



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for June 6, 2022, 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
 - a. Nominating Committee
6. Sunflower EPC Report
7. KEC Report
8. General Managers Report
9. Old Business
10. New Business
 - a. Service rider and fee considerations
 - b. Employee COLA
 - c. Capital Credit Special Retirement
 - d. NRECA Resolution
 - e. Board Policy 505 proposed amendments
11. Safety Report
12. Executive Session
13. Adjourn

Upcoming Events:

Sunflower Board Meeting	Hays	June 15
Office Closed – Independence Day		July 4
LSEC Board		July 11
Annual Meeting		July 19

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**MINUTES OF THE REGULAR MAY 2022
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, May 2, 2022, 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, Eric Doll, Richard Sorem, Paul Seib Jr. and Craig Ramsey. Also present Richard McLeon IV, Kathy Lewis, Randy Robbins, Auditor and Joseph D. Gasper, Attorney. Chad Griffith was absent.

AUDITOR REPORT

Randy Robbins, Bolinger, Segars, Gilbert & Moss, LLP presented the board with the 2021 audit, with highlights as follows:

- The audit is an unmodified opinion of the financial statements for the year ending December 31, 2021 and 2020 in accordance with accounting principles generally accepted in the United States.
- The Balance Sheet shows Total Utility Plant of \$40,519,192, Investments in associated organizations of \$13,247,521, Total Current Assets of \$8,040,313, Deferred Charges of \$2,878,839 for Total Assets of \$64,691,366. Patronage Capital of \$23,208,094, Total Long-Term Debt of \$35,079,001, Total Current Liabilities of \$5,076,502 for Total Equities and Liabilities of \$64,691,366.
- Revenue from Residential services increased \$288,551 over the prior year. Total Operating Revenue increased \$2,822,590 over the prior year. Operating Expenses totaled \$17,245,216. Interest on Long Term Debt totaled \$1,338,205. Net Operating Margins totaled \$1,856,212. Patronage retirements were \$436,369. Year End Patronage Capital totaled \$23,208,094.
- Net Cash from Operating Activities totaled \$4,362,303 and a Net increase of cash of \$154,530 for the year.
- Footnote 3 of the report sets out the detailed major classes of plant as well as the depreciation schedules.
- Footnote 4 of the report sets out investments in associated organizations with the majority of the investments in Sunflower and MKEC.

- Footnote 6 of the report discusses deferred charges. Winter storm Uri caused increased power costs for the month which the cooperative chose to defer \$3,197,628 and to recognize the expense over a period of 42 months.
- Footnote 10 of the report shows a summary of the long term FFB debt as well as a table of payments for the next five years.
- The cooperative has a \$4,000,000 line of credit with CFC and a \$1,000,000 line of credit with CoBank. The cooperative had \$0 outstanding on both lines of credit as of December 31, 2021.
- There is \$278,230 of under-allocated capital credits due to billing timing in previous years creating unbilled revenue at the end of the year. Billing has been changed to prevent this unbilled revenue. The auditor recommends the allocation of the \$278,230 this year as it is a small amount and needs to be allocated.
- Management assisted with the audit with no issues.
- There were no journal entries made. Sunflower sent their actual audit numbers and Lane-Scott trued up their estimated numbers to the actual numbers from Sunflower.
- *A motion to enter executive session to discuss the audit with the auditor was made, duly seconded, and carried at 7:17. The board came out of executive session at 7:19.*
- *A motion to approve the audit report as presented to the board was made, duly seconded, and carried.*

CAPITAL CREDIT ALLOCATION

The board discussed staff recommendations on the allocation of capital credits. Operating Margins totaled \$649,304 for the year, Non-operating margins totaled \$657,691, of which \$619,088 is forgiveness of the PPP loan, and G&T capital credits totaled \$1,405,537. Staff recommends that the Operating Margins be allocated, the G&T capital credits be allocated and the Non-operating margins be retained rather than allocated.

- *A motion to allocate the 2021 Operating Margins in the amount of \$649,304 was made, duly seconded, and carried.*
- *A motion to allocate the 2021 G&T capital credits in the amount of \$1,405,537 was made, duly seconded, and carried.*
- *A motion to retain all Non-operating margins was made, duly seconded, and carried.*

Randy Robbins and Kathy Lewis left the meeting after the audit report and capital credit allocation.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on April 4, 2022. *Hearing no corrections to the minutes, President Jennison declared the minutes stand approved as printed.*

CASH DISBURSEMENTS

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

There were no questions regarding the check list.

PRESIDENT'S REPORT

President Jennison had no current items to report.

ATTORNEY'S REPORT

Attorney 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 the following:

- A copy of the Sunflower audit report was included in the report.
- The CEO search continues, and a change is expected to take place at the first of the year.
- There will be some additional retirements of senior management as well.

Manager McLeon added the following:

- Sunflower is looking at a combined solar and battery test system on a Western CA radial transmission line. This will be interesting for LSEC to watch as most of LSEC's line is also on a radial system.
- The Sunflower annual meeting will be May 17, in Hays.

KEC REPORT

There was no KEC meeting. The next KEC meeting will be May 11 & 12.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- The March sales showed an increase of 8% which is beginning to reflect the rate adjustment.
- A strategic plan update was discussed. A lack of progress in some areas is due to lack of supplies due to supply chain constraints. Work on a training and development plan to develop managerial skills is beginning.
- The end of year report will be available next month. We were able to hold controllable expenses in check which helped to contribute to a good financial year.
- Long term debt was reduced by 0.7% in 2021. The blended interest rate is 3.01% and capital credits returned were \$390,749.
- Several idle services have been retired which has helped to bring some additional transformers back. Transformer availability continues to be an issue with some sizes being 70 months out on availability.
- Total Operations Margins for the month totaled \$486,158. Non-operating margins showed a loss of \$512 for the month and \$12,780 for the 1st quarter. Equity is 38.39% and the current ratio is 1.86.
- Ann Marie is working on researching and preparing grants for the hardening of the system. KEC will be helping with the grants.
- Manager McLeon discussed the cow loss with Phil Habiger and agreed to a settlement amount. Mr. Habiger will be paid when he comes in and signs a release.

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

There was no old business before the board.

NEW BUSINESS

1. Manager Evaluation.

Manager McLeon added the following prior to the board discussion:

- Inflation is expected to be 8.56% this year and it is affecting some employees. The Manager would like the board to consider a mid-year COLA increase for all employees.

A motion to enter executive session to discuss the manager evaluation was made, duly seconded and carried at 7:49. The board came out of executive session at 8:10

A motion to increase the Manager's Salary by \$7,000 to \$237,000 effective June 1, 2022, was made, duly seconded and carried.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 8:15 p.m., on Monday, May 2, 2022.

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Accounts Payable Check Register

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2701 04/29/2022	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Invoice	228.94
2706 05/02/2022	WIRE	1187	MIDWEST ENERGY	Monthly Invoice	1,040.78
48390 05/02/2022	CHK	20	BASIN ELECTRIC POWER COOP	March Dispatch Fee	2,127.37
48391 05/02/2022	CHK	23	FEDERATED RURAL ELECTRIC	Work Comp	2,847.00
48392 05/02/2022	CHK	24	FINNEY COUNTY TREASURER	2nd half 2021 Property Tax	32,333.45
48393 05/02/2022	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	57,000.00
48394 05/02/2022	CHK	28	GOVE COUNTY TREASURER	2nd half 2021 Property Tax	6,911.64
48395 05/02/2022	CHK	33	HODGEMAN COUNTY TREASURER	2nd half 2021 Property Tax	21,176.70
48396 05/02/2022	CHK	46	LANE COUNTY TREASURER	2nd half 2021 Property Tax	155,206.28
48397 05/02/2022	CHK	50	LOGAN COUNTY TREASURER	2nd half 2021 Property Tax	585.71
48398 05/02/2022	CHK	56	NESS COUNTY TREASURER	2nd half 2021 Property Tax	141,925.79
48399 05/02/2022	CHK	68	SCOTT COUNTY TREASURER	2nd half 2021 Property Tax	45,408.86
48400 05/02/2022	CHK	73	STANION WHOLESALE ELEC CO INC	Monthly Invoice	224,206.17
48401 05/02/2022	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	388.61
48402 05/02/2022	CHK	126	CARRIE BORELL	Per Diem-KEC IT Summitt	160.00
48403 05/02/2022	CHK	167	RUSH COUNTY TREASURER	2nd half 2021 Property Tax	17,838.34
48404 05/02/2022	CHK	203	SIGN PRO	Map for lineman	456.00
48405 05/02/2022	CHK	317	JOHN DEERE FINANCIAL	Chain	59.65
48406 05/02/2022	CHK	361	ANN M JENNINGS	Clothing Allowance	205.17
48407 05/02/2022	CHK	513	PHIL HABIGER	Damage to Livestock-March Blizzard	3,000.00
48408 05/02/2022	CHK	803	ALTEC INDUSTRIES, INC	Truck #200	2,892.39
48409 05/02/2022	CHK	1225	CINTAS CORPORATION	Monthly Invoice	86.22
48410 05/02/2022	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Office Supplies	48.21
48411 05/02/2022	CHK	1299	DEANNE DECHANT	Cookies fro Board Meeting	72.00
2718 05/03/2022	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly Invoice	392.92
48412 05/03/2022	CHK	5	ROBERT G MAI	CHECK REWRITE FOR UNCLAIMED	11.58VOID

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
48413 05/03/2022	CHK	5	DEBORAH S FICK	CC General Retire 1988 - 1998	115.34
48414 05/03/2022	CHK	5	JACKIE JANTZ	Rewrite for unclaimed	11.58
48415 05/04/2022	CHK	5	FERRIS PARKER	CC General Retire 1988 - 1998	3.81
48416 05/04/2022	CHK	5	DEANNE BULINSKI	CC General Retire 1988-1998	149.41
48417 05/04/2022	CHK	5	JOE HILLIARD II	CC General Retire 1988 - 1998	6.79
48418 05/04/2022	CHK	5	SHANE STANLEY	CC General Retire 1988 - 1998	18.66
48419 05/04/2022	CHK	5	KALO M MANN	CC General Retire 1988 - 1998	34.90
48420 05/04/2022	CHK	5	NICCI ROWE	CC General Retire 1988 - 1998	26.11
2719 05/06/2022	WIRE	168	ONLINE INFORMATION SERVICES, INC	Utility Exchange Report	44.25
2720 05/06/2022	WIRE	468	U.S. BANK	Monthly Credit Card Statement	13,459.57
2730 05/06/2022	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
2732 05/06/2022	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA Gr 1-May Group Ins	2,718.41
2733 05/06/2022	WIRE	180	NRECA	NRECA Gr 1 Admin Fee-May Gr Ins Adm Fee	223.50
2721 05/09/2022	WIRE	1267	AFLAC	Premiums	693.85
2731 05/09/2022	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS-Group Ins	46,892.47
2722 05/10/2022	WIRE	18	CITY OF DIGHTON	Monthly Invoice	1,292.51
48421 05/10/2022	CHK	1	BLUESTEM ELECTRIC COOPERATIVE, I	March Blizzard Mutual Aid	59,425.84
48422 05/10/2022	CHK	1	DIGHTON USD 482	Food Drive Prize	100.00
48423 05/10/2022	CHK	1	NESS CITY USD 303	Food Drive Prize	100.00
48424 05/10/2022	CHK	1	WESTERN PLAINS SOUTH ELEMENTAR	Food Drive Prize	100.00
48425 05/10/2022	CHK	1	WESTERN PLAINS USD 106	Food Drive Prize	100.00
48426 05/10/2022	CHK	2	CASHIER ACCOUNT	Petty Cash	207.23
48427 05/10/2022	CHK	15	ERIC DOLL	May Board Meeting	390.95
48428 05/10/2022	CHK	30	HAROLD HOSS	May Board Meeting	385.10
48429 05/10/2022	CHK	32	WESCO RECEIVABLES INC	Transformer	5,859.00
48430 05/10/2022	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Dues	7,086.77

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
48431 05/10/2022	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Invoice	741.90VOID
48432 05/10/2022	CHK	55	NESS COUNTY NEWS	Advertising	88.00
48433 05/10/2022	CHK	60	PAUL SEIB JR	May Baord Meeting	388.61
48434 05/10/2022	CHK	63	RICHARD JENNISON	May Board Meeting	365.21
48435 05/10/2022	CHK	96	STEPHENS LUMBER - DIGHTON	Monthly Invoice	106.53
48436 05/10/2022	CHK	104	HOME OIL CO	Monthly Fuel Invoice	1,588.00
48437 05/10/2022	CHK	105	CITY OF NESS CITY	April paystation and postage	616.10
48438 05/10/2022	CHK	117	NESS CITY FARM & FEED	Monthly Invoice	133.90
48439 05/10/2022	CHK	146	REBECCA CAMPBELL	Mileage for Food Drive	51.48
48440 05/10/2022	CHK	164	FAIRBANK EQUIPMENT INC.	Monthly Invoice	871.36
48441 05/10/2022	CHK	179	RAD ROEHL	May Baord Meeting	360.53
48442 05/10/2022	CHK	184	JOHNSTONE SUPPLY	Monthly Invoice	1,396.71
48443 05/10/2022	CHK	187	S&W SUPPLY DIVISION	Mohtly Invoice	584.73
48444 05/10/2022	CHK	238	ILLINOIS MUTUAL	Premiums	153.20
48445 05/10/2022	CHK	242	KINNEY GLASS INC	Replace glass in door at Resale	222.18
48446 05/10/2022	CHK	243	WELL WATCH LLC	DOT Inspection	200.73
48447 05/10/2022	CHK	261	LOCKE SUPPLY CO	Monthly Invoice	283.80
48448 05/10/2022	CHK	304	STECKLINE COMMUNICATIONS INC	Advertising	200.00
48449 05/10/2022	CHK	306	BORDER STATES INDUSTRIES INC	Monthly Invoice	36,324.61
48450 05/10/2022	CHK	366	DIANA KUHLMAN	Per Diem-Basic Benefits in Omaha	224.00
48451 05/10/2022	CHK	380	GRAINGER	Monthly Invoice	368.35
48452 05/10/2022	CHK	387	WESTERN FUEL & SUPPLY	Monthly Fuel Invoice	899.97
48453 05/10/2022	CHK	392	TRUCK CENTER COMPANIES	Monthly Invoice	105.24
48454 05/10/2022	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly Invoice-Supplies	125.99
48455 05/10/2022	CHK	406	RICHARD MCLEON	Per Diem-KEC Board Mtg-Wichita	160.00
48456 05/10/2022	CHK	423	SCOTT CITY AUTOMOTIVE	Belt for #173	45.22

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
48457 05/10/2022	CHK	427	DIGHTON HERALD LLC	Advertising	80.00
48458 05/10/2022	CHK	450	RANDALL G EVANS	May Board Meeting	350.59
48459 05/10/2022	CHK	494	UTILITY ASSET MANAGEMENT INC.	Pole Testing	1,875.00
48460 05/10/2022	CHK	506	K&J FOODS	Supplies	98.77
48461 05/10/2022	CHK	773	BRETZ, INC.	Monthly Invoice	104.00
48462 05/10/2022	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fee	69.60
48463 05/10/2022	CHK	1169	WASHER SPECIALTIES CO.	Monthly Invoice	229.76
48464 05/10/2022	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	2,996.46
48465 05/10/2022	CHK	1197	GARDEN CITY WHOLESALE SUPPLY	Monthly Invoice	5,627.47
48466 05/10/2022	CHK	1251	TECHLINE, LTD	Monthly Invoice	6,314.31
48467 05/10/2022	CHK	1254	EAGLE RADIO	Advertising	450.00
48468 05/10/2022	CHK	1263	RICHARD SOREM	May Board Meeting	400.31
48469 05/10/2022	CHK	1300	CRAIG RAMSEY	May Board Meeting	379.25
2724 05/11/2022	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Invoice	869.93
2723 05/12/2022	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Invoice	187.46
48470 05/13/2022	CHK	1	AMERICAN LEGION RIDERS POST 392	Cobank Sharing Success Grant LSE Match	500.00
48471 05/13/2022	CHK	1	LANE COUNTY FIRE DEPARTMENT	CoBank Sharing Success Grant LSE Match	500.00
48472 05/13/2022	CHK	1	NESS CITY LEISURE YEARS CENTER	Cobank Sharing Success Grant LSE Match	500.00
48473 05/13/2022	CHK	1	NESS COUNTY FAIR	Donation-Fair	100.00
48474 05/13/2022	CHK	1	RANSOM VFW POST	Cobank Sharing Success Grant LSE Match	500.00
48475 05/13/2022	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	54,500.00
48476 05/13/2022	CHK	40	KANSAS ELECTRIC COOPERATIVES	NEC Workshop-Kasey and Leighton	3,750.00
48477 05/13/2022	CHK	105	CITY OF NESS CITY	Monthly Invoice	26.24
48478 05/13/2022	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	232.11
48479 05/13/2022	CHK	113	HALL'S SAFETY EQUIPMENT CORP	Clothing Allownace-Ben	481.90
48480 05/13/2022	CHK	126	CARRIE BORELL	Mtg Expense	399.88

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
48481 05/13/2022	CHK	169	AMERICAN ELECTRIC-GARDEN CITY	Monthly Invoice	2,140.90
48482 05/13/2022	CHK	220	LANDIS+GYR TECHNOLOGY, INC	April SaaS Fee	845.66
48483 05/13/2022	CHK	508	ELI O RUPP	HVAC Labor	382.50
48484 05/13/2022	CHK	903	NISC	Monthly Invoice	10,851.95
48485 05/13/2022	CHK	1248	COMPLIANCE ONE	Drug & Alcohol Testing	283.50
48486 05/13/2022	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	163.10
2725 05/18/2022	WIRE	1229	SCHABEN SANITATION	Monthly Invoice	556.80
2726 05/24/2022	WIRE	101	ATMOS ENERGY	Monthly Invoice	85.85
2727 05/25/2022	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	21,724.88
2728 05/25/2022	WIRE	264	KS DEPT OF REVENUE - USE TAX	Use Tax	40.96
2729 05/25/2022	WIRE	1290	WEX BANK	Monthly Fuel Invoice	843.98
48487 05/26/2022	CHK	1	LANE COUNTY FAIR BOARD	Rodeo Sponsorship	100.00
48488 05/26/2022	CHK	1	NESS CITY ROTARY	Rotary Dues	38.00
48489 05/26/2022	CHK	14	OFFICE SOLUTIONS, INC	Annual Contract Copier	477.37
48490 05/26/2022	CHK	20	BASIN ELECTRIC POWER COOP	April Dispatch Fee	2,125.41
48491 05/26/2022	CHK	40	KANSAS ELECTRIC COOPERATIVES	Bylaw Books	2,558.80
48492 05/26/2022	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Invoice	638.14
48493 05/26/2022	CHK	79	POSTMASTER	Postage for Newsletter	101.87
48494 05/26/2022	CHK	105	CITY OF NESS CITY	Franchise Fee	4,355.74
48495 05/26/2022	CHK	135	CITY OF BAZINE	Franchise Fee	1,555.92
48496 05/26/2022	CHK	145	BUMPER TO BUMPER OF NESS CITY	Monthly Invoice	103.76
48497 05/26/2022	CHK	150	CHRIS TERHUNE	KEC Walk Thru	37.69
48498 05/26/2022	CHK	160	SHULL OIL COMPANY	Monthly Fuel Invoice	13,272.58
48499 05/26/2022	CHK	164	FAIRBANK EQUIPMENT INC.	Monthly Invoice	1,433.51
48500 05/26/2022	CHK	172	TYNDALE COMPANY, INC.	Clothing Allowance-Ben Mann	190.53
48501 05/26/2022	CHK	183	HIBU INC	Yellowbook advertising	10.00

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
48502 05/26/2022	CHK	194	POST ROCK	Advertising	300.00
48503 05/26/2022	CHK	361	ANN M JENNINGS	Fuel for #105	57.71
48504 05/26/2022	CHK	368	COUNTRY FEEDS	Throttle Control #514	39.15
48505 05/26/2022	CHK	394	DELLON SHELTON	Clothing Allowance	199.45
48506 05/26/2022	CHK	406	RICHARD MCLEON	Sunflower Meeting Expense	262.96
48507 05/26/2022	CHK	427	DIGHTON HERALD LLC	Subscription	72.00
48508 05/26/2022	CHK	439	BOLINGER, SEGARS, GILBERT & MOSS,	Audit Financial Statements	4,000.00
48509 05/26/2022	CHK	466	D&S MACHINE & WELDING INC	Nitrogen for substations	46.83
48510 05/26/2022	CHK	472	C.H. GUERSNEY & COMPANY	Engineering expense	552.50
48511 05/26/2022	CHK	498	BLAKE MCVICKER	Clothing allowance & supplies	84.67
48512 05/26/2022	CHK	514	SNAP-ON	Wrench and Creeper for shop	350.94
48513 05/26/2022	CHK	515	ALTEC NUECO LLC	Truck parts for #174	2,444.95
48514 05/26/2022	CHK	790	SOLOMON CORPORATION	Monthly Invoice	45,470.91
48515 05/26/2022	CHK	1225	CINTAS CORPORATION	Monthly Invoice-Dighton	181.02
48516 05/26/2022	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Monthly Invoice	536.38
48517 05/26/2022	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	458.86
48518 05/26/2022	CHK	9999	WILL BAUER	INACTIVE REFUND	66.16
48519 05/26/2022	CHK	9999	RICHARD LARKIN	INACTIVE REFUND	18.66
48520 05/26/2022	CHK	9999	BRIANE MURPHY	INACTIVE REFUND	192.85
48521 05/26/2022	CHK	9999	TED PURVIS	INACTIVE REFUND	34.91

Total Payments for Bank Account - 2 : (148) 1,103,972.05

Total Voids for Bank Account - 2 : (2) 753.48

Total for Bank Account - 2 : (150) 1,104,725.53

Grand Total for Payments : (148) 1,103,972.05

Grand Total for Voids : (2) 753.48

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Payroll/Labor Check Register

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Pay Date: 05/01/2022 To 05/31/2022

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	05/12/2022	6082	5,161.57	0.00	80.00	0.00	626.89 389.66	42.32 0.00	1,593.74 2,774.96	2,940.94 1,005.00 175.00 1,760.94	DD DD DD
21	CARRIE M BORELL	05/12/2022	6083	2,641.05	0.00	81.50	0.00	369.38 194.82	16.14 0.00	454.76 2,153.33	1,816.91	DD
22	REBECCA L CAMPBELL	05/12/2022	6084	2,236.80	0.00	80.00	0.00	430.57 159.99	11.76 0.00	393.85 1,991.14	1,412.38 450.00 962.38	DD DD
26	RICHARD A MCLEON	05/12/2022	6085	9,583.33	0.00	80.00	0.00	426.33 744.93	229.20 0.00	2,831.55 3,365.01	6,325.45	DD
34	KALO M MANN	05/12/2022	6086	3,374.64	0.00	86.00	0.00	602.40 257.79	70.25 0.00	744.77 1,890.28	2,027.47	DD
35	NATHAN A BURNS	05/12/2022	6087	2,944.80	0.00	80.00	0.00	395.28 224.09	19.28 0.00	740.85 1,624.53	1,808.67	DD
50	KASEY R JENKINSON	05/12/2022	6088	3,875.27	0.00	82.00	0.00	764.72 288.72	35.75 0.00	817.83 2,657.94	2,292.72	DD
55	BENJAMIN L MANN	05/12/2022	6089	6,040.97	0.00	114.00	0.00	661.46 460.78	17.10 0.00	1,587.67 1,976.32	3,791.84	DD
74	DAL S HAWKINSON	05/12/2022	6090	5,448.30	0.00	111.00	0.00	524.98 408.78	5.85 0.00	1,418.50 2,530.14	3,504.82	DD
84	MICHAEL S POLLOCK	05/12/2022	6091	3,346.02	0.00	87.00	0.00	708.98 247.98	6.29 0.00	607.32 2,365.06	2,029.72 100.00 25.00 25.00 25.00 1,854.72	DD DD DD DD DD
85	CHAD A RUPP	05/12/2022	6092	4,677.44	0.00	99.00	0.00	519.87 352.27	37.95 0.00	1,306.16 2,530.14	2,851.41	DD
89	CHRIS R TERHUNE	05/12/2022	6093	5,507.30	0.00	112.50	0.00	568.25 414.01	15.23 0.00	1,743.61 2,530.14	3,195.44	DD
93	MYRON E SEIB	05/12/2022	6094	6,079.46	0.00	117.00	0.00	657.48 458.74	27.75 0.00	1,389.24 2,537.30	4,032.74	DD
99	KEVIN A BRADSTREET	05/12/2022	6095	4,612.77	0.00	98.00	0.00	421.55 353.90	35.13 0.00	1,370.36 1,534.60	2,820.86	DD
108	MARK R MCCULLOCH	05/12/2022	6096	3,308.38	0.00	87.00	0.00	1,073.77 249.49	23.22 0.00	757.70 1,659.83	1,476.91	DD
117	LEIGHTON J AYERS	05/12/2022	6097	4,709.77	0.00	99.50	0.00	394.82 353.06	16.03 0.00	1,091.05 2,426.68	3,223.90 150.00 3,073.90	DD DD

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Payroll/Labor Check Register

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Pay Date: 05/01/2022 To 05/31/2022

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	05/12/2022	6098	85.05	0.00	5.25	0.00	0.00	0.00	6.50	78.55	DD
								7.18	0.00	0.00		
130	ANN MARIE JENNINGS	05/12/2022	6099	2,115.20	0.00	80.00	0.00	404.10	8.64	384.98	1,326.12	DD
								149.22	0.00	1,606.58		
131	DIANA F KUHLMAN	05/12/2022	6100	2,123.20	0.00	80.00	0.00	393.44	13.33	331.90	1,397.86	DD
								157.71	0.00	1,288.07		
132	DELLON R SHELTON	05/12/2022	6101	3,086.85	0.00	99.00	0.00	149.68	1.75	849.62	2,087.55	DD
								233.61	0.00	977.26		
134	SCOTT A BRIAND	05/12/2022	6102	1,721.60	0.00	80.00	0.00	251.81	3.00	233.00	1,236.79	DD
								121.38	0.00	1,492.89		
135	BLAKE T MCVICKER	05/12/2022	6103	5,533.17	0.00	111.50	0.00	884.88	3.30	1,641.12	3,007.17	DD
								420.87	0.00	1,217.43		
5	KATHERINE E LEWIS	05/30/2022		5,161.57	0.00	96.00	0.00	626.89	42.32	1,593.75	2,940.93	
			6104					389.67	0.00	2,774.96	1,005.00	DD
											175.00	DD
											1,760.93	DD
21	CARRIE M BORELL	05/30/2022	6105	3,491.96	0.00	104.50	0.00	420.76	16.14	668.31	2,402.89	DD
								259.90	0.00	2,179.02		
22	REBECCA L CAMPBELL	05/30/2022		2,684.16	0.00	96.00	0.00	484.25	11.76	507.27	1,692.64	
			6106					194.23	0.00	2,013.51	450.00	DD
											1,242.64	DD
26	RICHARD A MCLEON	05/30/2022	6107	9,583.33	0.00	96.00	0.00	426.33	229.20	2,831.54	6,325.46	DD
								744.92	0.00	3,365.01		
34	KALO M MANN	05/30/2022	6108	4,067.15	0.00	105.50	0.00	602.40	70.25	924.28	2,540.47	DD
								310.78	0.00	1,890.28		
35	NATHAN A BURNS	05/30/2022	6109	3,533.76	0.00	96.00	0.00	395.28	19.28	949.04	2,189.44	DD
								269.14	0.00	1,653.98		
50	KASEY R JENKINSON	05/30/2022	6110	6,203.74	0.00	117.50	0.00	846.89	35.75	1,581.23	3,775.62	DD
								466.85	0.00	2,695.29		
55	BENJAMIN L MANN	05/30/2022	6111	5,620.96	0.00	113.00	0.00	661.46	17.10	1,439.18	3,520.32	DD
								428.64	0.00	2,013.67		
74	DAL S HAWKINSON	05/30/2022	6112	4,397.22	0.00	99.00	0.00	607.75	5.85	1,025.92	2,763.55	DD
								328.38	0.00	2,564.63		
84	MICHAEL S POLLOCK	05/30/2022		4,192.14	0.00	106.00	0.00	678.68	6.29	821.83	2,691.63	
			6113					312.73	0.00	2,395.83	100.00	DD
											25.00	DD
											25.00	DD
											25.00	DD
											2,516.63	DD
85	CHAD A RUPP	05/30/2022	6114	5,712.78	0.00	121.00	0.00	588.85	37.95	1,692.84	3,431.09	DD

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Payroll/Labor Check Register

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Pay Date: 05/01/2022 To 05/31/2022

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
89	CHRIS R TERHUNE	05/30/2022	6115	5,253.18	0.00	112.00	0.00	431.46	0.00	2,564.63		
								637.23	15.23	1,648.71	2,967.24	DD
93	MYRON E SEIB	05/30/2022	6116	4,377.75	0.00	97.00	0.00	394.57	0.00	2,564.63		
								765.24	27.75	819.53	2,792.98	DD
99	KEVIN A BRADSTREET	05/30/2022	6117	4,635.84	0.00	103.00	0.00	328.56	0.00	2,573.22		
								497.42	35.13	1,378.97	2,759.45	DD
108	MARK R MCCULLOCH	05/30/2022	6118	3,896.53	0.00	103.00	0.00	355.65	0.00	1,569.09		
								1,146.36	23.22	945.50	1,804.67	DD
117	LEIGHTON J AYERS	05/30/2022		6,230.68	0.00	125.50	0.00	294.49	0.00	1,690.08		
			6119					408.61	16.03	1,624.87	4,197.20	
								469.40	0.00	2,440.47	150.00	DD
											4,047.20	DD
129	STACEY L FOOS	05/30/2022	6120	137.70	0.00	8.50	0.00	0.00	0.00	10.54	127.16	DD
								11.64	0.00	0.00		
130	ANN MARIE JENNINGS	05/30/2022	6121	2,597.73	0.00	97.50	0.00	446.40	8.64	507.31	1,644.02	DD
								186.13	0.00	1,627.73		
131	DIANA F KUHLMAN	05/30/2022	6122	2,547.84	0.00	96.00	0.00	457.14	13.33	426.64	1,664.06	DD
								190.19	0.00	1,309.30		
132	DELLON R SHELTON	05/30/2022	6123	3,517.49	0.00	112.50	0.00	172.64	1.75	1,001.84	2,343.01	DD
								266.55	0.00	1,000.22		
134	SCOTT A BRIAND	05/30/2022	6124	2,065.92	0.00	96.00	0.00	269.03	3.00	313.38	1,483.51	DD
								146.99	0.00	1,510.11		
135	BLAKE T MCVICKER	05/30/2022	6125	4,203.23	0.00	97.00	0.00	884.88	3.30	1,145.97	2,172.38	DD
								319.13	0.00	1,251.92		
Grand Total:				\$ 182,325.60	\$ 0.00	4,148.75	\$ 0.00	\$ 23,255.13	\$ 1,278.54	\$ 46,154.53	\$ 112,915.94	
								\$ 13,748.98	\$ 0.00	\$ 86,777.21		



SUNFLOWER ELECTRIC POWER CORPORATION BOARD MEETING – MAY 18, 2022

Clare Gustin, vice president of Member Services and External Affairs, was presented with a plaque to commemorate her June retirement from Sunflower after 24 years of service to the Company.

Cedric Drewes was seated as Victory's alternate to the Sunflower Board of Directors.

ICARE

Russell Solar Project

Staff received the project permit from Russell County and executed the interim Generator Interconnection Agreement with the Southwest Power Pool. The next step in the process will be to issue a Request for Proposal (RFP) for construction of the facility and determine whether Sunflower wants to own and operate the facility or sell the project to a developer and sign a Power Purchase Agreement for offtake from the facility like Sunflower does with the Johnson Corner Solar Project. Other development steps are scheduled to occur in June and July with staff project recommendations presented to the Board in late summer. If this schedule does not change, energization is anticipated in the first quarter of 2024.

FERC Order 2222

Dr. Al Tamimi and Christine Aarnes gave an update on FERC Order 2222, beginning with a discussion of the essential data that needs to be collected. Sunflower staff recommended grid analytics around Electric Vehicle (EV) penetration and Distributed Energy Resources (DER) management. After the information is collected, Sunflower and our Members will need to determine how interconnections on the Member level are approached, the scope and impact of DERs on the system, and how DERs will be structured at the G&T level. In August 2021, Sunflower's Internal 2222 Compensation Team and Task Force began meeting to discuss DER issues and is developing a road map to help Members decide if or how they would like to participate in Order 2222 or a similar, internally developed program. Each Member cooperative will decide for itself which approach to take and/or whether to develop a program managed by Sunflower. Currently, Sunflower staff is leaning toward recommending not opting into FERC Order 2222. Staff will continue to analyze the impact of and preparing for DER and electric vehicle penetration into the systems.

CURRENT ACTIVITIES

North Carolina Electric Cooperatives Challenge

North Carolina Electric Cooperatives has developed an approach to determine what to do, when to do it, and who is responsible in offering new distribution services. Providing distribution reliability services will likely require new capabilities and greater coordination for planning and operations with distribution members. The North Carolina G&T will present to the Sunflower Board in December.

Sunflower/Member Project Interaction

The process map for Sunflower and Member interaction on Member projects identifies points in the project process that require Sunflower and Member alignment and agreement. Over a

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period of months, the Members and Board will be asked to discuss points within the process requiring Sunflower and Member alignment and agreement. Upcoming topics include the use of outside vendors to supplement Sunflower staff and Member information used to scope projects.

PRESIDENT'S REPORT

Generation

SPP has issued several generation unit start orders this season.

The system experienced two avian situations impacting substations, one at Holcomb Station and the other at Clifton Station. Crews and units responded well to the situations.

Power Supply & Delivery

Energy Hedging

Recent volatility in natural gas prices and market energy prices necessitated a discussion for potential summer 2022 hedging and 2023 winter (December, January, and February) hedging. The forecast shows natural gas prices trending upward through year's end and spikes in market energy prices this summer and next winter. In addition, due to a coal delivery delay Holcomb Station is expected to be operated at a reduced load this summer. Staff, in conjunction with ACES, will continue to evaluate the value of a summer hedge product and report back to the Board. Staff presented a winter hedge that includes a natural gas financial swap and a market energy block purchase. Staff recommended purchasing half of the natural gas swap now, the remainder of the winter hedge in the fall.

Board action: The Sunflower Board approved a natural gas swap for December, January, and February purchase as presented.

Electric Capacity Sale

Sunflower was contacted for a sale of capacity for planning years 2023 and 2024. Requested amounts are up to 100 MW and up to 150 MW, respectively. The transaction would occur under the EEI Master Agreement with capacity confirmation. Sunflower made an offer for 75 MW of capacity in 2023 and 30 MW of capacity in 2024, contingent on Board approval. The Board requested more information prior to making a decision regarding 2024.

Board action: The Sunflower Board approved the capacity sale as presented for 2023.

Transmission Policy & Planning

NERC Audit Preparations

The first audit with the Midwest Reliability Organization (MRO) Regional Entity occurred in 2019, and the Operations and Planning (O&P) and Critical Infrastructure Protection (CIP) Standards were audited simultaneously. 2022 audit preparation includes pre-audit interviews through June 10, gathering of evidence, and consultant-led CIP and O&P mock audits. Specific focus will be placed on changes that could affect compliance (e.g., changes to the NREC Standard, Sunflower subject matter experts, and evidence collection methods). The audit notice package will arrive on June 13. The evidence package is due to MRO on October 10, with offsite document review on Oct. 11-28 and onsite review from Oct. 31- Nov. 4.

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Member Services & External Affairs

Sunflower Electric Economic Development Program 2021 Year in Review

The 2021 Year in Review of the Sunflower Electric Economic Development Program includes three site certifications in Member communities, certification for the Caldwell Data Center Project dual certification with the Kansas Department of Commerce, and LinkedIn campaign, as well as the ag-research study and subsequent strategies.

Financials

April Financials

Overall Member loads were up 1.90% from budget for the month down and 2.66% from budget year to date. Large industrial loads were down 2.87% from budget for the month and 2.62% from budget year to date. Year-to-date operating expenses were down 14.14% from budget for the month and down .58% from budget year to date.

FERC Depreciation Filing

Sunflower contracted with AUS Consultants to perform a depreciation study as of December 31, 2020, and the Board approved new depreciation rates as of January 1 for accounting purposes. A depreciation filing, required to update the transmission formula rate (TFR) with the new depreciation rates, was made at Federal Energy Regulatory Commission (FERC) on March 30. Sunflower requested the TFR be effective in 2024 rates. Intervenors have asked for a five-month suspension of rates when approved, and Sunflower filed a reply on May 5. Later this month, FERC will issue a decision whether to accept Sunflower's rates, reject the filing, or set a schedule for hearing or settlement procedures.

Legal

Assignment of Easement to Prairie Land

Prairie Land needed to show an ownership interest in the Phillipsburg Substation to receive a Building A Stronger Economy (BASE) grant from the Kansas Department of Commerce. After researching the title, it was discovered the substation easement was in Sunflower Electric Power Corporation's name. To accommodate the BASE grant requirements, while still maintaining Sunflower's rights in its facilities at the substation, Sunflower assigned the substation easement to Prairie Land while reserving its rights in the facilities that are energized at 115 kV and above.

Board action: The Sunflower Board ratified the Assignment of Easement from Sunflower to Prairie Land for the Phillipsburg Substation easement.

KANSAS ELECTRIC COOPERATIVES

NERC held a press event outlining its 2022 Summer Reliability Assessment. At the event, NERC discussed heightened electric reliability risks this summer. Recognizing the potential for this reporting to trigger questions, KEC will be working with the cooperatives on any messaging support you may have.

MISO is in a "high risk" category for capacity shortfalls over the summer, and the Western Interconnection, Texas, and Southwest Power Pool (SPP) is in an "elevated risk" category for shortfalls.

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The Kansas Supreme Court upheld the Kansas new congressional districts maps. Legislators will return on May 23 to wrap up the session, including the congressional redistricting map. Many rural Kansans will be in reformatted districts. Some will see slight changes; others, significant changes.

The cap rate study was presented to PVD on March 18, and KEC again received a favorable co-op cap rate. Everything else being equal, 2022 co-op valuations were 6.6% less than they otherwise would have been. In addition, co-op valuations are 31% less than they would have been if PVD were still using the IOU rate for co-ops. The 2022 Ad Valorem Property Tax Study has been completed and posted on BoardPaq. Staff reviewed the appraisals and identified a number that were appealed. Informal conferences were held on May 6, and final notices were issued on May 11. Aside from those involved in the yet unsettled margin stabilization adjustment (MSA) issue before the Board of Tax Appeals, all eleven appeals were successful with reductions ranging from 0.6% to 20.6%.

KEC hosted a free webinar presented by Power System Engineering to provide information about the funding opportunities included in the Bipartisan Infrastructure Law (BIL) and how to get access to the funds. The slides and recording are posted on KEC's website in the Members Only section.

The small generation interconnection procedure (SGIP) working group shared its draft documents. The final documents will be distributed for cooperatives' use as is or can be modified for local use.

The KEC summer meeting is scheduled for July 30 – August 1 in Kansas City.

SUNFLOWER ELECTRIC POWER CORPORATION, ANNUAL MEETING

The Sunflower Board held elections for company officials:

Directors elected include:

Richard McLeon, director, and Kathy Lewis, alternate, representing Lane-Scott; Steve Epperson, director, and Lindsay Campbell, alternate, representing Pioneer; Kirk Girard, director, and Alisha Stark, alternate, representing Prairie Land; Shane Laws, director, and Angela Unruh, alternate, representing Victory; Tom Ruth, director, and Stacey Malsam, alternate, representing Western; and Bruce Mueller, director, and Jim McVay, alternate, representing Wheatland.

The Sunflower Executive Team presented information on their respective department's focus for 2022:

- **Strategy:** The 2022 Members' Conference has been scheduled for November 15, 2022, at Fort Hays State University, 2nd floor of Memorial Union from 9 a.m. – 4 p.m. Members, Member staff, and trustees are encouraged to attend. Agenda topics will address Sunflower's strategies to meet Member and customer expectations.
- **Technology Services:** **Accomplishments** – Major control system upgrades; Oracle automations; negotiated lower technology-related expenses; and systems availability management **Projected** – Network mesh project, CIP audit; data analytics; cyber security

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- Power Supply & Delivery: **Accomplishments** – Asset retirement planning; solar project initiatives; analysis of FERC Order 2222; analysis of microgrid solutions; and Storm Uri follow-up **Projected** – Resource retirement and replacement plan to protect interconnection services; recommendations for Russell solar project; continued development of DER strategy; energy hedge plans
- Corporate Services: **Accomplishments** – Succession planning efforts; COVID response improvements; supplier qualification modules; Great Bend office remodel project; and organizational change management **Projected** – Great Bend facility completion; Safety Continuous Improvement Project; union negotiations; succession planning
- External Affairs & Member Services: **Accomplishments** – Three industrial sites certified, ag coalition research report; information gathering; messaging around the Russell solar project; and internal communications **Projected** – Continue strategically advancing economic development; Russell solar groundbreaking; internal communications; and continued support for Member requests
- Operations: **Accomplishments** – Completed retirement schedule recommendation; life-cycle study refresh; Garden City SWEEP and Power Distribution Center projects; HL1 maintenance outage; strong Storm Uri response; removing GC3 cooling tower; implementation of Cascade and GIS server; and Board approval of the FD4 synchronous condenser conversion and Dodge City 115 kV loop modification **Projected** – Continue supporting transmission asset demarcation; successful coordination efforts with CMS/Kansas Electric Power Corporation and Midwest Energy
- Transmission Policy & Planning: **Accomplishments** – C2 Waiver advancements; refiling of local planning with FERC; Storm Uri recommendations; Dodge City transmission project; study of FERC Order 222 and microgrids; support of IRP; and EV research **Projected** – Continued engagement in cost allocation; continued work on Storm Uri recommendations; research alternatives to FERC Order 2222; continued study of aging infrastructure, DERs, and EVs
- Financial Services: **Accomplishments** – Winter Storm Uri response; employee reduction; Paycheck Protection Program forgiveness; increased patronage retirement; and transitioned to new auditor **Projected** – New NAIC determination; seek RUS release of Holcomb Facilities mortgage; rate design; IRP and hedge support

SUNFLOWER ELECTRIC HOLDINGS, INC., ANNUAL MEETING

The Sunflower Electric Holdings Inc. (SEHI) Board held elections for company officials.

Directors elected include:

Jerry Gallagher, director, and Kirk Girard, alternate, representing Prairie Land; and Wes Campbell director, representing Wheatland.

Financial update: With the expiration of all the new Sunflower contingent notes, the 2021 tax returns are the final tax returns for SEHI. Staff will continue to maintain SEHI's active corporate status.

KEC Board Meeting Summary

May 12, 2022, at the Wichita Marriott

To: KEC Trustees,
Alternate Trustees
and Member System
Managers

From: Shana Read,
Director of Education
and Training

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Upcoming KEC Meetings

July 30-Aug. 1, 2022
KEC Summer
Meeting
Overland Park
Marriott

Oct. 5-6, 2022
Marriott, Wichita

December 7-8, 2022
Marriott, Wichita

In official action, the KEC Board of Trustees

1. Set the extra member on-site safety meetings fee at \$2,100 and the extra non-member on-site safety meetings fee at \$2,450 for 2023.
2. Enacted a whistleblower policy, approved amendments to several existing policies, and granted KEC staff the authority to correct technical and grammatic, non-substantive matters in those KEC policies.
3. Directed KEC to support the overall utility community in the effort to secure additional clarification on application of the delivery charge sales tax exemption and, if it does apply to utilities, to seek additional time for implementation, while not opposing the policy.
4. Appointed Lee Tafanelli as the KEC voting delegate and Kevin Brownlee as the alternate voting delegate to the June 20, 2022, CFC meeting; and appointed Lee Tafanelli as the KEC voting delegate and Pat Morse as the alternate voting delegate to the NRECA and Federated Region 7 meetings, Sept. 27-29, 2022.

KEC Board Meeting Summary

Five of the KEC standing committees met the day prior to the board meeting. The **Loss Control and Safety Committee** discussed the pricing for the 2023 extra member and non-member on-site safety meetings. They heard a presentation on accident trends by Federated's Rusty Endicott. The committee reviewed the LCS&C department activities, and discussed the successful Safety Summit. The committee discussed and confirmed information identifying individual co-ops will not be included in the Safety Summary newsletter to encourage co-ops to share information more freely. The **Cybersecurity Committee** heard two presentations on current cybersecurity concerns from Bill Glynn of the Kansas Intel Fusion Center and Casey Davis of SkyHelm. The committee plans to have further discussions on the KEC Cyber Initiative to determine KEC's role regarding cybersecurity. The **Policies and Bylaws Committee** met to consider changes to several KEC policies, and forwarded several recommendations to the full board, all of which were approved. The policies will be re-numbered when slotted into the appropriate section of the Policies Manual. Committee action included enacting a Whistleblower policy, and updating the policies regarding *Kansas Country Living*; KEC Districts; KEC Committees, Standing and Ad Hoc; KEC Policy Manual; and Purchase/lease and Use of Cooperative Vehicles. The **Regulatory Review and Tax Committee** heard updates on several regulatory issues, including a proposed transmission line by NextEra Energy, and updates on the air quality the coal combustion residuals (CCR) issues. The committee also discussed the KEC Average Residential Rate Study

and heard an update regarding the Small Generation Interconnect Procedure (SGIP). The **Legislative Committee** discussed the results of the NRECA Legislative Conference and heard updates on legislative issues. The committee recommended KEC action to the board regarding a new delivery charge sales tax exemption bill to clarify how it might apply to co-ops and to seek additional time for implementation if it does apply. There was also discussion on the fall Co-ops Vote events. Lastly, the committee heard a KCRE update.

On Thursday, May 12, the **Executive Committee** met to review general association activities, the planned topics for the KEC Summer Meeting, and other matters.

The **KEC Board of Trustees** heard department reports from KEC staff and committee reports from the following: Communications; Loss Control, Safety, and Compliance; Cybersecurity; Policies and Bylaws; Regulatory Review & Tax; and Legislative.



8. General Manager's Report

A. Rates and Reliability Dashboard

Rate Summary - Apr 2022	current month (\$/kWh)	year to date (\$/kWh)	ytd '17-21 avg. (\$/kWh)	
Residential	0.1393	0.1317	7.3%	0.1221
Residential - Seasonal	0.2618	0.2173	11.1%	0.1932
Irrigation	0.0799	0.0884	-0.2%	0.0886
C&I 1000kVa or less	0.1062	0.1113	3.8%	0.1070
C&I over 1000 kVA	0.0961	0.1064	-0.2%	0.1066
Public Street and Lighting	0.1352	0.1368	6.8%	0.1275
Other Sales to Public Authorities	0.1403	0.1343	-8.2%	0.1453
Sales for Resale - Other	0.0749	0.0691	-20.5%	0.0832
Total Sales price per kWh:	0.1040	0.1106	2.2%	0.1082

Total YTD Energy Sales (kWh) are 6.37% above 2021 and 4.72% above the 5-year average.
Total YTD Energy Sales (\$s) are 4.43% above 2021 and 8.33% above the 5-year average.

April 2022		
SAIDI	2.31	Interruption DURATION / average for every member (hrs)
SAIFI	0.72	Interruption FREQUENCY / Average # of Interruptions per customer
CAIDI	3.21	Customer Avg Interruption Duration Index - IF you are out, how long (hrs).
ASAI	99.97%	Service Availability

YTD number of customer interruptions are 4,164 with 2,543 in April.

B. KEC Residential Rate Study

The preliminary 2021 study of residential electric revenues per kilowatt-hour for rural electric cooperatives in Kansas for the calendar year 2021. The study will be finalized once IOU data is available.

Lane-Scott Electric Cooperative continues to have one of the best Residential rates in Kansas at 12.84¢/kWh. The Kansas Cooperative average is 14.55¢. We have the fifth-lowest rate among:

- | | | |
|-------------------|-----------|----------------------------------|
| 1. Alfalfa, | lowest at | 10.34¢/kWh |
| 2. Pioneer, | | 11.76¢/kWh |
| 3. Victory | | 12.44¢/kWh |
| 4. Midwest Energy | | 12.45¢/kWh |
| 5. Lane-Scott | | 12.84¢/kWh new rate = 13.83¢/kWh |

Other Sunflower owners:

Wheatland	13.28¢/kWh
Western	14.84¢/kWh
Prairie Land	15.65¢/kWh

It is recognized that the average revenue per kWh is a result of many factors. Everything else being equal, two cooperatives could have different average revenue figures from just one varying factor. Any of the following factors can affect the average revenue figure:

- Wholesale or generation power costs
- Customer density
- Customer use and load factor
- System growth rates
- Equity management decisions

C. 2021 End of Year Report Summary. The End of Year Report is posted in the Supplemental Information Report

D. The Credit Card records are available for the Boards review.

E. Operations Report. (The full report is in the Supplemental Reports)

- Maintenance

Changed out crossarm and secondary behind McCracken Fire Department.

Upsized transformers in Brownell and Mull Drilling JJ Nuss lease.

Fixed low hanging wires at Terra Skinners in Brownell.

Started changing out bad poles from pole testers.

Changed out broken poles and rebuilt platform and metering at the Shields elevator.

Hung new meter loop at Lane Scott tower south of town.

Converted 3 phase connect to single phase in McCracken.

Changed out bad transformer on Citation Oil Reed lease.

Replaced bad meter loop on Mendenhall lease.

- New Connects

Built new 3 phase connect for Stelbar Michaelis-Jansen lease.

Built new 3 phase connect for Jenison Ranch irrigation.

Built new single phase connect for Brookover Feeders crossing sign.

Change out 3 phase pole and build connect for Shakespeare Oil Terry lease.

Set new single-phase poles and build new connect for Stelbar Oil Nuss 1-36 lease.

Build new single phase connect for Mull Drilling Snyder 4-11 lease.

Upsize transformers on K-D Farms irrigation.

Installed new primary underground and set pad mount transformer at Grigston elevator.

F. Financials

1) Wholesale Power Costs are 7.0% (\pm \$148,143) above last month. This reduced our distribution revenue to \$446,239 or \$97,785 below the 10-year average.

2) Income Statement.

a. The April statement shows:

i. Total Operating Margins are \$-132,369.

ii. Total Margins are \$-108,692.

iii. Non-operating margins showed a gain of \$19,725 for the month and \$6,945 YTD.

3) Balance Sheet.

- a. Assets and Debits balance at \$65,109,037. Cash Balances remain strong at \$6,089,775 after the collection of 2022 Irrigation charges.
- b. Equity remains stable with Equity as a percent of Assets at 38.06% and Equity as a percent of Capitalization is 41.22%.
- c. Our Cash to Debt ratio is 17.86% and the current ratio is 1.70.

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 KS0042
	PERIOD ENDED April 2022
	BORROWER NAME The Lane-Scott Electric Cooperative, Inc.
INSTRUCTIONS - See help in the online application.	

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

CERTIFICATION

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

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

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

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

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

 DATE

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	5,499,287	6,184,259	6,263,505	1,345,694
2. Power Production Expense				
3. Cost of Purchased Power	3,007,541	3,585,836	3,565,101	899,455
4. Transmission Expense	864			
5. Regional Market Expense				
6. Distribution Expense - Operation	350,138	290,367	438,566	81,927
7. Distribution Expense - Maintenance	361,388	418,328	334,998	92,697
8. Customer Accounts Expense	58,049	78,465	75,797	20,226
9. Customer Service and Informational Expense	26,246	17,528	16,866	4,680
10. Sales Expense	20,325	22,782	22,007	5,828
11. Administrative and General Expense	488,049	515,164	454,248	108,890
12. Total Operation & Maintenance Expense (2 thru 11)	4,312,600	4,928,470	4,907,583	1,213,703
13. Depreciation and Amortization Expense	611,255	622,631	564,910	155,889
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	441,772	422,496	402,140	107,659
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	51	84		21
19. Other Deductions	3,139	2,541	14,417	791
20. Total Cost of Electric Service (12 thru 19)	5,368,817	5,976,222	5,889,050	1,478,063
21. Patronage Capital & Operating Margins (1 minus 20)	130,470	208,037	374,455	(132,369)
22. Non Operating Margins - Interest	53,144	13,149	66,666	3,952
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(52,333)	6,945	9,167	19,725
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	21,597	24,069	20,000	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	152,878	252,200	470,288	(108,692)

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 April 2022		
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	12	26	5. Miles Transmission		
2. Services Retired	13	15	6. Miles Distribution – Overhead	2,035.37	2,038.73
3. Total Services in Place	6,041	6,063	7. Miles Distribution - Underground	7.66	7.66
4. Idle Services (Exclude Seasonals)	244	299	8. Total Miles Energized (5 + 6 + 7)	2,043.03	2,046.39
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	59,298,365		30. Memberships	0	
2. Construction Work in Progress	1,722,635		31. Patronage Capital	23,128,495	
3. Total Utility Plant (1 + 2)	61,021,000		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	19,814,634		33. Operating Margins - Current Year	208,037	
5. Net Utility Plant (3 - 4)	41,206,366		34. Non-Operating Margins	1,243,154	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	203,994	
7. Investments in Subsidiary Companies	230,143		36. Total Margins & Equities (30 thru 35)	24,783,680	
8. Invest. in Assoc. Org. - Patronage Capital	12,033,900		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,462		38. Long-Term Debt - FFB - RUS Guaranteed	32,784,821	
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)	5,957,372	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	3,393,732	
14. Total Other Property & Investments (6 thru 13)	12,936,964		43. Total Long-Term Debt (37 thru 41 - 42)	35,348,461	
15. Cash - General Funds	53,646		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	6,036,004		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	1,706,663	
20. Accounts Receivable - Sales of Energy (Net)	1,263,926		49. Consumers Deposits	111,904	
21. Accounts Receivable - Other (Net)	465,725				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	2,337,624	
23. Materials and Supplies - Electric & Other	410,182		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	85,444		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	124,909		53. Other Current and Accrued Liabilities	820,705	
26. Total Current and Accrued Assets (15 thru 25)	8,439,961		54. Total Current & Accrued Liabilities (47 thru 53)	4,976,896	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	2,525,746		56. Other Deferred Credits	0	
29. Total Assets and Other Debits (5+14+26 thru 28)	65,109,037		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	65,109,037	

10. a. Tariff Section II, Rates

A Tariff is the document that outlines the terms and conditions of providing electric utility service to members and prospects including rates, fees, and charges. This is a board-approved document that generally ranks third in precedence and may be amended by the Board of Trustees as often as is necessary.

- I. Articles of Incorporation
- II. Bylaws
- III. Tariff
- IV. Board Policy
- V. Operating Policies

The last revision to the Lane-Scott Electric Tariff was approved by the Kansas Corporation Commission on November 21, 2013 and was solely applicable to the Med-Kansas Service Area. Many things have changed since that time and has necessitated an overhaul of the Tariff document. Among these are:

- 1. Rate deregulation of the Kansas Cooperatives. The KCC is referenced throughout the Tariff. These must be removed.
- 2. The design of the MKEC Tariff was disorganized and made it difficult to work with for employees.
- 3. Rates have changed. The LSEC has changed rates twice and these should be integrated into the Tariff document. Also, the Public Utility Regulatory Policies Act (PURPA) has been amended several times which directly affects Qualifying Facilities cogeneration requirements.
- 4. Cost-based Line Extension and Service Fees have not been updated although costs have increased.
- 5. Service rules have changed and consolidated with the merger of LSEC and MKEC.

The Tariff is generally divided into three sections: I. Utility Operations, II. Rates and Charges, and III. Service Rules and Regulations.

New Business Item 10. a. only considers Tariff Section II, Subsection B – Net Metering, Subsection C – Parallel Generation, Subsection D. Qualifying Facilities and Distributed Generation, and Subsection E. Services Fees and Charges

Subsection B. Net Metering Rider. This section is updated to remove the KCC references. Net metering applies to renewable generation that is “behind the meter” (distributed). Net metering is intended to offset members electric needs and is limited to 15kW for residential and 100kW for commercial. This provision is no longer required of Kansas electric cooperatives, but LSEC has about six (6) members remaining on this rate. Two are occasionally “net-generators” meaning they produce more than they consume. The KCC requires IOUs’ to compensate for net-generation, but because Coops are not regulated by the KCC, net generation is generally absorbed by the coop at no cost. Years ago, KEC facilitated a Kansas Electric Cooperatives group that created the original, non-regulated rate document. Most Cooperatives in Kansas are reported to have adopted it (including LSEC).

Subsection C. Parallel Generation Rider – Renewable Generation. This rider is defined and required by PURPA and is clarified in Kansas statute. **It was not included in the previous Tariff.** Parallel Generation (like Net Metering) is also intended to offset member needs and is limited to 25kW for residential and

200kW for commercial members. This rider requires the cooperative pay the renewable net producer 150% of the system monthly average cost at least annually or when such amount is \$25.00 or more. This is limited to 4.0% of the Cooperatives peak (Coincidental). Payment would be \$0.09076881 (below).

System Monthly Average Cost

year	kWh purchased		Total Cost		System Mo Avg Cost/kWh	PURPA 150%
	F7, K total e	avg /month	F7, K total f	avg cost /month		
2015	157,995,043	13,166,254	10,241,265	853,439	0.0648202	0.09723025
2016	149,340,217	12,445,018	9,967,587	830,632	0.0667442	0.10011624
2017	150,189,921	12,515,827	9,715,189	809,599	0.0646860	0.09702904
2018	164,442,032	13,703,503	10,698,587	891,549	0.0650599	0.09758989
2019	180,343,790	15,028,649	10,467,955	872,330	0.0580444	0.08706667
2020	164,012,270	13,667,689	9,219,252	768,271	0.0562107	0.08431612
2021	172,292,520	14,357,710	13,709,987	1,142,499	0.0795739	0.11936084
	<i>less Winter Storm Uri contract</i> 172,292,520	14,357,710	3,284,128 10,425,859	868,822	0.0605125	0.09076881

Subsection D. Qualifying Facilities and Distributed Generation. This new rider parallels the Parallel Generation Rider but does not require renewable resources. Also, it has a cap of 1,000kW per connection and a 4.0% of CP cap, but does not require the 150% payment. Payment would be \$0.0605125/kWh (above).

Subsection E. Service Fees and Charges. These fees have been updated to reflect current costs as well as a few new fees.

1. Collection Agency Fee. This is a new fee that allows us to add collection company fees to the amount we send to collection.
2. Connect / Disconnect fees. These were not updated in the 2016 Cost of Service Study and are largely based on a trip fee which is a function of labor (without overhead) and transportation costs. Kathy and I calculate this number annually for direct billing purposes.

2	Connect / Disconnect fees	1995	2013 Tariff	2016/2017	2022
a	office		15.00	50.00	50.00
b	field		15.00	80.00	240.00
c	field - overtime			120.00	265.00

5. Deposits: Updated to reflect actual usage per rate or revenue class.
8. Line Extension Credit. Guernsey recommended eliminating LEC for all classes, but the Cooperative has long offered it to residential while making C&I members pay all costs up front. The problem was that the cost sheet was over ten years old. That sheet has been updated to current costs and will be updated annually at a minimum. The proposed change reflects the \$1,200 twenty-year break even on residential accounts.
9. Meter Reading Fee. This fee is updated to match the trip fee.
10. Meter Reseal Charge. This fee is updated to match the trip fee.
11. Meter Tampering Charge. Updated from \$150.00 to a trip Fee plus 150% of repair costs.

12. Meter Test Fee. Updated to trip Fee plus 2 hours labor.
14. Service Calls (member side). Updated to reflect actual cost. These charges shall be actual labor charges, plus mileage at \$2.10 per mile, plus materials at 115% of cost.
15. Service Impact Fee. This is a new fee primarily related to Distributed generation and related engineering studies. These fees will be billed at actual cost.
16. Trip Fee. Calculated annually by staff.

16 Trip fees	1995	2013 Tariff	2016/2017	2022
a business hrs		15.00	70.00	240.00
b overtime		15.00	70.00	265.00

Staff asks the Board to consider these riders and fee updates. The Cooperative has updated fees in the past through Board Policies and various procedures. We would like to consolidate these into a single Tariff document and propose publishing the proposed rates in the Kansas Country Living Magazine and bringing back to the Board for approval in September. There is no consensus on whether a separate public meeting is required.

Service Fees and Charges

2022 adjustments from 2021 COSS using 2020 as base year

	1995	2013 Tariff	2016/2017	2022
1 Collection Agency Fee. A new fee designed to recover collection agency fees.				<i>estimated cost of collection.</i>
2 Connect / Disconnect fees	1995	2013 Tariff	2016/2017	2022
a office		15.00	50.00	50.00
b field		15.00	80.00	240.00
c field - overtime			120.00	265.00
3 Copy Expense		0.30		0.30
4 Damage to or misuse of Cooperative Facilities. (percentage of direct cost)		115%		115%
5 Deposits - 2 moth history or				
a Residential		200.00		240.00
b Residential Seasonal				100.00
c General Service Small (2 months history or \$10.00 per installed kVA x 2 or)		200.00		500.00
d General Service Large (2 mo. avg of largest months or \$15.00/ installed kVA x 2 or)		200.00		3,000.00
e Large Industrial (2 mo. avg of largest months or \$15.00/ installed kVA x 2 or)				136,000.00
f Irrigation (2 mo avg or \$10.00 /installed kVa or)		200.00	\$35.00/HP	450.00 \$35.00/HP
g Non Domestic (2 month history or)		200.00		75.00
h Fairgrounds and Atheletic Field (2 month history or)		200.00		200.00
i Idle Service			63.00	63.00
6 Interest Blended Interest Rate 2012 3.77% 2020 3.09%		5.00%		5.00%
7 Late Penalty		5.00%		5.00%
8 Line Extension Credit				
a Single Phase (first and last 1/8 mile)				
i overhead		8,580.00		
ii underground		9,240.00		
b Multi Phase (monthly charge = 1.5% of investment)		± 5.6 yrs ror		
c Residential (full-time occupied, COSS)				960.00
9 Meter Reading Charge				
a business hrs		15.00	70.00	240.00
b overtime		15.00	70.00	265.00

10	Meter Reseal Charge				
	a business hrs		15.00	70.00	240.00
	b overtime		15.00	70.00	265.00
11	Meter Tampering Charge (\$150.00 plus 115% of actual cost to repair)			150.00	115%
12	Meter Test Fee (BP 120)	25.00			
	a Residential		60.00		
	b Nonresidential		100.00		
	c Trip fee plus 2 hours labor (approx)				285.00
13	Returned Check Fee		30.00	30.00	30.00
14	Service Calls on member side of the meter (BP112)				
	a Regular Time (per hour 1 hour min.)			85.00	
	b Overtime (per hour)			127.50	
	c Service Truck (per hour plus \$1.25/mile)			70.00	
	d Digger/Derrick truck (per PTO plus \$1.25/mile)			70.00	
	e Line or resale materials			150%	
	f Cost of pole			100%	
	g Actual cost plus materials				
	labor (per hour)				
	regular				40.95
	overtime				61.43
	mileage (per mile)				2.10
	materials at cost plus:				115%
15	System Impact Fee. Any additional administrative, engineering, or related costs associated with				actual cost
16	Trip fees				
	a business hrs		15.00	70.00	240.00
	b overtime		15.00	70.00	265.00
17	Special Services (actual costs with \$150.00 deposit)		150.00		150.00
	(actual costs at 115% plus 10% down)				

Trip Fee Calculation:

Mileage within LSEC Service Area

data is from Special Equipment Installation Costs workbook

Scott Lake to Alexander 89 miles
 Garden City to Brownell 103 miles
 average: 96 miles

Dighton to:

SW Garden City 53
 NW Scott Lake 39
 NE Brownell 53
 SE Alexander 50
 average: 48.75 miles
 RT 97.5 miles

Ness City to:

SW Garden City 81
 NW Scott Lake 70
 NE Brownell 22
 SE Alexander 20
 average: 48.25 miles
 RT 96.5 miles

Overall average: 96.7 miles

Labor Cost

data is from Special Equipment Installation Costs workbook

Average hourly cost (straight salary without overtime):

per hour

2019 40.76
 2020 41.88
 2021 38.18
 2022 40.95

Transportation Costs/mile - 2022

(from transporation spread journal entry - Kathy)

Oct	2.11	Apr	2.40
Nov	1.86	May	2.02
Dec	2.08	Jun	2.00
Jan	2.15	Jul	2.74
Feb	1.93	Aug	2.40
Mar	2.05	Sept	1.43
		total	25.17
		avg per mile per month	2.0975

	<i>miles</i>	<i>trans cost/mile</i>	<i>total cost</i>
Mileage Cost	96.7	2.0975	202.76
Labor Cost (1 hr)			
business hours			40.95
overtime			61.43

Combined

		<i>billing</i>
regular	243.71	240.00
overtime	264.18	265.00

SECTION II

RATES AND CHARGES

B. NET METERING RIDER – NMR-22

Billing Codes: 100 and 101

1. DEFINITIONS

- a. **MEMBER-GENERATOR.** The owner or operator of a qualified electric energy generation unit which:
 - i. Is powered by a Renewable Energy Resource as defined by Kansas state statutes (see definition below).
 - ii. Is located on a premise owned, operated, leased, or otherwise controlled by the Member-generator.
 - iii. Is interconnected and operated in parallel phase and synchronization with the Cooperative and is in compliance with cooperative standards.
 - iv. Is intended primarily to offset part or all the Member-generator's own electrical energy requirements.
 - v. Meets all applicable safety, performance, interconnection, and reliability standards established by the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, and any local governing authorities; and
 - vi. Contains a mechanism that automatically disables the unit and interrupts the flow of electricity back onto the supplier's electricity lines if service to the Member-generator is interrupted.
- b. **GENERATING CAPACITY.** The nameplate maximum output of the renewable energy generation source.
- c. **NET CONSUMPTION.** The kWh supplied by the Cooperative to the Member-generator minus kWh supplied by the Member-generator and returned to the Cooperative's grid during the billing period.
- d. **NET METERING.** A dual or bi-directional metering process using equipment sufficient to measure the difference between the electrical energy supplied to a member-generator by a retail electric supplier and the electrical energy supplied by the Member-generator to the retail electric supplier over an applicable billing period.
- e. **PEAK LOAD.** The one-hour maximum annual demand imposed by the Cooperatives retail load.
- f. **RENEWABLE ENERGY RESOURCES.** Electrical energy produced from an energy resource or technologies defined as renewable in K.S.A. 66-1257, and amendments thereto.

- 2. **LIMITED AVAILABILITY.** Net metering service is available under this rider at points on the Cooperative's existing electric distribution system, located within its service area, for Members operating a renewable energy resource. The net metering service is available to Member-generators on a first-come, first-served basis until the total rated generating capacity of all net metered systems equals or exceeds one percent (1%) of the Cooperative's peak load for the previous calendar year. Upon reaching this limit, no further net metering service shall be available for that calendar year. This rider shall not be available for any electric service schedule allowing for resale. A Member-generator shall have the alternative option of interconnecting renewable generation under the parallel generation provisions of the Cooperative's rules and regulations. However, renewable Member-generators may not change between the net metering and parallel generation rider without the prior approval of the Cooperative, and such elections shall not be for periods less than one-year.

- 3. **APPLICABILITY.** This net-metering rider is applicable to Member-generators with a Cooperative-approved interconnection agreement. Each meter connected under this Net Metering Rider defines a member-generator. A generator owned or operated by a member-generator cannot be connected in common with any other meter or be deemed to be for the purpose of serving the load connected to any other meter. To the extent that the Member-generator controls the Renewable Energy Resources and meets the requirements and accepts all the obligations of this Net Metering Rider, the Member generator is not required to own the generating facilities.

- a. For member-generators that began operating a renewable energy resource under an interconnection agreement prior to July 1, 2014:
 - i. Residential member-generators to generate electricity subject to net metering up to 25 kilowatts; and
 - ii. Commercial, industrial, school, local government, state government, federal government, agricultural and institutional member-generators to generate electricity subject to net metering up to 200 kilowatts.
- b. For member-generators that begin operating a renewable energy resource under an interconnect agreement with the utility after July 1, 2014:
 - i. All residential member-generators to generate electricity subject to net metering up to 15 kilowatts;
 - ii. Commercial, industrial, religious institution, local government, state government, federal government, agricultural and industrial member-generators to generate electricity subject to net metering up to 100 kilowatts, unless otherwise agreed to by the utility and the member-generator; and
 - iii. School member-generators to generate electricity subject to net metering up to 150 kilowatts. For the purpose of this section, "school" means any postsecondary educational institution as defined in K.S.A. 74-3201b, and amendments thereto, or any public or private school which provides instruction for students enrolled in grade kindergarten or grades one through 12.
- 4. CHARACTER OF SERVICE. Alternating current, 60 cycles, at the voltage and phase of the Cooperative's established primary or secondary distribution system immediately adjacent to the service location.
- 5. BILLING AND PAYMENT. The Cooperative shall render a bill for net consumption at approximately 30-day intervals during the Cooperative's normal billing interval. Any net consumption shall be valued as follows:
 - a. To the extent the net consumption is positive (i.e., Member-generator took more kWh from the Cooperative during the billing period than Member-generator produced), the eligible Member-generator will be billed in accordance with the Cooperative's standard rate for Energy Charges and Energy Cost Adjustments (for the net consumption), and for any Member Charges, Demand Charges, and/or any Minimum Charges that would otherwise be applicable to the Member under the standard rate.
 - b. To the extent the net consumption is negative (i.e. Member-generator produced more kWh during the billing period than the Cooperative supplied), the Member-generator will pay applicable Member Charges, Demand Charges, or both, depending upon the Cooperative's standard rate applicable to the Member; and the excess electric energy shall be retained by the Cooperative as a contribution to fixed costs associated with owning and maintaining the facilities required to provide electric service when the Member-generator cannot meet its own supply needs.
 - c. To the extent the net consumption is zero (i.e., the Member-generator produced the same kWh during the billing period as was supplied by the Cooperative), the Member generator will be billed in accordance with the Cooperative's otherwise applicable standard rate for the eligible Member-generator, including any applicable Member Charges, Demand Charges and/or Minimum Charges.
- 6. TERMS AND CONDITIONS:
 - a. The Cooperative will supply, own, and maintain at its expense all necessary meters and associated equipment utilized for billing. In addition, and for purposes of monitoring Member

generation and load, the Cooperative may install at its expense, load research metering. The Member shall supply, at no expense to the Cooperative, a suitable location for meters and associated equipment used for billing and for load research. Such equipment shall be always accessible to utility personnel. The Member-generator shall reimburse the Cooperative for the cost of any additional distribution facilities necessary to accommodate the Member-generators facility.

- b. The Member shall furnish, install, operate, and maintain in good order and repair without cost to the Cooperative such relays, locks and seals, breakers, automatic synchronizers, disconnecting devices, and other control and protective devices as shall be designated by the Cooperative as being required as suitable for the operation of the generator in parallel with the Cooperative's system.
- c. The Member shall install and maintain a visible, manual disconnect switch. This manual switch must have the capability to be locked out by Cooperative personnel to isolate the Cooperative's facilities in the event of an electrical outage on the Cooperative's transmission and distribution facilities serving the Member. This isolating device shall also serve as a means of isolation for the Member's equipment during any Member maintenance activities, routine outages, or emergencies. The Cooperative shall give notice to the Member before a manual switch is locked or an isolating device used, if possible; and otherwise, shall give notice as soon as practicable after locking or isolating the Member's facilities.
- d. The Member may be required to reimburse the Cooperative for any equipment, facilities, protective equipment, or upgrades required solely because of the installation by the Member of generation in parallel with the Cooperative's system.
- e. The Member shall notify the Cooperative prior to the initial energizing and start-up testing of the Member-owned generator, and the Cooperative shall have the right to have a representative present at said test.
- f. If harmonics, voltage fluctuations, or other disruptive problems on the utility's system are directly attributable to the operation of the Member's system, such problem(s) shall be corrected at the Member's expense.
- g. No Member's generating system shall damage the Cooperative's system or equipment or present an undue hazard to Cooperative personnel. The Cooperative shall not be liable directly or indirectly for permitting or continuing to allow an attachment of a net metered facility or for the acts or omissions of a Member-generator that cause loss or injury, including death, to any third party. The Member-generator agrees to hold the Cooperative harmless from injury or property damage incurred by any person and arising out of the ownership, operation, maintenance, or use of the members electrical generation facility and to indemnify the Cooperative against all liability and expense related thereto.
- h. Prior to installing and interconnecting a Renewable Energy Resource the Member shall enter a standard interconnection contract with the Cooperative setting forth the conditions related to technical and safety aspects of parallel generation.
- i. Service under this Net Metering Rider is subject to the Cooperative's Rules and Regulations as adopted by the Board of Trustees and any subsequently approved modifications that may be adopted by said Board during the term of service.
- j. Applications by a Member-generator for interconnection of the qualified generation unit to the distribution system shall be accompanied by the plan for the Member-generator's electrical generating system, including, but not limited to, a wiring diagram and specifications for the generating unit, and shall be reviewed and responded to by the Cooperative within ninety

- (90) days after receipt for all other systems. Prior to the interconnection of the qualified generation unit to the supplier's system, the Member-generator shall furnish the Cooperative a certification from a qualified professional electrician or engineer that the installation meets the requirements above. If the application for interconnection is approved by the Cooperative and the Member-generator does not complete the interconnection within one year after receipt of notice of the approval, the approval shall expire, and the Member-generator shall be responsible for filing a new application. Upon the change in ownership of a qualified Renewable Energy Resource, the new Member-generator shall be responsible for filing a new application under this section.
- k. Ownership of all renewable energy credits, greenhouse gas emission credits and any other renewable energy attributes related to any electricity produced by the eligible renewable energy resource shall be retained by the Member-generator.

C. PARALLEL GENERATION RIDER-RENEWABLE GENERATION RIDER- PGR-22

1. DEFINITIONS

- a. Governing Statute. KSA 66-1,184
- b. Member-generator: The owner or operator of a qualified electric energy generation unit which:
 - i. Is powered by a Renewable Energy Resource.
 - ii. Is interconnected and operated in parallel phase and synchronization with the Cooperative for the purpose of feeding excess electrical power which is generated by the members energy-producing system into the utility's system.
 - iii. Has entered a Parallel generation contract with the Cooperative.
 - iv. Has an electrical generating capacity of not more than twenty-five (25) kilowatts for residential members or two hundred (200) kilowatts for commercial members.
 - v. Is located on a premise owned, operated, leased, or otherwise controlled by the Member-generator.
 - vi. Is appropriately sized to primarily offset part or all the member-generator's anticipated electrical load requirements.
 - vii. Meets all applicable safety, performance, interconnection, and reliability standards established by the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, and any local governing authorities; and
- c. GENERATING CAPACITY. The nameplate maximum output of the renewable energy generation source.
- d. RENEWABLE ENERGY RESOURCES. Electrical energy produced means wind, solar, photovoltaic, biomass, hydropower, geothermal, waste incineration and landfill gas resources or technologies located in Kansas as defined in KSA 17-4652.
- e. SYSTEM MONTHLY AVERAGE COST. The average cost of wholesale power from the previous calendar year less special purchase contracts. This will be calculated annually from the Cooperatives' audited financial statements. PDR-22 payment will be 150% of the system average cost..

2. APPLICABILITY. This schedule is applicable to all residential members who own and operate a renewable energy generator with a generating capacity of 25 kilowatts or less or to all commercial members who own and operate a renewable energy generator with a generating capacity of 200 kilowatts or less. Service under this section shall be subject to the utility's rules and regulations.

3. AVAILABILITY. the Cooperative may limit the number and size of renewable generators to be connected to the utility's system due to the capacity of the distribution line to which such renewable generator would be connected, and in no case shall the Cooperative be obligated to purchase a total combined amount greater than four percent (4%) of such utility's (Coincidental) peak power requirements.

4. CHARACTER OF SERVICE. Alternating current, 60 cycles, at the voltage and phase of the Cooperative's established primary or secondary distribution system immediately adjacent to the service location.

5. BILLING AND PAYMENT. The Cooperative shall render a bill for consumption at approximately 30-day intervals during the Cooperative's normal billing interval.

- a. Billing by the Cooperative to the Member shall be in accordance with the applicable rate schedule. For electrical energy delivered by the Member to the Cooperative from the Renewable Energy Resource, the Cooperative shall pay one-hundred and fifty percent (150%)

of the system monthly average cost. Any such amount shall be paid at least annually or when such amount is \$25 or more.

- b. Renewable Member-generators may not change between the net metering and parallel generation riders without the prior approval of the Cooperative and such elections shall not be for periods of less than one-year.

- 6. INTERCONNECTION COSTS. As determined at the sole discretion of the Cooperative on a non-discriminatory case-by-case basis to recover any additional expenses caused by the Member's generation facility to include costs of engineering, connection, switching, metering, transmission, distribution, safety provisions and administrative expenses related to the installation and maintenance of the physical facilities necessary to permit interconnected operations.

7. TERMS AND CONDITIONS

- a. No such apparatus or device shall be attached or energized that could either cause damage to the cooperative's system or equipment or present an undue hazard to utility personnel.
- b. Within twenty (20) business days of written notification and application of the member's intent to construct and install parallel generation, the utility shall provide the member a written estimate of all costs that will be incurred by the utility and billed to the member to accommodate the interconnection. The member may be required to reimburse the utility for any engineering or operation studies, equipment, facilities, protective equipment, or upgrades required solely because of the installation by the member of generation in parallel with the utility's service.
- c. The Cooperative will supply, own, and maintain all necessary meters and associated equipment utilized for billing. In addition, and for the purposes of monitoring member generation and load, the utility may install at its expense, load research metering. The member shall supply, at no expense to the utility, a suitable location for meters, easement and access, and associated equipment used for billing and for load research.
- d. The member shall furnish, install, operate, and maintain in good order and repair and without cost to the utility, such relays, locks and seals, breakers, automatic synchronizer, and other control and protective apparatus as shall be designated by the utility as being required as suitable for the operation of the generator in parallel with the utility's system.
- e. The Member shall install and maintain a visible, manual disconnect switch. This manual switch must have the capability to be locked out by Cooperative personnel to isolate the Cooperative's facilities in the event of an electrical outage on the Cooperative's transmission and distribution facilities serving the Member. This isolating device shall also serve as a means of isolation for the Member's equipment during any Member maintenance activities, routine outages, or emergencies. The Cooperative shall give notice to the Member before a manual switch is locked or an isolating device used, if possible; and otherwise, shall give notice as soon as practicable after locking or isolating the Member's facilities.
- f. The utility may require a special agreement for conditions related to technical and safety aspects of parallel generation.
- g. The member shall notify the utility prior to the initial energizing and start-up testing of the member-owned generator, and the utility shall have the right to have a representative present at such test;

- h. If harmonics, voltage fluctuations, or other disruptive problems on the utility's system are directly attributable to the operation of the Member's system, such problem(s) shall be corrected at the Member-generator's expense.
- i. For the purposes of ensuring the safety and quality of utility system power, the cooperative shall:
 - i. Have the right to require the member, at certain times and as electrical operating conditions warrant, to limit the production of electrical energy from the generating facility to an amount no greater than the load at the member's facility of which the generating facility is a part;
 - ii. Have the right to disconnect the member-generator's facilities subject to the Cooperative's Rules and Regulations as adopted by the Board of Trustees.
- j. The Cooperative shall not be liable directly or indirectly for permitting or continuing to allow an attachment of the facility or for the acts or omissions of a Member-generator that cause loss or injury, including death, to any third party. The Member-generator agrees to hold the Cooperative harmless from injury or property damage incurred by any person and arising out of the ownership, operation, maintenance, or use of the parallel generation facility and to indemnify the Cooperative against all liability and expense related thereto.
- k. The meter is the property of the Cooperative. Each meter connected under this Rider defines a member-generator and is the point of ownership transition between the Cooperative and the Member-generator.
- l. A generator owned or operated by a member generator cannot be connected in common with any other meter or be deemed to be for the purpose of serving the load connected to any other meter. To the extent that the member-generator controls the Renewable Energy Resources and meets the requirements and accepts all the obligations of this Rider, the member-generator is not required to own the generating facilities.
- m. A member who uses the operation of a renewable generator in connection with irrigation pumps shall not have more than 10 irrigation pumps connected to renewable generators be attached or connected to the utility's system.
- n. Service under this Rider is subject to the Cooperative's Tariffs, Rules, and Regulations as adopted by the Board of Trustees and any subsequently approved modifications that may be adopted by said Board during the term of service.

D. QUALIFYING FACILITIES and DISTRIBUTED GENERATION RIDER – DQF - 22

1. DEFINITIONS.

- a. Member-generator: The owner or operator of a qualified electric energy generation unit which:
 - i. Is interconnected and operated in parallel phase and synchronization with the Cooperative for the purpose of feeding excess electrical power which is generated by the members energy-producing system into the utility's system.
 - ii. Has entered a Parallel generation contract with the Cooperative.
 - iii. Is located on a premise owned, operated, leased, or otherwise controlled by the Member-generator.
 - iv. Is appropriately sized to primarily offset part or all the Member-generator's anticipated electrical load requirements.
 - v. Meets all applicable safety, performance, interconnection, and reliability standards established by the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, and any local governing authorities; and
- b. Distributed Generation. Generation facilities from resources not considered as renewable resources.
- c. Generating Capacity. The nameplate maximum output of the energy generation source.
- d. Qualifying Facility. Generation facilities meeting the definition of Qualifying Cogeneration and Small Power Production Facilities as defined under CFR Title 18, Chapter 1, Subchapter K, Part 292, or the Public Utilities Policies Act of 1978.
- e. SYSTEM MONTHLY AVERAGE COST. The average cost per kWh of wholesale power from the previous calendar year less special purchase contracts.

2. AVAILABILITY. Available in all territory served by the Cooperative in accordance with the Cooperative's service rules and regulations and all applicable federal, regional, state, ISO, and local laws and regulations. Service under this Rate rider is contingent upon execution of a written agreement for electric service between the Cooperative and the Member.

3. APPLICATION. Applicable to Distributed Generation ("DG") Facilities and Qualified Facilities ("QFs") having a design capacity smaller than 1 MW of generation connected in parallel operation to the Cooperative's electric system.

This rate rider is not applicable to temporary, shared, or resale service. This rate rider is available to service supplied at one point of delivery and may not be applicable if total Parallel Generation and DG and QF Facilities exceed 4.0% of the previous LSEC Coincidental Peak. In such case the Cooperative will refer the member-generator to, and assist the DG or QF facility with, the Cooperatives power supplier.

4. CHARACTER OF SERVICE. Alternating current, 60 cycles, at the voltage and phase of the Cooperative's established primary or secondary distribution system immediately adjacent to the service location.

5. MONTHLY CHARGE. Each billing period the member shall be obligated to pay the following charges in addition to all charges indicated on his/her base rate:

Member Charge:	Determined by Rate Classification
Energy Charge:	Determined by Rate Classification
System Monthly Average Cost (Net G):	\$0.0605125 per kWh

6. INTERCONNECTION COSTS. As determined at the sole discretion of the Cooperative on a non-discriminatory case-by-case basis to recover any additional expenses caused by the Member's generation facility to include costs of engineering, connection, switching, metering, transmission, distribution, safety provisions and administrative expenses related to the installation and maintenance of the physical facilities necessary to permit interconnected operations.
7. BILLING AND PAYMENT. The Cooperative shall render a bill for consumption at approximately 30-day intervals during the Cooperative's normal billing interval.
8. TERMS AND CONDITIONS
 - a. No such apparatus or device shall be attached or energized that could either cause damage to the cooperative's system or equipment or present an undue hazard to utility personnel.
 - b. Within twenty (20) business days of written notification and application of the member's intent to construct and install generation, the utility shall provide the member a written estimate of all costs that will be incurred by the utility and billed to the member to accommodate the interconnection. The member may be required to reimburse the utility for any engineering or operation studies, equipment, facilities, protective equipment, or upgrades required solely because of the installation by the member of generation in parallel with the utility's service.
 - c. The Cooperative will supply, own, and maintain all necessary meters and associated equipment utilized for billing. In addition, and for the purposes of monitoring member generation and load, the utility may install at its expense, load research metering. The member shall supply, at no expense to the utility, a suitable location for meters, easement and access, and associated equipment used for billing and for load research.
 - d. The member shall furnish, install, operate, and maintain in good order and repair and without cost to the utility, such relays, locks and seals, breakers, automatic synchronizer, and other control and protective apparatus as shall be designated by the utility as being required as suitable for the operation of the generator in parallel with the utility's system.
 - e. The member shall install and maintain a visible disconnect switch. This switch must have the capability to be locked out by Cooperative personnel to isolate the Cooperative's facilities in the event of an electrical outage on the Cooperative's transmission and distribution facilities serving the member. This isolating device shall also serve as a means of isolation for the member's equipment during any member maintenance activities, routine outages, or emergencies. The Cooperative shall give notice to the member before a switch is locked or an isolating device used, if possible; and otherwise, shall give notice as soon as practicable after locking or isolating the member's facilities.
 - f. The utility may require a special agreement for conditions related to technical and safety aspects of parallel generation.
 - g. The member shall notify the utility prior to the initial energizing and start-up testing of the member-owned generator, and the utility shall have the right to have a representative present at such test;
 - h. If harmonics, voltage fluctuations, or other disruptive problems on the utility's system are directly attributable to the operation of the member's system, such problem(s) shall be corrected at the member-generator's expense and may be added to the member-generators monthly utility billing.
 - i. For the purposes of ensuring the safety and quality of utility system power, the cooperative shall:

- i. Have the right to require the member, at certain times and as electrical operating conditions warrant, to limit the production of electrical energy from the generating facility to an amount no greater than the load at the member's facility of which the generating facility is a part.
 - ii. Have the right to disconnect the member-generator's facilities subject to the Cooperative's Rules and Regulations as adopted by the Board of Trustees.
 - j. The Cooperative shall not be liable directly or indirectly for permitting or continuing to allow an attachment of the facility or for the acts or omissions of a member-generator that cause loss or injury, including death, to any third party. The member-generator agrees to hold the Cooperative harmless from injury or property damage incurred by any person and arising out of the ownership, operation, maintenance, or use of the parallel generation facility and to indemnify the Cooperative against all liability and expense related thereto.
 - k. The meter is the property of the Cooperative. Each meter connected under this service defines a member-generator and is the point of ownership transition between the Cooperative and the member-generator.
 - l. A generator owned or operated by a member-generator cannot be connected in common with any other meter or be deemed to be for the purpose of serving the load connected to any other meter. To the extent that the member-generator controls the DG/QF and meets the requirements and accepts all the obligations of this Rider, the member-generator is not required to own the generating facilities.
 - m. A member who uses the operation of a generator in connection with irrigation pumps shall not have more than 10 irrigation pumps connected to generators be attached or connected to the utility's system.
 - n. Service under this Rider is subject to the Cooperative's Tariffs, Rules, and Regulations as adopted by the Board of Trustees and any subsequently approved modifications that may be adopted by said Board.
9. SALES TO MEMBER. Sales to a DG/QF member shall be consistent with the applicable retail rate tariff established by the Cooperative and as in use by the member if there were no Distributed Generation or Qualifying Facility installation.
10. DISCONTINUANCE OF PURCHASES. The Cooperative may discontinue metering, purchases, and sales during system emergencies if such would contribute to the emergency.
11. DATA ACCESS – COMMUNICATIONS LINK. In addition to all other charges, the Member will provide the Cooperative at his/her own expense a communications link as approved at the sole discretion of the Cooperative for remotely obtaining meter readings at a time or times of the month as determined at the Cooperative's sole discretion if so requested by the Cooperative.
12. CONTRACTS. An interconnection agreement between the member and the Cooperative shall be required in all cases.

E. SERVICE FEES AND CHARGES. This section provides a summary of, and a quick reference for, the fees and charges found throughout these Rules and Regulations. All Fees and charges may be applied in conjunction with other applicable fees and charges.

1. Collection Agency Fee. A charge equal to the fees/charges to be incurred from the collection agency, including reasonable legal fees, will be added to any balance owed if the cooperative deems it necessary to submit past due balances to a collection agency.
2. Connect/Disconnect/Reconnect Fee. For each connection, reconnection, or disconnection or electric services.
 - a. Office \$50.00 per disconnection for nonpayment
 - b. Field \$240.00 per trip
\$265.00 per trip if after-hours
3. Copy expense. \$0.30 per sheet plus administrative time at actual rate. This fee will be charged whenever the Cooperative is requested to provide electronic or physical duplications of records as approved in Board Policy.
4. Damage to or Misuse of Cooperative Facilities. A charge equal 115% of the direct labor, mileage, materials, and overhead charges required to repair or replace damaged Cooperative facilities and/or equipment will be assessed against the member or other parties responsible for such damages.
5. Deposits for Service. A member deposit may be required or waived on any account in accordance with these Rules and Regulations. Member deposits are not transferable unless authorized in writing by the member in whose name the deposit is recorded.
 - a. Residential two-month avg history or \$240.00
 - i. Residential Seasonal two-month avg history or \$100.00
 - ii. Residential Pre-paid no deposit
 - iii. General Service Small two-month avg, or *(the lesser of)*
\$10.00 per installed kVA x 2, or \$500.00
 - b. General Service Large two-month avg of the largest months usage, or
(the lesser of) \$15.00 per installed kVA x 2, or \$3,000
 - c. Industrial two-month avg of the largest months usage, or
(the lesser of) \$15.00 per installed kVA x 2, or \$136,000
 - d. Irrigation two-month avg, or
(the lesser of) \$35/installed HP, or \$450.00
 - e. Non-Domestic \$75.00
 - f.
 - g. Fairground and Athletic Field \$200.00
 - h.
 - i. Idle Service \$63.00
6. Interest. 5.0% simple annual. Interest shall be charged in conjunction with the cooperative financing Contribution in Aid of Construction.

7. Late Payment Penalty. 5.0%. Members shall be charged a penalty for payments received after the due date as stated on the billing.
8. Line Extension Credit (LEC). The Cooperative may be extended a \$1,200 LEC to permanent, full-time occupied Residential consumers and is designed to reduce the members initial cost of construction while allowing the Cooperative to recoup its infrastructure investment over an average project life of twenty (20) years with average energy usage. Line Extension Credit shall not be applied in any case where more than 25% of all electric power requirements are provided by distributed generation.
9. Meter Reading Charge – A special meter reading charge as specified will be made for the cost of reading a member's meter at a time other than regular monthly readings and standard disconnects.
 - a. Business Hours \$240.00 per trip
 - b. After hours and Holidays \$265.00 per trip
10. Meter Reseal Charge. When a meter seal is broken without authorization from the Cooperative, a service fee as specified may be charged for each trip made to reseal the meter.
 - a. Business Hours \$240.00 per trip
 - b. After hours and Holidays \$265.00 per trip
11. Meter Tampering Charge. Trip fee plus 115% of the actual cost to repair per incidence. A fee related to the unlawful tampering with the Cooperatives metering system to include all apparatus required therein.
12. Meter Testing Fee. \$285 per meter. To be charged when a member requests that a meter be tested and the test reports that the meter is within 2.0% accurate.
13. Returned Check Fee. \$30.00 plus applicable bank fees. Checks returned for insufficient funds will be assessed a charge as specified. If a check rendered to the Cooperative for payment of an account is returned for any reason, then the account will be considered delinquent, and the provisions of these Rules and Regulations will apply.
14. Service Calls on member side of meter. The appropriate charges are to be made for service calls when the problem is found to be on the member's side of the meter and circumstances are such that the member should be billed. Similar charges will be made for any work performed for a member or other party by Lane-Scott Electric Cooperative line personnel on equipment or facilities other than those belonging to Lane-Scott.

These charges shall be actual labor charges, plus mileage at \$2.10 per mile, plus materials at 115% of cost.
15. System Impact Fee. Any additional administrative, engineering, or related costs associated with new or upgrading services where existing service capacity or ability to serve could be affected. These will be billed at actual cost.
16. Trip Fee. A service charge as specified per service trip may be charged to the member where Cooperative personnel respond to any erroneously reported or non-existent outage, incorrect voltage complaint, or other problem where no trouble is found with the Cooperative's equipment.
 - a. Business Hours \$240.00 per trip
 - b. After hours and Holidays \$265.00 per trip

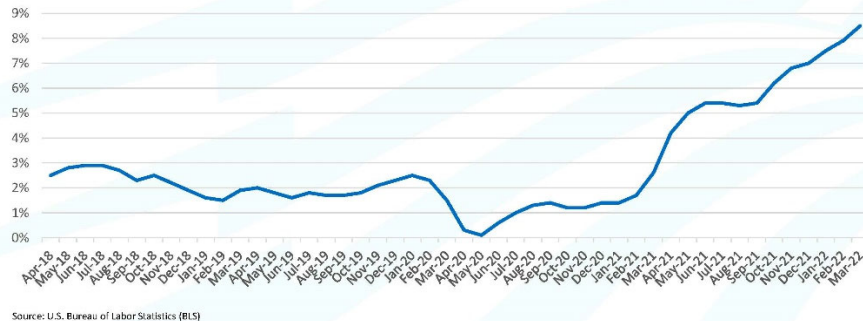
17. Special Services. Actual costs with a \$150.00 deposit required from non-members. Any member requesting services beyond those normally rendered by the Cooperative will be charged the actual cost of such services which will be based on the cost of labor and material, plus a mileage fee.

10. b. Employee COLA

It is no surprise to anyone that prices are increasing. The Consumer Price Index hits its highest level in 40-year last March and there is little optimism that the April numbers will be any better. The recent NRECA Economic Outlook webinar offered these slides:

Inflation – Annual Change in CPI

Consumer Price Index – Percentage Change from Previous Year



Source: U.S. Bureau of Labor Statistics (BLS)



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Inflation – CPI Contribution

March 2022 vs March 2021

Expenditure Category	Annual Price Increase	CPI Contribution
Food	8.8%	14.2%
Gasoline	48%	19.3%
Electricity and Gas Service	13.5%	5%
Apparel	6.8%	2.1%
New Vehicles	12.5%	5.5%
Used Cars & Trucks	35.3%	11.5%
Housing/Rent	5%	19.5%
Household Furnishings & Supplies	10.8%	4.8%
Hotels & Motels	29%	2.6%
Car & Truck Rental	23.4%	0.4%
Airline Fares	23.6%	1.4%
Medical Care	2.9%	2.5%
Recreation Services	4.8%	2%

Source: U.S. Bureau of Labor Statistics (BLS)



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It indicates that, according to the Bureau of Labor Statistics, the price of consumer goods has increased significantly in the 12 months ending March 2022. Most notably for LSEC employees is

Food	UP	8.8%
Gasoline	UP	48.0%
Electric and Gas Service	UP	13.5%

This is reflected in several articles from the Society for Human Resource Management (SHRM). Most recent was a May 2022 article entitled, “BLS: Private Sector Wages and Salaries Rose 5% Year Over Year at End of First Quarter.” With the note, “Inflation-adjusted value of pay fell 3.3% over the past year”.

This article also notes that cost of benefits rose an average of 4.1% during the 12-month period ending March 2022. The combined effect is a 9.1% adjustment, well above the 4.87% that was reported last fall and well above the 6.1% that we projected in the Wage and Salary study. That study had 3.76% increase for total wages, 0.29% for taxes, and 2.05% for benefits. Employees received an average increase of 2.2% with higher earners receiving a lesser percentage and lower earners receiving a higher percentage.

The economic experts are all over the place with no one wanting to put their reputation on the line. Most concede that inflation will likely continue to climb, but how much? Almost every day around the cooperative I hear employees talking about the high cost of groceries and gasoline. It seems to be affecting our younger employees the most.

Most employers are planning mid-year adjustments to try to help offset the rising costs. I have heard current numbers from 3.5 to 5 percent. While that won’t cover most of the added expenses, it is a huge message to employees that they (and their families) are important.

The table below is a projection of the added expense of increased payroll. These numbers were prepared by Diana Kuhlman and proofed by Kathy and me. I would like for the Board to consider a 4.0% across the Board COLA adjustment for all my employees. This would cost the Cooperative an estimated \$32,821.61 in payroll and represents 0.17% of our 2022 budget.

	6 month period	total annual	increase	% of Budget
2022 Jan-Jun Payroll projection:	\$ 802,158.84	\$ 1,604,317.68	\$ -	
Proposed Increase (July-Dec)				
2.0% Payroll increase:	\$ 818,202.02	\$ 1,620,360.86	\$ 16,043.18	
401(k) increase:			367.63	
			\$ 16,410.81	0.09%
3.0% increase:	\$ 826,223.61	\$ 1,628,382.45	\$ 24,064.77	
401(k) increase:			551.44	
			\$ 24,616.21	0.13%
4.0% increase:	\$ 834,245.19	\$ 1,636,404.03	\$ 32,086.35	
401(k) increase:			735.25	
			\$ 32,821.61	0.17%
5.0% increase:	\$ 842,266.78	\$ 1,644,425.62	\$ 40,107.94	
401(k) increase:			919.07	
			\$ 41,027.01	0.22%

If the economy turns around, the raise can be applied to the usual September wage adjustment. If it doesn’t, this adjustment will soften the impact of the September adjustment.

Currently, our first quarter sales are projecting year-end sales of \$18,560,878. That is 1.2% (or \$229,637) below our budget estimates for 2022. These numbers do not reflect the rate adjustment which we project will increase revenues to around \$19,200,000 or by over \$600,000. The four-percent raise of \$32,821.61 is 5.4% of that increase.

I believe that the sends an important message to my employees that we care about them and their families and that we understand how the economy is impacting them. They have been buckled down for almost two years and have done a great job of controlling expenses. This economy will require them to keep up the good work for at least another two years.

I request that the Board of Trustees approve an across-the-board increase of 4.0% for all employees of the General Manager effective July 1, 2022.

10. c. Capital Credits - Estates

Board Policy 113. Consumers Capital Credits, 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 June and December upon the approval of the Board of Trustees.

CAPITAL CREDIT LIQUIDATION REQUESTS SUBMITTED FOR BOARD APPROVAL JUNE 2022							
Last Name	First Name	Cust No.	ELEC-COOP	ELEC-MKEC	Total ELEC Amount	Form W-9	G&T
Bennett	Robert	20216	\$ 1,396.14	\$ -	\$ 1,396.14	N/A	\$ 1,020.36
Berry	Pat L.	2423	\$ 238.72	\$ -	\$ 238.72	N/A	\$ -
Davis	Barbara J	40378	\$ 134.55	\$ -	\$ 134.55	N/A	\$ 1,069.35
Edington Estate	Ronald	50125	\$ 12.82	\$ 433.40	\$ 446.22	N/A	\$ 271.03
Ferguson	Erma J.	60384	\$ 31.21	\$ 187.89	\$ 219.10	N/A	\$ 151.53
Garrelts	Jacki	70254	\$ 12.39	\$ 296.34	\$ 308.73	N/A	\$ 225.87
Gruna	Travis J.	70325	\$ 26.72	\$ 321.64	\$ 348.36	N/A	\$ 398.48
Hertel	Keith R.	80374	\$ 174.72	\$ 300.21	\$ 474.93	N/A	\$ 357.23
Horchem	Richard G.	80515	\$ 56.95	\$ 480.66	\$ 537.61	N/A	\$ 645.88
Horchem	Ronald D.	80296	\$ 300.70	\$ 416.29	\$ 716.99	N/A	\$ 468.39
Hanks Trust	E Joe	80019	\$ 7,742.26	\$ -	\$ 7,742.26	W-9	\$ 2,535.30
Isaac	Ben J.	9004	\$ 45.47	\$ -	\$ 45.47	N/A	\$ -
Johnson	Iris E.	10103	\$ 480.37	\$ -	\$ 480.37	N/A	\$ -
McVicker	Darren E.	130310	\$ 2,868.11	\$ -	\$ 2,868.11	W-9	\$ 1,566.16
Miller	Arlene E.	130485	\$ 19.13	\$ 371.50	\$ 390.63	N/A	\$ 261.82
Sauer	Naida P.	190728	\$ 11.58	\$ 319.75	\$ 331.33	N/A	\$ 370.04
Schwartz	Nelson L.	190039	\$ 4,513.85	\$ -	\$ 4,513.85	W-9	\$ 5,382.04
Schwitzer	Perry L.	19430	\$ 368.86	\$ -	\$ 368.86	N/A	\$ -
Sheldon	D. Max	190827	\$ 37.04	\$ 473.05	\$ 510.09	N/A	\$ 388.35
Squier	John C	190871	\$ 24.34	\$ 196.73	\$ 221.07	N/A	\$ 150.19
Waelchli	John L.	230370	\$ 30.63	\$ 381.26	\$ 411.89	N/A	\$ 300.38
Waterhouse	Clifton D.	230264	\$ 168.06	\$ -	\$ 168.06	N/A	\$ 159.78
Whipple	H. Vyrl	230102	\$ 2,896.24	\$ -	\$ 2,896.24	W-9	\$ 2,442.90
Wright	Loren W.	230467	\$ -	\$ 597.22	\$ 597.22	N/A	\$ 365.91
Wright	Steve A.	230321	\$ 2,138.85	\$ -	\$ 2,138.85	W-9	\$ 2,138.62
Total LSEC Coop Pay Outs					<u>\$ 28,505.65</u>		

Staff requests that the Board approve the above Special Retirement of \$28,505.65.

**RESOLUTION OF THE BOARD OF DIRECTORS AUTHORIZING the
AMENDMENT and RESTATEMENT of
THE RETIREMENT SECURITY and/or 401(K) PENSION PLAN**
For Lane-Scott Electric Cooperative, Inc.
REA(s) 17042-001, 17042-002

WHEREAS, Lane-Scott Electric Cooperative, Inc., is a participating employer in the:

☒ Retirement Security (RS) Plan

☒ 401(k) Pension (401(k)) Plan

Plan(s): elect one or both, as applicable

WHEREAS the Board of Directors of Lane-Scott Electric Cooperative, Inc. is aware that the Plan(s) must periodically be amended to comply with new or changed regulations, rulings, legislation and plan operations, and that this restatement will be effective July 1, 2022.

THEREFORE BE IT RESOLVED that this Board authorizes the July 1, 2022 amendment, restatement and continuance of the Plan(s) to conform in its (their) entirety with all the provisions of the governing plan document(s) of the Plan(s), through the execution of the Adoption Agreement(s), which includes all of the provisions of the Cooperative's most recently executed Adoption Agreement(s) and any compliance clarifications needed to conform with plan operations; and

BE IT FURTHER RESOLVED, in the event that the timing of the restatement does not correspond with regularly scheduled meetings of the Board of Directors, the Board does hereby authorize and direct the cooperative's (or the participating employer's) authorized representative to execute all necessary documents and to take any and all further actions necessary to carry out the July 1, 2022 amendment and restatement of the Plan(s); and, NRECA is fully authorized to rely on this designation in processing the restatement of the Plan(s).

SIGNATURE OF THE SECRETARY: I, Paul Seib, Jr., certify that I am the Secretary of Lane-Scott Electric Cooperative, Inc. Board of Directors. I further certify that the above is a true excerpt from the minutes of a board meeting of this Board of Directors on the 6th day of June, 2022, at which a quorum was present and that the above portion of the minutes has not been modified or rescinded.

Signature of the Secretary

Date

SEAL of the PARTICIPATING SYSTEM: *Place corporate seal of Participating System in the box below:*

OR

Check this box to indicate that the Participating System does not have a corporate seal:

10. e. Board Policy 505

Board Policy 113. Sick and Disability Leave Policy is presented with proposed amendments. This is the result of a review that Diana and I did after she returned from the NRECA HR and Benefits conference where these policies were a major topic of discussion. We felt that we needed to update and clarify the policy to:

1. Identify the distinction between Sick Leave, Disability, and Return to Work policies.
2. Clarify that once an employee on Sick Leave runs out of paid benefit time, the cooperative will not continue benefits unless the employee agrees to pay for those benefits.
3. Limit Sick Leave to 13 weeks (short term disability limit).
4. Clarify that if an employee is on disability leave, the cooperative will continue benefits presuming the employee will return within one (1) year and that a position remains available.
5. A return-to-work release may be required for return to work.
6. Employees out for an extended time may return to work if they can reasonably preform their previous duty AND a position is available.
7. Termination is an option.
8. Light Duty is at the discretion of the cooperative and will be paid at a level commensurate with the position.

Staff requests that the Board approve these amendments to Board Policy 505.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
POLICY

Dated: June 6, 2022

Policy No.: 505

Supersedes Date:

September 7, 2010
February 27, 2006
September 27, 2004
April 26, 1993
September 24, 1990

SUBJECT: Sick Leave and Disability Leave

OBJECTIVE:

To set forth the policy of the Board of Trustees on the terms and working conditions of employment sick leave.

I. Sick Leave

- A. The term "sick leave" shall be defined to mean any time during which an employee may, due to illness, injury, family emergency or other physical incapacitation not incurred in the line of duty, be excused from work without suffering the loss of normal earnings. All permanent full-time employees are eligible for sick leave benefits. Sick leave shall accrue at the rate of eight (8) hours for each full month of employment.
- B. Unused sick leave may be allowed to accumulate to a maximum of 720 hours. Disability insurance has been purchased for all full time employees that will provide (subject to terms of the policy) income protection to a disabled employee for the period of thirteen (13) weeks after disability until age sixty-five (65).
- C. All absences from duty approved as sick leave shall be so charged and deducted from that amount of sick leave standing to the employee's credit. Any sick leave accruing to an employee and not used shall be cumulative without regard to time with the following provision: That if at the end of the calendar year, an employee has an excess of ninety (90) days or 720 hours standing to his credit, that portion in excess of ninety (90) days or 720 hours, shall be liquidated by cash payment equal to fifty per cent (50%) of its straight time value to the employees concerned. The remaining ninety (90) days shall then be carried over to the credit of the employee to the subsequent year.

- - - Policy 505 - - -
Page 2

- D. Sick leave claimed must be entered on the employee's time sheet and must state the nature of the illness or other circumstances. A doctor's certificate may be required to substantiate an employee's claim of sick leave.
- E. Payment of sick leave shall be calculated at the employee's regular rate of pay and any amount received for loss of income from any company sponsored insurance shall be deducted except from employee group medical insurance.
- F. Sick leave for extended illness or absence must be approved by the general manager. A doctor's certificate will be required to substantiate an employee's claim of sick leave. A doctor's release will be required before an employee can return to full active duty.
It is the employee's responsibility to ensure Lane-Scott receives the doctor's certificates. If doctor's certificates are not provided within two weeks of the onset of the extended absence the employee may be subject to discipline up to and including termination. Further, it is required that the employee remain in contact with their supervisor or the general manager during their absence, either by telephone or in person. If contact is not made on at least a bi-weekly basis the employee may be subject to termination. ~~If an employee is able to return to work in a reduced capacity, they will be placed in a position for which they have the ability to perform, provided such a position is available.~~
- G. Sick Leave shall be granted for serious illness in the immediate family as needed. However, absences beyond three (3) days must be approved by the General Manager. "Immediate family" shall be defined as spouse, mother, father, child, brother, sister, grandparents, grandchildren, mother-in-law, father-in-law, brother-in-law, sister-in-law, aunt, and uncle.
- H. Sick leave benefits will cease immediately upon termination of employment.
- I. No benefits shall be paid for off duty accidents which occurred while the employee was working for hire for anyone other than the Cooperative.
- J. ~~If the employees sick leave requirement exceeds their accrued balance of~~

paid leave benefit, the employee will not be paid, contributions to the employee's 401 (k) plan shall cease and no vacation or sick leave benefits shall accrue during disability leave. However, the Cooperative may continue the employee's insurance benefits provided the employee agrees to repay the Cooperative on a payment schedule not to exceed the duration of the unpaid period.

K. Sick Leave shall extend for a maximum of thirteen (13) weeks.

L. Lane-Scott Electric Cooperative, Inc. will buy back sick leave for employees who have been with the company 15 years or more. This will be a 25% of their total hours at their base pay rate, this is for retirement from Lane-Scott Electric Cooperative, Inc. only.

II. Disability Leave

- A. ~~When~~ If an employee becomes injured and/or ill and is medically unable to perform the duties required of his/her job for a period of thirteen (13) weeks, he/she shall be considered disabled and at that time placed on disability leave.
- B. An employee will not be paid, contributions to the employee's 401(k) plan shall cease and no vacation or sick leave benefits shall accrue during disability leave. Lane-Scott has made available a long-term disability insurance plan for the benefit of all employees.
- C. It is understood that disability leave shall not be used for the purpose of accepting gainful employment elsewhere. If an employee accepts such employment elsewhere during a disability leave, it shall be presumed that he/she resigned without notice.
- M. During disability leave, the Cooperative will continue the employee's medical, dental, accident, retirement security plan and life insurance coverage and will pay the premiums in the same manner as prior to the disability, for a length of time at the discretion of the General Manager and presuming the employee will have the ability to return to work within one (1) year, in their previous capacity, or in an existing available position.

III. Return to Work

- A. The employee may be required to provide a medical release from a

licensed medical doctor or physician's assistant before returning to work in any capacity. The Cooperative may require a second opinion if, at the Cooperatives sole discretion, one is needed. Employees on Disability Leave or Workers Compensation shall be required to provide said release.

- B. The employees shall notify the Cooperative of their intent to return within a reasonable time. The Cooperative shall then:
 - 1. Return the employee to their previous position if the residual effects of the injury or illness allow him/her to perform those essential job requirements and responsibilities on a daily basis.
 - 2. Extend to the employee an alternate position for which the employee is qualified, if such a position exists.
- C. If an employee's injury does not allow him/her to perform the employees essential job requirements and responsibilities on a daily basis and another position is not available due to the employees reduced capacity termination may result.
- D. Light Duty. If the employee is medically allowed to return to work at "light duty" or at less than 100% capacity, the Cooperative will attempt to create a temporary position if the Cooperative has the necessary work and can accommodate the employees' limitations. Pay will be commensurate with the position. The Cooperative is not obligated to create such a position and any such position will continue only if the project work is available.

Secretary

(seal)

SAFETY PROGRAM

SAFETY PROJECTS COMPLETED AS OF MAY 2022

1. RESAP On-Site Observation
2. Chris Terhune and Carrie Borell attended Kansas Electric Cooperatives Safety Summit.
3. Chris Terhune and Ben Mann attended Safety Coordinator Roundtable Discussion.
4. Security system network wire relocation to the server room.
5. Changed out line hoses for testing.
6. Ann Jennings's member safety awareness publishes to either KCL newsletter, social media, and/or the Lane Scott Electric website concerning:
 - May is Electrical Safety Month with GFCI reference and how to test GFCI's.
 - Text Scam Notice
 - Restoring Power Safely & Efficiently
 - Plant Trees Safety
 - Stay Away from Downed Lines
 - GFCI Outlets
 - Electric Shock Drowning
 - Safe Boating Week
 - 10 Home Safety Tips Video for Electrical Safety Month
7. Diana Kuhlman submitted reports:
 - CDL Requirements
 - KEC Loss Control, Safety and Compliance System Monthly Statistical Report.
 - Compliance One drug and alcohol monthly roster report.
8. KEC April safety meeting topics: Safety Summary, Transformer Connections (3-phase), Professional Conduct, and Stress Management. April 27th safety minutes are included in the board packet.
9. KEC May safety meeting topics: Safety summary, Transformer Connections (3-phase), Admin: Professional Conduct. May 25th safety minutes are included in the board packet.

SAFETY PROJECTS IN PROGRESS AS OF MAY 2022

1. SDS Program products updates and improvements.
2. Safety Amp software inspection form templates.
3. Security system beginning stages of implementation.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SAFETY MEETING

April 27, 2022

Chris Terhune called the meeting to order at 9:08am.

Minutes were read: Dal Hawkinson made a motion to approve the March 30th minutes and Kevin Bradstreet seconded. Minutes were read and approved as printed.

Present: Ben Mann, Dal Hawkinson, Chris Terhune, Kevin Bradstreet, Nate Burns, Scott Briand, Kalo Mann, Michael Pollock, Rebecca Campbell, Ann Marie Jennings, and Diana Kuhlman

Absent: Richard McLeon, Kasey Jenkinson, Chad Rupp, Myron Seib, Leighton Ayers, Dellon Shelton, Blake McVicker, Mark McCulloch, Kathy Lewis, and Carrie Borell

Guest: None

Truck report of inspections:

105	Chris Terhune	OK
110	Myron Seib	OK
112	Leighton Ayers	OK
117	Chris Terhune	AED Pads outdated and decals missing
123	Kalo Mann	OK
132	Kevin Bradstreet	OK
135	Nate Burns	OK
136	Dellon Shelton	OK
143	Michael Pollock	OK
144	Kalo Mann	OK
145	Chris Terhune	OK
150	Kasey Jenkinson	OK
173	Kevin Bradstreet	AED Pads Outdated and missing decals
191	Michael Pollock	AED Pads Outdated
193	Myron Seib	OK
200	Ben Mann	Beacon needs replaced and needs decals
201	Dal Hawkinson	Needs new radio. Is at Hays for Altec to repair it.
304	Myron Seib	OK
305	Myron Seib	Windshield Chipped

Trailer and Equipment report of inspections:

502	Myron Seib	OK
507	Myron Seib	N/A
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	OK
Pole Yard & Transformer Dock	Scott Briand	OK
Office	Diana Kuhlman	OK

Personal Tools: All Passed

Gloves Monthly Test Results: Replaced #85 Snag

Substation and Regulator Report:

- ♦ Ben Mann: Working on a time to coordinate with Sunflower to change out columns on switch. Spraying subs.

PCB Report: None to Report

Line Clearance: Shields, Utica, Joyce Hineman

Accident and Near Misses:

- ♦ Chris: Fire South of Arnold on T2 line.

Old Business:

- ♦ Chris: Larry and Stacy from KEC will be doing the RESAP observation on May 17th and 18th. New antenna and new coaxial cable were put on south Dighton tower. The new coaxial cable will be located away from everyone else's on the tower.
- ♦ Ben: Most of the storm poles are cleaned up.
- ♦ Dal Hawkinson: Collector batteries are being replaced because they are unable to meet the 12-hour time frame hold and are shutting down preventing them from reporting back.
- ♦ Myron Seib: Ness warehouse shelving is in and will be assembled in May.

New Business:

- ♦ Ann Marie Jennings: Board nominees are due May 27th Lane, Gove, Finney, Scott, Logan. Midwest help with people not on their system with high bill complaints and other issues. Member calls Midwest.
- ♦ Kevin: Energized two of the padmount transformers in Scott Park.
- ♦ Myron: New Family Dollar in Ness City being built.
- ♦ Nate: 90 Poles needs changed out from pole inspections. Most A-1s we will change out on Weeks Tap. Pole testers are in Ness City.
- ♦ Chris: Storms have been pretty rough on our system, loss several poles.
- ♦ Ben: Met with Sunflower on Infrared equipment. Working on substation inspections. Looking for heat issues on connections. Ben will check with Victory on getting a price on Infrared equipment.
- ♦ Scott Briand: Generators are a year out. Goal to inventory 2nd week of May. Try to recycle material, things are getting hard to come by.
- ♦ Mike Goddard: Chain & Sling Inspections, Rigging/Knots & Knot Tying, Admin: Cooperative Safety, and reviewed Safety Summary. Discussed removing name from accident reports on KEC safety reports, what to report, and when to report. Walk thru of trucks to provide visuals on things to be aware of when inspecting and proper storage. Federated Insurance is working on a fire mitigation plan.

Meeting adjourned.

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Secretary

2022 RESAP ONSITE OBSERVATION – CORRECTIVE ACTIONS

Section 1: Safety Program Elements & Safety Improvement Plan

Question 4: Review of third document and/or process selected by the observation team – related subject is _____.

Criteria:

- Documentation is clear and accurate.
- Roles and responsibilities are clearly assigned.
- Process steps are defined and understood.
- Follow up work, if needed is completed in a reasonable timeframe.

Comments

25.8 Testing & Cleaning of Cover-up Materials. Review in-service times of rubber insulating materials (blankets) to ensure testing intervals match current/adopted safety manual.

**Partially Satisfies
Requirements**

CORRECTIVE ACTION: Amend safety manual to match OSHA standards to test and clean yearly.

Question 5: The cooperative safety manual provides an effective safety reference for employees.

Criteria:

- Employees have a consistent knowledge of safety rules.
- Safety rules are consistent with actual work practices.
- Safety rules are consistent across districts and/or operation centers.
- Safety manual is reviewed and updated **at interval not to exceed 5 years**.

Comments

Recommend reviewing current/adopted safety manual for consistency of rubber glove and sleeve rules with affected employees.

**Partially Satisfies
Requirements**

CORRECTIVE ACTION: Amend safety manual to minimum approach distance and review with all employees.

Section 2: Common Facility Safety Equipment - Facilities & Vehicles

Question 15: Automatic External Defibrillators (AEDs) are available for cardiac emergencies and ready for emergency use on vehicles.

Criteria:

- AEDs are available on vehicles at the worksite during all working hours – evaluate as “exceeds”.
- Unit is included on a monthly inspection of safety items that are checked.

Comments

Refer to RESAP criteria.

**Partially Satisfies
Requirements**

CORRECTIVE ACTION: AEDs are on all bucket trucks and electrician pickups. KEC recommends AEDs on All trucks for RESAP criteria.

Section 3: Warehouse and Covered Storage

Question 1: Shelves, bins and racks are designed, constructed, and used in a manner that safely contains the materials and equipment in stock.

Criteria:

- Shelves, bins, and racks are rated and visibly marked with the maximum capacity of material weight.
- Shelves, bins, and racks are designed to hold materials in place to lessen chances of falling.
- Shelves, bins, and racks are designed or anchored to avoid tipping.

Reference: 29 CFR 1910 Subpart N; ANSI MH 16.1

Comments

Refer to RESAP criteria.

Partially Satisfies Requirements

CORRECTIVE ACTION: In progress - New shelving in Ness City shop will get WLL on shelving.

Section 5: Environmental / Hazardous Materials

Question 6: Storage, management and disposal of PCB contaminated fluids and solids are consistent with all federal and state regulations.

Criteria:

- Facilities have developed appropriate storage and management areas that will safely handle PCB contaminated materials for future disposal.
- Areas should have appropriate signage notifying the presence of PCB waste. Appropriate training and certification of staff handling PCB materials must comply with necessary OSHA and EPA criteria.
- Adequate containment and barriers, including diking of areas securing PCB contaminated materials and physical barriers limiting access to the PCB materials should be available. Appropriate spill kits (size and sorbent material) suitable for mitigating spills of PCB fluids should be readily available with appropriate labels.
- Records for PCB management should be on file at the coop for inspection frequency, handling and disposal of all PCB materials per federal and state regulations.
- If the date of manufacture and the type of dielectric fluid are unknown, employees must assume the oil filled equipment to be PCB contaminated. (50-499).

Reference: 40 CFR 761, 761.2; 40 CFR 263.20, 263.21, 263.22; 29 CFR 1910.120

Comments

Leaking/weeping electrical equipment stored in pole yards needs to be in secondary containment and stored inside. The observation team observed a leaking/weeping substation transformer.

Partially Satisfies
Requirements

CORRECTIVE ACTION: Haul off weeping regulator to Solomon Corp.

Question 7: Spill Prevention, Control and Countermeasures (SPCC) regulations have been implemented and a plan has been developed for the facility as required by federal EPA regulations.

Criteria:

- An SPCC plan has been either developed by a contractor or the coop has self-certified per EPA regulations.
- The plan is either certified by a P.E. or developed under Tier II requirements.
- The SPCC plan is current and has been updated within a 5-year period.
- All reportable spills are handled per EPA requirements and records are maintained as required.
- Staff is trained annually on the plan and records of the annual training are available at the facility.

Reference: 40 CFR Part 112

Comments

Refer to RESAP criteria.

Partially Satisfies
Requirements

CORRECTIVE ACTION: In process of updating.

Section 6: Pole Yard and Outside Storage

Question 4: Pole loading procedures call for the use of slings and/or proper pole lifting tongs that are inspected prior to use.

Criteria:

- Traditional skidding tongs are not considered a proper tool for loading and unloading poles.
- Pole lifting tongs are rated with proper lifting capacity, employs a closed or locking keeper and a trip line designed to keep personnel out of loading area while loading and unloading poles.
- RESAP promotes the use of slings when loading and unloading poles (evaluate as "exceeds").

Comments

Refer to RESAP criteria.

**Partially Satisfies
Requirements**

CORRECTIVE ACTION: Ordered lifting pole tongs for truck #110 at Ness City.

Question 6: Pole yard/outside storage materials are properly stored off the bare ground, with related materials stored together, and identified by unit markings or marked storage areas.

Comments

Refer to RESAP criteria.

**Partially Satisfies
Requirements**

CORRECTIVE ACTION: In progress. Moving transformers to new concrete pad on north lot.

Section 7: Administration and Other Office Areas

Question 5: Security measures are evident and interviewed employees are trained as to what information can and cannot be shared.

Criteria:

- Access to non-public areas is limited.
- Effective barriers are in place to protect front office personnel from potential of aggressive members.
- Security measures are in place, i.e. cameras, guards, panic buttons, etc.
- Cash levels for transaction activities are controlled for security considerations.
- Cash amounts, deposit methods, deposit times, personnel making deposits, and related details are not divulged.
- Public collection areas are designed for security.
- Responses to security scenarios are planned and reviewed on a regular basis.

Comments

Refer to RESAP criteria.

**Partially Satisfies
Requirements**

CORRECTIVE ACTION: KEC recommends panic buttons for office personnel.

Section 9: Diggers, Buckets, Etc. (Over 10,000 Lbs. GVWR)

Question 3: Commercial vehicles are equipped with the proper safety equipment.

Criteria:

- Warning lights or strobes are well positioned for visibility from all directions and in working condition.
- Work zone safety equipment (signs, cones, stop/slow paddles, flashlight with wand, etc.) is available.
- Mounted or portable work lighting equipment is available.
- Three bidirectional emergency reflective triangles; or at least 6 fuses or 3 liquid-burning flares are available for use on vehicles.

Reference: 49 CFR 393.95

Comments

Refer to RESAP criteria.

**Partially Satisfies
Requirements**

CORRECTIVE ACTION: Missing cone on truck #117. Bought replacement cone.

Question 4: Body, jib, and boom winch mechanisms, cables, ropes, mounting, and controls are properly matched for the intended use and maintained in good condition.

Criteria:

- Winch cables and ropes are free of flat spots, kinks, broken strands, or frayed areas.
- Winch cables and ropes are equipped with proper rated hooks, eyes and attachments.

Comments

Refer to photos taken during RESAP Observation.

Fails to Satisfy Requirements

CORRECTIVE ACTION: Replacing winch line on truck #110 and #136 digger derricks.

Question 8: Substantial outrigger pads are provided for all equipment outrigger legs, are properly used in accordance with manufacturer's requirements, and are properly stored on the vehicle when not in use.

Comments

Refer to RESAP criteria.

**Partially Satisfies
Requirements**

CORRECTIVE ACTION: Leaking outrigger on truck #136. Parts have been ordered and are backorder.

Section 10: Misc. Vehicle (Trailers, Backhoes, Etc.)

Question 2: Documentation for miscellaneous trailers includes registration and DOT records as required for applicable gross vehicle weight class.

Reference: FMCSR 393.21

Comments

Refer to RESAP criteria.

**Partially Satisfies
Requirements**

CORRECTIVE ACTION: DOT inspection will be done on trailer #515.

Question 3: Visual inspection of all miscellaneous vehicles indicates very good maintenance.

Reference: 1910.178(q)	
Comments	Partially Satisfies Requirements
Refer to RESAP criteria.	

CORRECTIVE ACTION: Truck on call was muddy and needed washed.

Section 11: Truck and Personal Tools

Question 3: Blocks, hardware, ropes, and handlines are well maintained and rated for utility uses.

Criteria:	
▪ No frayed ropes, knots or improper splices.	
▪ Hardware for blocks and handlines are manufacturer designed, tested, and free of user modifications.	
Reference: 1910.335(a)(2); NFPA70E Article 130.7 (D)(1)(c)	
Comments	
Refer to photos taken during RESAP Observation.	Fails to Satisfy Requirements

CORRECTIVE ACTION: Rope hoist will be replaced in the 2022 safety budget.

Question 9: Personal hand tools are in good condition and stored properly.

Comments	
Refer to photos taken during RESAP Observation.	Partially Satisfies Requirements

CORRECTIVE ACTION: Screwdrivers will be replaced.

Section 12: Head, Eye, Face, Hearing, Foot, Hand, Etc. PPE

Question 7: Protective safety chaps are issued and/or available to affected employees who use chain saws.

Reference: 1910.266(d)(1)(iv)	
Comments	Fails to Satisfy Requirements
Refer to RESAP criteria.	

CORRECTIVE ACTION: Pricing safety chaps for use while running a chainsaw.

Section 13: Insulating Gloves, Sleeves, And Cover-Up

Question 4: Insulating cover-up materials meet applicable OSHA/ASTM standards and meet the following specifications for use, care, and testing.

Criteria:

- While factors vary from co-op to co-op, RESAP generally encourages regular testing of all blankets, line guards/hoses, hoods, and other items used for insulating cover-up on a 6-month maximum rotation and marked with test date to receive an evaluation of "exceeds" requirements on this assessment question.
- To "satisfy" this requirement all blankets are tested on a 12-month maximum rotation (OSHA's minimum requirement) and marked with the test date.
- Blankets, line guards/hoses, hoods, and items used for electrical insulation are rated for the system's phase-to-phase voltage(s).
- Insulating cover-up material appears to be clean and in good condition, and to have passed visual inspections.
- Explicit control for classes of blankets, line guards/hoses, hoods, and other insulating cover-up materials exists in multiple voltage systems and a rotation program is followed in issuing cover-up materials.

Reference: 1910.137; ASTM D1048; ASTM D1049; ASTM D1050; NFPA70E Article 130

Comments

Fails to Satisfy Requirements

This is in reference to test dates and in-service use on rubber blankets exceeds current/adopted safety rules.

CORRECTIVE ACTION: Updating safety manual verbiage to match OSHA standards testing timeframe.

Section 14: Arc Rated Clothing / Systems + Fall Protection

Question 1: System has performed an arc hazard assessment for arc rated clothing needs and supervisors can explain which positions are affected.

Criteria:

- Arc hazard assessment has determined the level of arc flash protection required (measured in calories per centimeter squared) to protect employees from the minimum level of incident energy for the given work tasks required.
- Assessment includes substation high side bus, substation low side bus, primary distribution system, and secondary system.
- ARC Hazard Assessment (Incident Energy Analysis) reviewed for accuracy at intervals not to exceed 5 years.

Reference: NESC Rule 410.A.3, NFPA 70e Article 130.5 (G)

Comments

Arc hazard assessment needs updated to included new substation, changes to existing substations to meet RESAP criteria.

CORRECTIVE ACTION: Updating arc hazard assessment procedure.

Question 11: Fall protection equipment is properly stored where its serviceable condition can be best maintained.

Criteria:

- Harnesses and lanyards shall be stored appropriately (in a bin, which is dry and clean, and apart from any items that could cause damage).
- Note: If this equipment is stored in fall protection equipment storage bags – evaluate as "exceeds".

Reference: 1926.1423(d); 29 CFR 1910.132

Comments

Refer to RESAP criteria.

Partially Satisfies Requirements

CORRECTIVE ACTION: Harnesses will be stored in bag in side bin.

Section 15: Crew Visits

Question 9: When questioned individually, line personnel are knowledgeable about when rubber gloves shall be used.

Criteria:

- Personnel shall have knowledge of system distribution voltages and associated minimum approach distances.

Reference: Safety Manual

Comments

Fails to Satisfy Requirements

Recommend reviewing current/adopted safety rules concerning rubber glove use.

CORRECTIVE ACTION: Review current adopted safety rules concerning rubber glove use with employee.

Question 10: When questioned individually, line personnel are knowledgeable about when rubber sleeves shall be used.

Reference: Safety Rules

Comments

Fails to Satisfy Requirements

Refer to comment to question 9 in this section.

CORRECTIVE ACTION: Review current adopted safety rules concerning rubber sleeve use with employee.

Question 11: Supervisors are clear and consistent about when rubber gloves and sleeves shall be used.

Criteria:

- Supervisors and Crew Leads understand the system Safety Manual relating to MAD and/or their application of cradle-to-cradle, ground-to-ground, lock-to-lock rule for gloves and sleeves as applicable.

Reference: Safety Manual

Comments

Fails to Satisfy Requirement

Refer to comment to question 9 in this section.

CORRECTIVE ACTION: Review current adopted safety rules concerning rubber sleeves and rubber gloves with employee.

Section 16: Substations

Question 4: Clearances exceed the minimum requirements of the National Electrical Safety Code in all areas for the voltages involved.

Reference: NESC Rule 124A1 Table 124-1

Comments

Fails to Satisfy Requirements

Three of the four substations viewed had clearances issues on electrical equipment.

CORRECTIVE ACTION: Substation stand pricing and availability or a secondary barricading.

Question 5: Substation areas and equipment show signs of regular maintenance and inspections.

Criteria:

- Structures and devices are in very good condition (no evidence of oil leaks) and properly grounded.
- Switching devices are properly secured.
- Gravel areas are level and free of weeds, debris, and stored materials.

Reference: RUS Bulletin 1724E-300 Design Guide for Rural Substations

Comments

Refer to RESAP criteria.

**Partially Satisfies
Requirements**

CORRECTIVE ACTION: Removal of tumble weeds and debris from substation.

Question 6: Circuits and equipment are properly identified.

Criteria:

- Individual feeders are clearly identified and marked on device
- Switches are clearly identified and marked
- Phasing is clearly identified and marked.
- The destination (i.e. pole number) of underground feeders, if applicable, are clearly identified at point of exit; Underground feeder riser poles, if applicable, are clearly marked with proper circuit and phasing.

Reference: NESC Section 128 Identification

Comments

Refer to RESAP criteria.

**Partially Satisfies
Requirements**

CORRECTIVE ACTION: Circuits are being identified.

Question 7: Substation batteries are maintained in a safe manner and hazard precautions are evident in the following areas.

Criteria:

- Battery banks include proper ventilation systems.
- Battery banks have pertinent hazard identification signs (including "No Smoking" and "Eye and Face Protection Required").
- Banks have the appropriate electrical and light wiring WITH receptacles and lighting switches located outside of battery areas.
- Proper PPE shall be provided during battery maintenance and installation as follows: Goggles and face shield appropriate for the electrical hazard and the chemical hazard; gloves and aprons appropriate for the chemical hazards; and, portable or stationary eye wash facilities and equipment within the work area capable of drenching or flushing of the eyes and body.
- Adequate fire protection is available in banked battery locations, and area is relatively free of combustible materials.
- Racks shall be firmly anchored, preferably to the floor; anchoring to both walls and floors is not recommended; racks made of metal shall be grounded.

Reference: IEEE-450. "Recommended Practice for Maintenance, Testing and Replacement of Large Lead Storage Batteries for Generating Stations and Substations"; NESC Section 14 - Storage Batteries; OSHA 1925.403 / OSHA 1910.178 subparagraph (g); NFPA 70e Article 320 - Safety Requirements Related to Batteries and Battery Rooms; OSHA 29 CFR 1910.151(c); NFPA 70E, Section 320.3; OSHA 29 CFR 1910.137

Comments

Refer to RESAP criteria.

Fails to Satisfy Requirements

CORRECTIVE ACTION: Will be discussed with Sunflower Electric.

Question 8: Interviewed employees can explain the substation switching protocols that are used for accomplishing routine procedures.

Reference: 1910.269(a)(2)(viii)(3)

Comments	Fails to Satisfy Requirements
This reference to the Twin Springs substation needing written switching procedures and identification on electrical equipment and structures.	

CORRECTIVE ACTION: Will be developing and implementing switching procedure for Twin Spring substations.

Section 17: Overhead & Underground Lines, Equipment, Etc.

Question 5: UG riser installations observed meet applicable NESC, RUS specifications, and the following industry criteria. Reference: NESC Section 36 (Risers); NESC 217 (A)(2)

- Criteria:**
- Cables are identified and tagged to correspond with the system's underground tagging and cable identification system.
 - Riser installations are numbered or identified and consistent with the overall underground system.
 - Riser installations have proper clearances and proper climbing space.

Reference: NESC Section 36 (Risers); RUS Bulletin 50-6

Comments	Partially Satisfies Requirements
Refer to RESAP criteria.	

CORRECTIVE ACTION: Will be identifying and labeling URD cables.

Question 7: Appropriate hazard identification signs are in place for underground transformers, cabinets, and enclosures.

- Criteria:**
- Permanent WARNING signs are displayed on outside of underground transformers and enclosures.
 - Permanent DANGER signs are on the inside of underground transformers and enclosures.

Reference: ANSI Z535 NESC 381(G)(2)

Comments	Partially Satisfies Requirements
Pad-mounted transformers and URD cabinets viewed did not have appropriate signage on outside/inside that meets current NESC, ANSI & RESAP criteria.	

CORRECTIVE ACTION: Updating signage on padmount and switch cabinets.