessible (i.e., striping/diagonal on the floor.)
29 CFR 1910.303
NEC Rule 110.26(A)(1)

Retail Building

- Will do in October by Mark** • Existing flammable storage cabinet needs to be readily accessible (i.e., partially blocked by materials.)
[**Note:** includes storing flammable materials (deicer) in flammable storage cabinet.]
29 CFR 1910.106

- DONE** • Area in front of electrical disconnect(s) need to be identified, visibly marked (painted) to indicate no material stored to ensure devices are readily accessible (i.e., striping/diagonal on the floor.)
29 CFR 1910.303
NEC Rule 110.26(A)(1)

- DONE** • Area in front of existing fire extinguishers need to be identified, visibly marked (painted) to indicate no material stored to ensure devices are readily accessible (i.e., striping/diagonal on the floor.)
29 CFR 1910.157
NFPA 10-13

- Ordering New Face Shields** • Maintenance and care of personal protective equipment (PPE) need to be addressed due to visual condition (i.e., arc rated clothing (bibs/jacket) need to be cleaned and/or replaced.)
[**Note:** refer to current/adopted Arc Hazard Assessment.]
29 CFR 1910.269

Administrative Building

- DONE** • Identification (labeling) of offices/rooms needs to be revised to meet applicable regulation/standard (i.e., existing identification of offices/rooms are on doors.)
[**Note:** placement of signage needs to be beside the door.]
29 CFR 1910.137
NFPA 101-03

- In Progress** • Revision of emergency action plan (map of facility) needs to be revised to include description of each pictogram shown (i.e., key.)
29 CFR 1910.38
NFPA 101-03

Outside Storage Area

- DONE**
- Electrical equipment (transformer (25kva)) is leaking/weeping onto concrete surface.
EPA 40 CFR Section 761

Documentation Review

Regulated Waste (EPA 40 CFR Section 761)

Annual Activities

- DONE**
- Documentation reviewed (2020) needs to be revised to indicate activity in the calendar year;
[**Note:** annual document showed no regulated waste activity.]
 - Electrical equipment (#5T 62204)
[**Note:** tested at 173ppm.]
 - Container ID number KS120120-1B
- DONE**
- Recommend regulated waste activity (address on manifest(s)) be maintained at existing location (i.e., headquarters address.)
- DONE**
- Recommend electrical equipment not be tested before transport (if applicable) to limit possible oil spill while taking samples and documentation requirements per regulation (i.e., transfer of oil samples.)
EPA 40 CFR Section 761

Spill Prevention, Control and Countermeasure Plan (SPCC) (EPA Section 112)

- In Progress**
- Written plan needs to be updated to reflect current additions/modifications to the electrical system and per regulation (i.e., reviewed every 5 years (if no changes have occurred).)
[**Note:** last revision 11/2013.]
[**Note:** also recommend written plan be revised to show job titles not specific names of employees to assist in keeping document current/valid.]
- In Progress**
- Annual training of applicable employees needs to be documented and included with the written plan.
- In Progress**
- Spill response materials need to be available for use as stated in written plan (i.e., absorbents, protective clothing, etc.)

(Ness City)

Warehouse Facilities

Main

- Do In October** • Edge of concrete (walk-in door/eastside) needs to be identified and visibly marked (i.e., painted.)
29 CFR 1910.144
- Send in October** • Recommend mechanical jumper(s) have insulation dielectrically tested annually.
- Myron Will Do** • Area in front of existing fire extinguisher(s) needs to be identified, visibly marked (painted) to indicate no material stored to ensure devices readily accessible (i.e., striping/diagonal on the floor.)
29 CFR 1910.157
NFPA 10-13
- DONE** • Signage needs to be installed on portable battery charger (i.e., “Eye/Face Protection Required”. “No Smoking”).
[**Note:** signage would include pictograms.]
29 CFR 1910.441
ANSI z535

Old Power Plant

- Myron Will Do** • Area in front of electrical disconnect(s) need to be identified, visibly marked (painted) to indicate no material stored to ensure devices are readily accessible (i.e., striping/diagonal on floor.)
29 CFR 1910.303
NEC Rule 110.26(A)(1)
- Myron Will Do** • Area in front of existing fire extinguishers needs to be identified, visibly marked (painted) to indicate no material stored to ensure devices are readily accessible (i.e., striping/diagonal on floor.)
29 CFR 1910.157
NFPA 10-13
- Myron Will Do** • Maintenance of warehouse facility needs to be addressed (i.e., broken windows need replaced.)
- Myron Will Do** • Existing signage on walk-in door (outside/eastside) needs to be removed (i.e., hazard inside building no longer exists.)
- Myron Will Do** • Additional designated aisles/walkways need to be established and visibly marked (i.e., painted.)
29 CFR 1910.22
29 CFR 1910.178

- Checking on Price**
- Maintenance, care and testing of live-line tools needs to be addressed (i.e., auxiliary (hot) arms (cross-arm type) need to be stripped (appears outer surface has been spray-painted and not a gelcoat), re-glossed, waxed and dielectrically tested (last test date 2017).)
29 CFR 1910.269
IEEE Std. 978-84
NESC Rule 446
Refer to Utilities Safety Rule/Policies

Pole Yard/Outside Storage Area

- DONE**
- All wire (conductor) needs to be removed from bushing/lugs of electrical equipment to limit cutting hazard.

- DONE**
- Traffic control device (sign) stored in bed of miscellaneous vehicle (pole trailer) needs to be “Removed-from-Service”, discarded and replaced due to visual condition.
MUTCD-09

Administrative Building (Office)

- Will Move Plant**
- Existing first-aid kit needs to be readily accessible (i.e., being partially blocked by plant.)
29 CFR 1910.151
ANSI z358.1-09

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
SAFETY MEETING
September 28, 2021

Chris Terhune called the meeting to order at 9:05am.

Minutes were read: Dal Hawkinson made a motion to approve the August 17th minutes and Dellon Shelton seconded. Minutes were read and approved as printed.

Present: Kasey Jenkinson, Ben Mann, Dal Hawkinson, Chad Rupp, Chris Terhune, Kevin Bradstreet, Leighton, Ayers Dellon Shelton, Nate Burns, Mark McCulloch, Scott Briand, Ann Marie Jennings, and Diana Kuhlman

Absent: Richard McLeon, Kathy Lewis, Carrie Borrell, Rebecca Campbell, Kalo Mann
Myron Seib and Blake McVicker responding to an outage

Truck report of inspections:

105	Dellon Shelton	OK
110	Myron Seib	OK
112	Leighton Ayers	OK
117	Chris Terhune	OK
123	Mark McCulloch	OK
132	Kevin Bradstreet	OK
135	Nate Burns	OK
136	Dellon Shelton	Windshield needs replaced.
143	Chris Terhune	OK
144	Kalo Mann	OK
145	Chris Terhune	OK
150	Kasey Jenkinson	OK
173	Chad Rupp	Windshield needs replaced.
174	Dal Hawkinson	OK
191	Kalo Mann	OK
193	Myron Seib	OK
200	Ben Mann	OK
304	Myron Seib	OK
305	Myron Seib	OK

Trailer and Equipment report of inspections:

502	Myron Seib	OK
507	Myron Seib	OK
515	Myron Seib	OK
504	Chris Terhune	OK
505	Chris Terhune	OK
508	Chris Terhune	OK
509	Chris Terhune	OK
513	Chris Terhune	OK
516	Chris Terhune	OK
700	Chris Terhune	OK
701	Chris Terhune	OK
702	Chris Terhune	OK
512	Scott Briand	OK
514	Scott Briand	OK

Warehouse, building, and pole yard inspections:

Ness City Warehouse	Myron Seib	OK
Ness Pole Yard & Transformer Dock	Myron Seib	OK
Warehouse	Scott Briand	
Pole Yard & Transformer Dock	Scott Briand	OK
Office	Diana Kuhlman	OK

Personal Tools: All Passed

Gloves Monthly Test Results: 132 rejected for a snag

◆ **Blankets Bi-Annual Test Results:** All Passed.

Substation and Regulator Report: Annual inspection of all regulators. Changed out regulator in Bazine substation. Looking into more cover-up protectors for birds.

PCB Report: None to Report

Line Clearance: None to Report

Accident and Near Misses:

1. Mark McCulloch: Was repairing underground wire, using a knife to strip the jacket. The knife slipped and jabbed his arm. Required 3 stitches.
2. Swen Finnegan: Hit a pole in Bazine.
3. Kerry James: Hit a pole north of Ed Gough's residence with a drill.
4. Earl Stephens: Caught a neutral on-line going to golf course.
5. Humburg's: Stuck auger in neutral. Wrapped it up with the phase.
6. Unknown: Air seeder caught secondary at Norder Supply. Broke wedge clamp on secondary.
7. Dwayne Drees: Residence unknown was drilling wheat and caught anchor, broke secondary out of the transformer.
8. Fire at 160 and N. Rd in Ness Co.
9. Scott McNair: Hit anchor with under cutter and broke wire.
10. Lane Co. Road Dept: Hit anchor on Eagle Rd & Rd 120. Broke strand vice.

Old Business:

- ◆ New 2-way radios are still on order.
- ◆ Dal Hawkinson worked on collectors, changed out sim-cards to NexTech, and is getting new antennas for Boone and Twin Springs collector.
- ◆ All drug and alcohol forms are signed.
- ◆ North lot: Troy Cartmill will start pouring concrete.
- ◆ S&T will not relocate phone pad.
- ◆ KMEA moved transformer pole outside of fence.
- ◆ City of Dighton shut-off water meter.

New Business:

- ◆ Carrie will work on new phones with NexTech.
- ◆ Diana post-accident testing. Need to report immediately to supervisor. Need drug and alcohol test on any accident needing medical assistance, on equipment damage of \$750, or damage or property damage of \$500.
- ◆ New Covid-19 procedures: No need to quarantine if you've been vaccinated unless showing symptoms. If you're sick stay home.
- ◆ Overhead Line Clearance communication going out. Letters, decals, and instructions on what to do if contact is made was sent to agriculture producers, oil rig, key accounts and large equipment members.
- ◆ Mark ordered new 100 KW generator for Lane-Scott facility.
- ◆ New AC on tower building south of town.
- ◆ Ben attended line supervisor training.
- ◆ Scott Briand: The last week in October will be inventory. Ness will now have separate inventory.

◆ Bruce:

- J&J Electric working on single-phase tap, provided power to railroad crossing and farmer. Both were using a generator. The farmer's generator was wired wrong providing power through the electric meter causing back-feed onto line. Lineman noticed and addressed problem.
- Federated had 18 contacts in 2020. In 2021 they already have 17 contacts. Three poles have fell over from linemen climbing poles. One resulted in a fatality. 5 contacts were in Kansas in 2020.

Meeting adjourned.

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Secretary

SAFETY PROGRAM

SAFETY PROJECTS **COMPLETED** AS OF SEPTEMBER 2021

1. KEC October Safety Meeting Topics the biological basis of complacency, accident summary, accidents and upcoming events, and leading indicators.
2. Chris Terhune working on repairing a bad gate opener.
3. OSHA Sharp application is pending.
4. Mobile radio service is ordering radios. Some are on back order.
5. KEC on-site regulatory visit report.
 - a. Ness City shop:
 - i. Edge of concrete (walk-in door/eastside) needs to be identified and visibly marked (i.e., painted.)
 - ii. Area in front of existing fire extinguisher(s) needs to be identified, visibly marked (painted) to indicate no material stored to ensure devices readily accessible (i.e., striping/diagonal on the floor.)
 - iii. Area in front of electrical disconnect(s) need to be identified, visibly marked (painted) to indicate no material stored to ensure devices are readily accessible (i.e., striping/diagonal on floor.)
 - iv. Area in front of existing fire extinguishers needs to be identified, visibly marked (painted) to indicate no material stored to ensure devices are readily accessible (i.e., striping/diagonal on floor.)
 - v. Additional designated aisles/walkways need to be established and visibly marked (i.e., painted.)
6. Ann Jennings member safety awareness publications to either KCL newsletter, social media, SmartHub website, direct email or mailed communication, and/or the Lane-Scott Electric website:
 - a. Generator Safety
 - b. Farm Safety/Overhead Line Clearance
 - c. Dorm Electrical Safety
 - d. High Voltage Demo at State Fair
 - e. Storm Prep for National Preparedness Month

SAFETY PROJECTS **IN PROGRESS** AS OF SEPTEMBER 2021

1. RESAP/Self-Assessment/Annual Supervisor Inspection improvements in progress:
 - Truck #173 – upper boom chipped (Working with Brady at Altec to fix.)
 - Ness Truck Bay – broken windowpane south end near highway is broken and needs replaced.
2. RESAP/Self-Assessment/Annual Supervisor Inspection improvements in work plan:
 - Bazine Substation – center switch beside regulators needs changed out.
 - Dighton City West Substation – needs switch bypass on north side of substation.
 - Ness City Substation – arrestors blown and need replaced.
 - Ransom Substation – arrestors blown and needs replaced.
3. Diana: CDL background checks