



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for December 5, 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
6. Sunflower EPC Report
7. KEC Report
8. General Managers Report
9. Old Business
10. New Business
 - a. Member Services Update – Ann Marie Jennings
 - b. Capital Credits – Estates
 - c. Employee Christmas Bonus
 - d. 2023 Board Meeting Schedule
 - e. Board Policy 514 Employee Retirement Plan
 - f. Board Policy 515 Employee NRECA Selectre Pension Plan
11. Safety Program Report
12. Executive Session (if requested).
13. Adjourn

Upcoming Events:

LSEC Board		Dec 5
KEC Board	Wichita	Dec 7-8
Sunflower Board	Dighton (TEAMS)	Dec 9
CFC Strategic Planning	Dighton	Dec 13-14
Christmas Social	(at office)	Dec 22, 3pm

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7	KEC Report		Board Meetings 2023	23		
8	GM Report	Richard	Report	24-27		
	<u>Financials</u>	Kathy	Form 7	28-29		
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		Kathy	Statistical Report		2	
		Kathy	Non-operating margins		3	
	<u>Operations</u>	Dal/Ben	Maintenance Inspection Log		4	
		Dal	Monthly Report		5	
	<u>Information Technology</u>	Carrie	Monthly Report		6	
	<u>Cybersecurity-Compliance</u>	Carrie	Monthly Report		7	
	<u>Engineering</u>	Richard	Substation NCP and CP		8	
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11	Safety Program Report	Carrie	Safety Program Monthly Report	40		
		Carrie	Safety Meeting minutes	n/a		

**MINUTES OF THE REGULAR NOVEMBER 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, November 7, 2022, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:54 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Harold Hoss, Randy Evans, Eric Doll, Richard Sorem, Chad Griffith, and Craig Ramsey. Also present Richard McLeon IV and Joseph D. Gasper, Attorney. Paul Seib Jr. was absent.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on October 3, 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.

A question of whether the security camera purchase was for the office was answered that it was for the office.

PRESIDENT'S REPORT

President Jennison had no current items to report.

ATTORNEY'S REPORT

Attorney Gasper had no current items to report.

REPORT OF SUNFLOWER DELEGATE

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

Manager McLeon added the following:

- Sunflower is working on three solar power projects. Two 20 MW projects in Russel and Liberal respectively and one 150 MW project in Fort Dodge. The Russel project should also help with transmission constraints.
- Coal purchases have been made for 2024 and 2025. The plant needs about one million tons per year.
- Negotiations continue with the CEO candidate.

KEC REPORT

Trustee Ramsey reported the following:

- The budgets and reports were reviewed at the last meeting.
- It appears that the industrials will likely lobby for lower rates in the next legislative session.
- Loss control is evaluating its loss-time calculation as it is currently different than how OSHA calculates loss-time.
- The Country Living postage is increasing to 56 cents per copy due to postage and paper cost increases.
- The annual meeting will have classes Saturday and Sunday and a tailgate on Sunday evening. The annual meeting will be Monday and the afternoon will be a day at the capitol.
- The apportionments will be increasing and LSEC will see an increase of about \$7,000.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- The monthly overall rate was 12.56 cents and year-to-date overall rate was 11.35 cents.
- ASAI is 99.97% with the majority of outages being planned.
- Tallgrass Expo is moving forward. PSE was the only bidder on the construction bid package. Priority Power has offered to purchase the transformer for the substation.
- Operations remains busy with maintenance and small projects as well as a few new connects.
- The meeting with FEMA gave confidence that reimbursement will be made for the December windstorm.
- Ben, Kasey, Dal, Myron and Diana attended the leadership and supervisor training in Dodge City.
- The fire marshal has investigated the fire near Brownell.

- Kasey and Rebecca are patrolling the system and documenting unmetered streetlights.
- IT continues to work on the paperless office transition.
- November 11 is the deadline for the Thanksgiving giveaway.
- Total Revenues were \$316,622 over Sept 2021 while Wholesale Power Costs were up \$58,001 (total kWh sales were down 1% or 112,403 kWh). This increased our distribution revenue by \$254,622 to \$1,035,616. This is mainly due to changing the ECA spread to a rolling 12-month cycle which is recapturing unbilled wholesale power costs.
- Non-operating margins showed a gain of \$21,872 for the month and \$176,654 YTD.
- Assets and Debits balance at \$64,183,897. Cash Balances remain strong at \$5,095,977.
- Equity remains stable with Equity as a percent of Assets at 38.97% and Equity as a percent of Capitalization is 41.54%.
- Notes on the Financials: The last two years have been difficult to manage, account, and predict. We have had:

1. COVID-19 lockdowns which lowered sales, the PPP loan forgiveness with offset 2021 controllable expenses increasing operating margins by \$619,088.

2. Winter Storm Uri which drove up wholesale power costs and added a 36-month CoBank Loan to offset member billings. This spread the additional, deferred costs and increased revenues as the excess was billed out at 1/36th per month.

3. Retail Non-Operating margins that were unexplainably low while job counts were setting new records. Scott and I worked out as a scheduling system to manage jobs and, more importantly, a pricing issue tied to our inventory accounting.

4. The crews focused on maintenance in 2021-2022 which shifted costs to the Statement of Operations from the Balance Sheet. This artificially inflated our Distribution – Operations and maintenance expenses.

5. We believe that while all the above was contributory to confusing the financials, the main issue was that the KCC ECA formula was under-collecting. We were calculating the original formula from the KCC correctly (Auditor confirmed) but compounding the annual true ups. Comparing the KCC formula and compounding true-ups to actual Sunflower billings and actual ECA billings showed that we have been under-billing wholesale power costs. Our current

under-collection is \$1.08 million. Rebecca ran the wholesale billing numbers back to January 2016 twice and Kathy ran them back once. Independently they came up with the same number each time.

- The above issues have been resolved and it appears LSEC is moving forward financially with clean numbers.

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. 2023 Budget and Financial Forecast

Manager McLeon reviewed the 2023 Financial, Donation, CWP and Capital Budgets as contained in the board packet

- This Budget was prepared assuming that the Cooperative will adjust revenue requirements to meet current cost increases and continue operating in generally the same manner as in previous years. This budget is conservative and focuses on the Construction Work Plan, plant maintenance, succession planning, and Information Technology.
- The proposed financial budget shows an increase of distribution revenue of 13.52%. TIER projects to 1.81 and OTIER 1.32.
- The proposed capital budget totals \$829,588 which is a 45.2% increase.
- The proposed CWP totals \$1,883,554 for a decrease of 4.6%.
- The donation budget totals \$6,010.
- The 2023 budget was prepared with the following assumptions:

1 The BOT will adjust rates to meet the additional revenue requirement identified in the 2023 COSS.

- 2 The Budget was prepared assuming the weather and Cooperative will continue operations in essentially the same manner as previous years.
 - 3 Sunflower Capital Credit allocations and distributions were provided by Sunflower.
 - 4 Employee expenses will be consistent with those presented in the Wage and Salary Plan.
 - 5 Supply chain disruptions may extend much of the capitol and construction budget items.
 - 6 Material Costs have increased by 22.45% over the past year.
 - 7 Inflation continues to be an unknown factor (assumed at 8.0%) and will continue impact costs.
 - 8 The Budget assumes full employment from the Wage and Salary Plan. Capital Budget items.
- Capital budget items are conditional expenditures based on cash flow and availability. All expenditures must be approved by the General Manager prior to being ordered.
 - Long-Range Plan. Our current LRP ends in 2022. However, we are currently under a CWP so a LRP is not budgeted for 2023.
 - A bucket truck for Ness City has been budgeted. The truck will be ordered but may not be delivered until 2024.
 - The cash on hand will be decreased to \$2,618,847 which is above the required cash of \$1,048,153.
 - Manager McLeon reviewed the financial forecast through 2032.
 - *A motion to approve the 2023 Financial, Donation, CWP and Capital Budgets as presented to the Board was made, duly seconded and carried.*
 - *A motion to approve the Financial Forecast as presented to the Board was made, duly seconded and carried.*
2. Capital Credit Retirement.
- Staff has evaluated the cost of mailing check which is calculated to be 82 cents per check. LSEC could save \$227.14 by setting the minimum amount of a check at \$5.00. The amount would roll over and when a member exceeded \$5.00 or all capital credits were applied then a check would be issued.
 - The Trustees discussed the request of the staff to set a minimum amount for issuance of a check and looked at a minimum of \$10.

- *A motion to set the minimum check amount for capital credit payments to be \$10.00 was made, duly seconded and carried.*

3. 2023 Youth Tour and Leadership Camp

- The board discussed the proposed 2023 Youth Tour and Leadership Camp. The cost to send two students to the youth tour is \$8,200 and the cost to send two students to the leadership camp is \$3,800 for a total of \$12,000.
- The Board discussed the benefits of the camps versus the benefits of using the funds for scholarships.
- *A motion to suspend the youth tour and leadership camp and instead use the funds to alternatively fund scholarships for members was made, duly seconded and carried. (Ramsey N)*

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 8:30 p.m., on Monday, November 7, 2022.

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Accounts Payable Check Register

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11/03/2022 To 12/01/2022

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2869 11/07/2022	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA Gr 1-Novemberr Group Insurance	2,708.41
2870 11/07/2022	WIRE	180	NRECA	NRECA Grp 1 Adm Fee-Nov Grp Ins Adm Fee	223.50
2872 11/07/2022	WIRE	468	U.S. BANK	Monthly Credit Card Statement	4,675.86
2884 11/07/2022	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
2868 11/08/2022	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS-Group Insurance	46,892.47
2871 11/09/2022	WIRE	168	ONLINE INFORMATION SERVICES, INC	Utility Exchange & HR reports	95.82
2873 11/10/2022	WIRE	1267	AFLAC	Monthly Premiums	833.42
2874 11/10/2022	WIRE	18	CITY OF DIGHTON	Monthly Invoice	2,027.80
2885 11/10/2022	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
49112 11/10/2022	CHK	15	ERIC DOLL	November Board Meeting	393.75
49113 11/10/2022	CHK	18	CITY OF DIGHTON	2023 Electrical and Gasfitters License	100.00
49114 11/10/2022	CHK	30	HAROLD HOSS	November Board Meeting	387.50
49115 11/10/2022	CHK	37	JETMORE REPUBLICAN	Advertising	64.00
49116 11/10/2022	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Invoice	7,086.77
49117 11/10/2022	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Invoice	283.57
49118 11/10/2022	CHK	55	NESS COUNTY NEWS	Advertising	236.80
49119 11/10/2022	CHK	63	RICHARD JENNISON	November Board Meeting	366.25
49120 11/10/2022	CHK	96	STEPHENS LUMBER - DIGHTON	Monthly Invoice	62.66
49121 11/10/2022	CHK	104	HOME OIL CO	Monthly Fuel Invoice	1,265.70
49122 11/10/2022	CHK	105	CITY OF NESS CITY	October Pay Station and Postage	615.60
49123 11/10/2022	CHK	117	NESS CITY FARM & FEED	Monthly Invoice	92.13
49124 11/10/2022	CHK	172	TYNDALE COMPANY, INC.	Clothing Allowance-Dylan	1,247.57
49125 11/10/2022	CHK	179	RAD ROEHL	November Board Meeting	361.25
49126 11/10/2022	CHK	184	JOHNSTONE SUPPLY	Monthly Invoice	1,120.11
49127 11/10/2022	CHK	187	S&W SUPPLY DIVISION	Parts Truck 193 and 110	164.15
49128 11/10/2022	CHK	194	POST ROCK	Advertising	300.00

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
49129 11/10/2022	CHK	198	OTIS ELEVATOR COMPANY	Service Contract	135.62
49130 11/10/2022	CHK	202	CHAD GRIFFITH	November Board Meeting	396.88
49131 11/10/2022	CHK	238	ILLINOIS MUTUAL	Premiums	153.20
49132 11/10/2022	CHK	259	FIRE ALARM SPECIALIST, INC	Batteries	212.66
49133 11/10/2022	CHK	261	LOCKE SUPPLY CO	Monthly Invoice	388.72
49134 11/10/2022	CHK	269	ANIXTER INC	Monthly Invoice	2,249.43
49135 11/10/2022	CHK	304	STECKLINE COMMUNICATIONS INC	Advertising	200.00
49136 11/10/2022	CHK	306	BORDER STATES INDUSTRIES INC	Monthly Invoice	5,311.90
49137 11/10/2022	CHK	359	WEBBER-GROSS WELDING, LLC	Substation	2,416.23
49138 11/10/2022	CHK	387	WESTERN FUEL & SUPPLY	Monthly Fuel Invoice	761.94
49139 11/10/2022	CHK	450	RANDALL G EVANS	November Board Meeting	350.63
49140 11/10/2022	CHK	516	WESTERN KANSAS BROADCAST CENT	Advertising	288.00
49141 11/10/2022	CHK	521	HR PARTNERS, LLC	Consulting	504.80
49142 11/10/2022	CHK	534	GREAT PLAINS CHRISTIAN RADIO	Tower Repair	800.00
49143 11/10/2022	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fee	73.20
49144 11/10/2022	CHK	1030	THE SCOTT COUNTY RECORD	Advertising	77.40
49145 11/10/2022	CHK	1169	WASHER SPECIALTIES CO.	Monthly Invoice	788.70
49146 11/10/2022	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	549.47
49147 11/10/2022	CHK	1192	LANE COUNTY HEALTH DEPT	LEPC meal and meeting	100.00
49148 11/10/2022	CHK	1225	CINTAS CORPORATION	Monthly Invoice-Dighton	120.73
49149 11/10/2022	CHK	1231	KMSDA	KMSDA Mtg	70.00
49150 11/10/2022	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Supplies	84.22
49151 11/10/2022	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Monthly Invoice	596.25
49152 11/10/2022	CHK	1248	COMPLIANCE ONE	Drug & Alcohol Testing	403.70
49153 11/10/2022	CHK	1251	TECHLINE, LTD	Monthly Invoice	10,113.05
49154 11/10/2022	CHK	1254	EAGLE RADIO	Advertising	455.00

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
49155 11/10/2022	CHK	1263	RICHARD SOREM	November Board Meeting	403.75
49156 11/10/2022	CHK	1292	COMFORT PRODUCTS DISTRIBUTING L	Monthly Invoice	593.70
49157 11/10/2022	CHK	1299	DEANNE DECHANT	Cookies for Board Meeting	72.00
49158 11/10/2022	CHK	1300	CRAIG RAMSEY	November Board Mtg and KEC Mtg	1,945.40
2875 11/14/2022	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Invoice	188.63
2876 11/14/2022	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Invoice	823.05
49159 11/16/2022	CHK	1	COME AND GET IT BBQ	Food for Strategic Planning & Xmas Socia	370.00
49160 11/16/2022	CHK	1	NESS CITY CHAMBER	Xmas gifr for Liz and Wanda	100.00
49161 11/16/2022	CHK	1	ST THERESA CATHOLIC CHURCH	hall rent for Strategic Planning Mtg	250.00
49162 11/16/2022	CHK	1	ST THERESA CHURCH	Refundable Deposit for Hall Rent	200.00
49163 11/16/2022	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	56,500.00
49164 11/16/2022	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Invoice	2,268.05
49165 11/16/2022	CHK	74	WEBER REFRIGERATION & HEATING I	Monthly Invoice	209.00
49166 11/16/2022	CHK	103	S&T COMMUNICATIONS LLC	Advertising	366.97
49167 11/16/2022	CHK	105	CITY OF NESS CITY	Monthly Invoice	25.09
49168 11/16/2022	CHK	107	CINTAS CORPORATION #449	Monthly Invoice	68.43
49169 11/16/2022	CHK	172	TYNDALE COMPANY, INC.	Clothing Allowance Dylan and Chad	2,159.37
49170 11/16/2022	CHK	220	LANDIS+GYR TECHNOLOGY, INC	SaaS Fee for October	845.66
49171 11/16/2022	CHK	361	ANN M JENNINGS	Military Care Pkgs	214.32
49172 11/16/2022	CHK	366	DIANA KUHLMAN	Clothing Allownace	250.00
49173 11/16/2022	CHK	395	DOLLAR GENERAL - REGIONS 410526	Supplies	139.05
49174 11/16/2022	CHK	427	DIGHTON HERALD LLC	Advertising	280.00
49175 11/16/2022	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Copier Contract	62.93
49176 11/16/2022	CHK	532	AMERICAN DIGITAL SECURITY	Security System	44,256.20
49177 11/16/2022	CHK	535	TRAINING UNLIMITED LLC	Compensation Plan Development	3,500.00
49178 11/16/2022	CHK	903	NISC	Monthly Invoice	8,190.17

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
49179 11/16/2022	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Monthly Invoice	3,920.00
49180 11/16/2022	CHK	9999	CRISTINA HERNANDEZ	INACTIVE REFUND	175.20
49181 11/16/2022	CHK	9999	W M JACKA	INACTIVE REFUND	1,048.60
49182 11/16/2022	CHK	9999	LINDSAY B PEREZ	INACTIVE REFUND	156.64
49183 11/16/2022	CHK	9999	CODY VINCENT	INACTIVE REFUND	112.85
49184 11/16/2022	CHK	456	GENERAC POWER SYSTEMS	Generator for Lane Scott	26,938.02
2877 11/18/2022	WIRE	1229	SCHABEN SANITATION	Monthly Invoice	556.80
2879 11/23/2022	WIRE	101	ATMOS ENERGY	Monthly Invoice	77.63
2880 11/25/2022	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	22,191.79
2881 11/25/2022	WIRE	264	KS DEPT OF REVENUE - USE TAX	Use tax	2,329.76
2882 11/25/2022	WIRE	1290	WEX BANK	Monthly Fuel Invoice	444.39
49185 11/28/2022	CHK	79	POSTMASTER	Postage-newsletters	110.41
49186 11/28/2022	CHK	105	CITY OF NESS CITY	Franchise Fee	5,186.79
49187 11/28/2022	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	345.32
49188 11/28/2022	CHK	129	NORTHWEST FIRE EXTINGUISHERS	1 year service and fire extinguishers	2,376.15
49189 11/28/2022	CHK	135	CITY OF BAZINE	Franchise Fee	2,037.41
49190 11/28/2022	CHK	160	SHULL OIL COMPANY	Monthly Fuel Invoice	10,896.79
49191 11/28/2022	CHK	164	FAIRBANK EQUIPMENT INC.	Monthly Invoice	428.03
49192 11/28/2022	CHK	169	AMERICAN ELECTRIC-GARDEN CITY	Monthly Invoice	1,967.67
49193 11/28/2022	CHK	182	G.E.M.S. INC	Monthly Invoice	794.02
49194 11/28/2022	CHK	186	BRIDGEWELL RESOURCES LLC	Monthly Invoice	25,454.10
49195 11/28/2022	CHK	261	LOCKE SUPPLY CO	Monthly Invoice	211.93
49196 11/28/2022	CHK	298	OVERLEASE K-LAWN	Lawn Care	493.67
49197 11/28/2022	CHK	306	BORDER STATES INDUSTRIES INC	Monthly Invoice	3,630.95
49198 11/28/2022	CHK	359	WEBBER-GROSS WELDING, LLC	Annual DOT Inspections	2,886.10
49199 11/28/2022	CHK	380	GRAINGER	Monthly Invoice	162.67

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
49200 11/28/2022	CHK	536	VALMONT COATINGS, INC	Galvanizing Pole	572.47
49201 11/28/2022	CHK	1251	TECHLINE, LTD	Monthly Invoice	2,878.74
49202 11/28/2022	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	148.22
2878 11/29/2022	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Invoice	122.61
2883 11/29/2022	WIRE	183	HIBU INC	Advertising	10.00
2886 11/30/2022	WIRE	1187	MIDWEST ENERGY	Monthly Invoice	66.65
49203 11/30/2022	CHK	1	NESS COUNTY FIRE DISTRICT #1	Fireman Ball-Donation	100.00
49204 11/30/2022	CHK	20	BASIN ELECTRIC POWER COOP	Oct Dispatch Fees	2,132.58
49205 11/30/2022	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	56,500.00
49206 11/30/2022	CHK	73	STANION WHOLESALE ELEC CO INC	Monthly Invoice	22,462.31
49207 11/30/2022	CHK	150	CHRIS TERHUNE	Meeting Expense-Safety Summitt	27.48
49208 11/30/2022	CHK	184	JOHNSTONE SUPPLY	Monthly Invoice	903.69
49209 11/30/2022	CHK	234	ELECTRICOMM, INC.	Oil Samples	5,502.04
49210 11/30/2022	CHK	279	IT1 SOURCE LLC	Software Licensing	2,212.61
49211 11/30/2022	CHK	317	JOHN DEERE FINANCIAL	Monthly Invoice	141.64
49212 11/30/2022	CHK	380	GRAINGER	Monthly Invoice	979.00
49213 11/30/2022	CHK	406	RICHARD MCLEON	Per Diem and Mileage expense	136.00
49214 11/30/2022	CHK	417	SUNFLOWER ELECTRIC POWER COOP	Sub Maintenance	410.04
49215 11/30/2022	CHK	439	BOLINGER, SEGARS, GILBERT & MOSS,	Prepare Federal Form 990 & 990-T	4,000.00
49216 11/30/2022	CHK	454	OCONNER COMPANY	Monthly Invoice	469.21
49217 11/30/2022	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Copier Contract	158.08
49218 11/30/2022	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly Invoice	56.64
49219 11/30/2022	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	1,046.12
49220 11/30/2022	CHK	1225	CINTAS CORPORATION	Monthly Invoice-Ness City	138.23
49221 11/30/2022	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Monthly Invoice	1,288.89

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**Accounts Payable
Check Register**

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11/03/2022 To 12/01/2022

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total Payments for Bank Account - 2 :					(129) 441,385.53
Total Voids for Bank Account - 2 :					(0) 0.00
Total for Bank Account - 2 :					(129) 441,385.53
Grand Total for Payments :					(129) 441,385.53
Grand Total for Voids :					(0) 0.00
Grand Total :					(129) 441,385.53

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Payroll/Labor Check Register

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Pay Date: 11/01/2022 To 11/30/2022

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	11/14/2022	6345	5,368.03	0.00	88.00	0.00	647.53 405.65	44.72 0.00	1,512.34 2,785.28	3,208.16 1,005.00 175.00 2,028.16	DD DD DD
21	CARRIE M BORELL	11/14/2022	6346	3,349.19	0.00	93.00	0.00	421.12 249.05	16.92 0.00	632.33 2,164.53	2,295.74	DD
22	REBECCA L CAMPBELL	11/14/2022	6347	2,559.04	0.00	88.00	0.00	539.02 179.38	12.70 0.00	458.08 2,007.25	1,561.94 300.00 1,261.94	DD DD
26	RICHARD A MCLEON	11/14/2022	6348	9,875.00	0.00	88.00	0.00	435.08 145.63	243.68 0.00	2,395.03 3,373.76	7,044.89	DD
34	KALO M MANN	11/14/2022	6349	3,880.00	0.00	97.00	0.00	602.40 296.84	75.20 0.00	874.14 1,890.28	2,403.46	DD
35	NATHAN A BURNS	11/14/2022	6350	3,368.64	0.00	88.00	0.00	445.28 256.61	20.66 0.00	891.15 1,645.72	2,032.21	DD
50	KASEY R JENKINSON	11/14/2022	6351	4,528.22	0.00	91.50	0.00	823.91 338.83	37.85 0.00	993.15 2,684.84	2,711.16	DD
55	BENJAMIN L MANN	11/14/2022	6352	4,601.06	0.00	92.50	0.00	661.46 350.75	18.75 0.00	1,079.24 2,003.22	2,860.36	DD
74	DAL S HAWKINSON	11/14/2022	6353	4,247.64	0.00	92.50	0.00	584.52 316.96	6.21 0.00	972.35 2,554.95	2,690.77	DD
84	MICHAEL S POLLOCK	11/14/2022	6354	3,989.77	0.00	98.00	0.00	616.89 300.38	7.20 0.00	910.94 2,026.59	2,461.94 100.00 25.00 25.00 25.00 2,286.94	DD DD DD DD DD
85	CHAD A RUPP	11/14/2022	6355	5,146.55	0.00	107.50	0.00	569.50 388.32	40.05 0.00	1,482.16 2,554.95	3,094.89	DD
89	CHRIS R TERHUNE	11/14/2022	6356	4,878.67	0.00	103.50	0.00	617.88 366.07	17.13 0.00	1,509.54 2,554.95	2,751.25	DD
93	MYRON E SEIB	11/14/2022	6357	4,109.60	0.00	88.00	0.00	698.96 311.06	31.39 0.00	765.07 2,242.24	2,645.57	DD
99	KEVIN A BRADSTREET	11/14/2022	6358	5,146.54	0.00	107.50	0.00	476.13 394.91	37.43 0.00	1,570.59 1,559.41	3,099.82	DD
108	MARK R MCCULLOCH	11/14/2022	6359	3,587.95	0.00	90.50	0.00	1,126.01 270.97	24.51 0.00	842.51 1,681.60	1,619.43	DD
117	LEIGHTON J AYERS	11/14/2022	6360	4,146.78	0.00	91.00	0.00	404.74 310.09	17.29 0.00	912.49 2,436.60	2,829.55 150.00 2,679.55	DD DD

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Payroll/Labor Check Register

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Pay Date: 11/01/2022 To 11/30/2022

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	11/14/2022	6361	97.20	0.00	6.00	0.00	0.00	0.00	7.44	89.76	DD
								8.21	0.00	0.00		
130	ANN MARIE JENNINGS	11/14/2022	6362	2,420.01	0.00	88.00	0.00	434.58	9.69	462.54	1,522.89	DD
								172.63	0.00	1,621.82		
131	DIANA F KUHLMAN	11/14/2022	6363	2,490.90	0.00	89.50	0.00	439.28	14.19	415.75	1,635.87	DD
								185.90	0.00	1,303.35		
132	DELLON R SHELTON	11/14/2022	6364	3,429.39	0.00	104.00	0.00	316.08	2.05	970.81	2,142.50	DD
								259.84	0.00	1,000.14		
134	SCOTT A BRIAND	11/14/2022	6365	2,666.40	0.00	88.00	0.00	299.05	2.57	465.24	1,902.11	DD
								192.91	0.00	1,540.13		
135	BLAKE T MCVICKER	11/14/2022	6366	3,945.04	0.00	88.00	0.00	884.88	4.14	1,054.99	2,005.17	DD
								299.44	0.00	1,242.24		
137	DYLAN S FEHRENBACH	11/14/2022	6367	2,152.00	0.00	80.00	0.00	0.00	1.55	445.24	1,706.76	DD
								181.98	0.00	0.00		
5	KATHERINE E LEWIS	11/29/2022		5,368.03	0.00	88.00	0.00	647.53	44.72	1,512.33	3,208.17	
			6368					405.64	0.00	2,785.28	1,005.00	DD
											175.00	DD
											2,028.17	DD
21	CARRIE M BORELL	11/29/2022	6369	3,086.17	0.00	88.00	0.00	421.12	16.92	565.78	2,099.27	DD
								228.92	0.00	2,164.53		
22	REBECCA L CAMPBELL	11/29/2022		2,559.04	0.00	88.00	0.00	539.02	12.70	458.09	1,561.93	
			6370					179.39	0.00	2,007.25	300.00	DD
											1,261.93	DD
26	RICHARD A MCLEON	11/29/2022	6371	9,875.00	0.00	88.00	0.00	435.08	243.68	2,413.58	7,026.34	DD
								145.63	0.00	3,373.76		
34	KALO M MANN	11/29/2022	6372	3,960.00	0.00	99.00	0.00	602.40	75.20	894.42	2,463.18	DD
								302.96	0.00	1,890.28		
35	NATHAN A BURNS	11/29/2022	6373	3,368.64	0.00	88.00	0.00	445.28	20.66	891.15	2,032.21	DD
								256.61	0.00	1,645.72		
50	KASEY R JENKINSON	11/29/2022	6374	5,199.66	0.00	102.00	0.00	823.91	37.85	1,230.50	3,145.25	DD
								390.19	0.00	2,684.84		
55	BENJAMIN L MANN	11/29/2022	6375	6,096.12	0.00	110.50	0.00	661.46	18.75	1,607.73	3,826.93	DD
								465.12	0.00	2,003.22		
74	DAL S HAWKINSON	11/29/2022	6376	5,627.87	0.00	110.50	0.00	584.52	6.21	1,485.71	3,557.64	DD
								422.55	0.00	2,554.95		
84	MICHAEL S POLLOCK	11/29/2022		3,840.00	0.00	93.00	0.00	616.89	7.20	857.99	2,365.12	

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Payroll/Labor Check Register

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Pay Date: 11/01/2022 To 11/30/2022

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
			6377					288.91	0.00	2,026.59	100.00	DD
											25.00	DD
											25.00	DD
											25.00	DD
											2,190.12	DD
85	CHAD A RUPP	11/29/2022	6378	3,945.05	0.00	88.00	0.00	569.50	40.05	1,040.92	2,334.63	DD
								296.40	0.00	2,554.95		
89	CHRIS R TERHUNE	11/29/2022	6379	3,945.04	0.00	88.00	0.00	617.87	17.13	1,161.64	2,165.53	DD
								294.64	0.00	2,554.95		
93	MYRON E SEIB	11/29/2022	6380	4,109.60	0.00	88.00	0.00	698.96	31.39	765.06	2,645.58	DD
								311.05	0.00	2,242.24		
99	KEVIN A BRADSTREET	11/29/2022	6381	3,989.87	0.00	89.00	0.00	476.13	37.43	1,138.56	2,375.18	DD
								306.41	0.00	1,559.41		
108	MARK R MCCULLOCH	11/29/2022	6382	3,696.08	0.00	94.00	0.00	1,126.01	24.51	880.74	1,689.33	DD
								279.25	0.00	1,681.60		
117	LEIGHTON J AYERS	11/29/2022		4,850.27	0.00	103.00	0.00	404.74	17.29	1,138.42	3,307.11	
			6383					363.90	0.00	2,436.60	150.00	DD
											3,157.11	DD
129	STACEY L FOOS	11/29/2022	6384	76.95	0.00	4.75	0.00	0.00	0.00	5.88	71.07	DD
								6.50	0.00	0.00		
130	ANN MARIE JENNINGS	11/29/2022	6385	2,502.50	0.00	90.00	0.00	434.58	9.69	483.44	1,584.48	DD
								178.93	0.00	1,621.82		
131	DIANA F KUHLMAN	11/29/2022	6386	2,428.80	0.00	88.00	0.00	439.28	14.19	400.29	1,589.23	DD
								181.15	0.00	1,303.35		
132	DELLON R SHELTON	11/29/2022	6387	2,753.52	0.00	88.00	0.00	316.08	2.05	731.88	1,705.56	DD
								208.13	0.00	1,000.14		
134	SCOTT A BRIAND	11/29/2022	6388	2,666.40	0.00	88.00	0.00	299.05	2.57	465.23	1,902.12	DD
								192.90	0.00	1,540.13		
135	BLAKE T MCVICKER	11/29/2022	6389	4,034.70	0.00	90.00	0.00	884.88	4.14	1,086.70	2,063.12	DD
								306.31	0.00	1,242.24		
137	DYLAN S FEHRENBACH	11/29/2022	6390	2,367.20	0.00	88.00	0.00	0.00	1.55	508.63	1,858.57	DD
								200.14	0.00	0.00		
Grand Total:				\$ 180,330.13	\$ 0.00	4,089.75	\$ 0.00	\$ 24,088.59	\$ 1,371.76	\$ 43,347.79	\$ 112,893.75	
								\$ 12,394.04	\$ 0.00	\$ 85,747.70		



SUNFLOWER ELECTRIC POWER CORPORATION BOARD MEETING – NOV. 16, 2022

Sunflower December Strategy Session, Board Meeting and Christmas Dinner

All events will be held at the Intercontinental Hotel, Kansas City, MO. The strategy session and Board meeting will be held in the Rooftop Ballroom, and the dinner will be held in the Rooftop Plaza room. A Microsoft Teams option will be provided both days. Please contact Diane Lewis if you or any of your staff members need an MS Teams meeting invite.

Thursday, Dec. 8

1 p.m. Education Session (approximate finish time 5 p.m.) Speakers: Joe Brannan, Executive Vice President and CEO North Carolina Electric Cooperatives

6 p.m. Appetizers

6:30 p.m. Christmas dinner

Friday, Dec. 9

7:30 a.m. Continental Breakfast

8 a.m. Sunflower Board Meeting

12 p.m. Adjourn

ICARE

Data Analytics Project

1898 & Co. presented current study results regarding an analytics program to assess the state of the grid system wide. The program will allow Sunflower and Member staff to use real-time data to analyze impacts of future scenarios (e.g., distributed energy resource penetration across the system). 1898 staff met with Member staff to assess current data gathering aggregation methods and define priorities. Members relayed that analytics initiatives are underway at multiple Member co-ops and common data sources could offer opportunity for collaboration. Analytic areas of common focus include reliability and resiliency, model validation, and power quality.

A Sunflower Analytics Working Group (SAWG) with one representative from each Member will be established to determine priorities.

Discussion was held on whether to have multiple deployments (one for each Member) or a single deployment hosted by Sunflower (with protection of individual Member information). Sunflower staff recommended a single deployment approach for cost savings and ease of Member use. 1898 will work with Sunflower to establish the program structure and will update the Board in February.

Fort Dodge Solar Project

During the September Board meeting, staff discussed pursuing a solar project of up to 150 MW using the existing interconnection service at Fort Dodge Station. Moving quickly on the project is necessary to ensure capacity is available when the new SPP performance-based accreditation rules are phased in. In October, proposals from two developers were presented and discussed.

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Since then, both developers provided modeling against projected market energy prices. The modeling showed the proposed project pricing to be higher than anticipated market revenues; however, the project will also provide capacity, which is becoming increasingly more valuable. Both developers emphasized the importance of moving quickly to meet project deadlines and both indicated they could establish firm pricing within 45-60 days and negotiate final project agreements within an additional 30 days. Due to the significant price difference in offers, staff recommended entering into a 60-day exclusivity period with the lower-cost entity to establish project structure and pricing.

Board action: The Sunflower Board approved entering into a 60-day exclusivity period with the recommended developer.

Patronage Retirement

In January 2022, the Board approved guidelines for patronage retirements over the next five years. The guideline structure, subject to annual Board approval and sufficient financial metrics as determined by the Board, is for \$12mm allocated: \$8.5mm First In, First Out (FIFO) from Sunflower, plus \$1.5mm from unrestricted Mid-Kansas (post - March 31, 2017), plus \$2.0mm Last In, First Out (LIFO) from Sunflower. This is approximately a 70/30 FIFO/LIFO split considering Mid-Kansas is being retired from its later vintages. Final numbers will be presented in December. As in prior years, actual approval will take place by unanimous written consent in January 2023 for payout in early January 2023.

Switching Precursor Incident Investigation

Sunflower safety staff updated the Board on the switching incident that occurred during storms in the Dodge City area on Sept. 1, 2022. A TapRoot investigation, which was launched on Sept. 27, included the formation of an investigative team (two of whom must be trained in the TapRoot process); evidence collection; a SnapChart flowchart of facts; identification of causal factors and root causes; and implementation of corrective actions. Corrective actions for this incident include updating communication protocol to ensure the clear and concise relay of information; and improving emergency switching protocol, including making certain there is direct communication between Sunflower System Operator and the appropriate Member personnel.

2022 North American Electric Reliability Corporation (NERC) Compliance Audit Results

The 2022 audit off-site and on-site audits were completed by the Midwest Reliability Organization (MRO) by Nov. 2. MRO will issue a draft report by Dec. 6 and a final audit report by Dec. 30. Preliminary audit conclusions are very positive with one potential non-compliance finding, zero areas of concern, two recommendations, and four positive observations. Sunflower's CIP group achieved its first NERC audit with zero potential non-compliance findings or areas of concern. Sunflower will continue routine engagement with MRO and implementation of the continuous improvement model.

PRESIDENT'S REPORT

Operations

HLS was removed early from operations due to market conditions and remained offline through the scheduled outage. S5 experienced one scheduled outage to perform a CO₂ dump test. CL1 experienced two scheduled outages: the first outage was associated with substation work, and the second outage was to complete the annual borescope inspection. GB3 experienced one scheduled outage to replace the main boiler gas header.

There was a consensus by the Board for Sunflower staff to proceed with the current version of the Transmission Construction Standards Document presented to the Board last month and Member operations personnel over the last several months.

Power Supply & Delivery & Market Affairs

Contract Extension

Service under the WHM Load Retention Rider, in conjunction with wholesale service under the Sunflower WHM-16 Tariff, will expire for a commercial customer on Dec. 31, 2022. Sunflower and Pioneer staff met with the customer on Sept. 12 to discuss extension terms, and the customer responded on Oct. 10 with its proposed terms. A counterproposal was submitted on Nov. 3. The customer accepted the proposed discounts but requested a higher natural gas price threshold.

Board action: The Sunflower Board approved continued negotiations with the commercial customer for a four-year contract extension.

Transmission Planning & Policy

Transmission byway (SPP HITT C2) Waiver

The Federal Energy Regulatory Commission (FERC) released an order accepting the Southwest Power Pool's (SPP) transmission tariff revisions on Oct. 28, 2022. The revisions establish a cost allocation waiver process through which the cost of new transmission buildout ordered by SPP can be allocated to those benefitting from the construction. The approved tariff revisions will now allow a cost allocation waiver process at SPP by which transmission entities can submit written requests for 100% regional cost share on projects meeting all three specific criteria: capacity, flow, and benefit criteria. To meet the capacity criterion the total nameplate capacity of generating resources must exceed 100% of the local zone's prior year's average 12-CP resident load. To meet the flow criterion, the energy flow on each eligible transmission facility must exceed 70% of the total flow on the facility attributed to generating resources supporting load in the zone where it is located and generating resources physically connected in the zone and not affiliated with load in the local area. To meet the benefit criterion, an applicant must show the new facility provides quantified benefits to load outside the pricing zone where it is located. Sunflower will file applications for qualifying projects as soon as possible.

Upon review of each application, a recommendation will be made to SPP's Cost Allocation Working Group, Regional State Committee, Members Committee, and the SPP Board.

Russell 115 kV Capacitor Bank

Due to the future buildout of the Solar Project @ Russell, the SPP canceled the NTC for the capacitor bank at Russell. This avoids an approximate \$7MM expenditure.

City of Russell LAC

The City of Russell indicated it wants to take measures to circumvent the payment of the Local Access Charge to Western. Sunflower staff and Western staff are working together to address the request.

Corporate Services

Board action: The Sunflower Board approved Corey Linville as Sunflower's Western Fuels Association delegate.

Board action: The Sunflower Board approved Megan Ball as Sunflower's KECHIT trustee.

Financials

October Financials

Overall Member loads were down 0.90% from budget for the month and up 0.14% from budget year to date. Large industrial loads were down 3.12% from budget for the month and down 3.42% from budget year to date. Year-to-date operating expenses were down 20.66% from budget for the month and up 4.49% from budget year to date.

Syndicated Credit Facility Amendment

Staff explained the need to amend the current syndicated credit agreement to extend the facility five years from the effective date of the amendment and not to exceed \$200MM. The \$200MM is the \$150MM facility plus a \$50MM accordion provision and will use the recommended Secured Overnight Financing Rate (SOFR) vs. London Interbank Offered Rate (LIBOR). Staff will not exercise the accordion provision without returning to the Board for approval. This facility will support endeavors such as the Russell Solar Project, increased hedging products, and future generation projects.

Board action: The Sunflower Board approved the amendment of the Syndicated Credit Facility as presented and authorized Sunflower staff to execute required documents.

System Backbone Project

In November 2017, the Board voted to socialize costs for the non-transmission formula rate (TFR) portions of the System Backbone Project through Member rates. The portion of the costs that met the Sunflower and SPP qualifications were included in the TFR for recovery over the Sunflower transmission zone. The project went into rates starting Jan. 1, 2020. The 2022 non-TFR cost is being recovered through the non-zonal transmission rider as approved by the Board.

The non-zonal transmission rider recovers costs for transmission projects not included in the Sunflower TFR from the Sunflower's Member. The Board created the non-zonal transmission rider to recover costs using transmission load ratio shares as opposed to power supply determinants. Staff recommended the Board approve the proposed system backbone revenue requirement and continue using the non-zonal transmission rider for the recovery of the costs in 2023.

Board action: The Sunflower Board approved use in 2023 of the non-zonal transmission rider as presented.

Kansas Electric Cooperatives Report

The December KEC meeting will include new trustee training.

The KEC Annual Meeting is scheduled for Jan. 21-23 with Bruce Tulgan as the keynote speaker. On Sunday, a tailgating event will include the KCRE auction. Monday will include a tour of the state Capitol with an opportunity to speak with legislators.

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Lee Tafari, CEO of KEC, is a member of the state's wildfire taskforce. One goal is to standardize what co-ops are already doing for wildfire risk management. Co-ops who wish to participate should contact Lee.

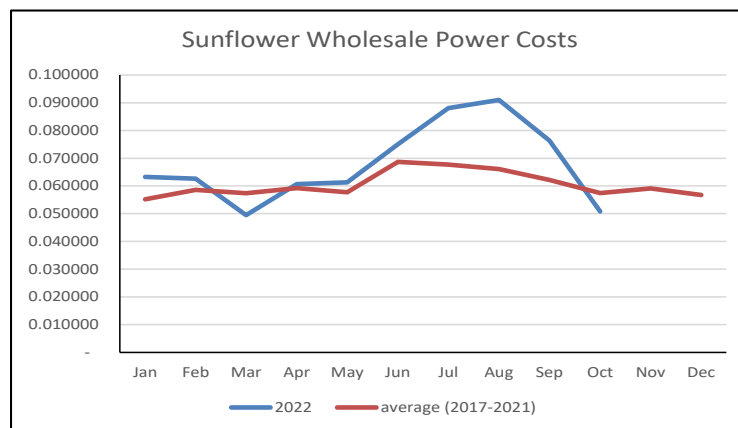
Approved
KEC Meetings for 2023

January 21-23, 2023	Hotel Topeka	KEC Annual Meeting of the Members (Business Meeting)
March 1-2, 2023	Hilton Garden Inn, Salina	KEC Board Meeting
May 3-4, 2023	Marriott, Wichita	KEC Board Meeting
July 29-31, 2023	Marriott, Overland Park	KEC Summer Meeting
October 4-5, 2023	Marriott, Wichita	KEC Board Meeting
October 31, 2023	Sedgwick County the Host	District 1 Meeting
November 1, 2023	All of District 4 Co-ops Host	District 4 Meeting
November 2, 2023	Lane-Scott the Host	District 3 Meeting
November 3, 2023	4 Rivers the Host	District 2 Meeting
December 6-7, 2023	Marriott, Wichita	KEC Board Meeting

8. General Manager's Report

A. Rates and Reliability Dashboard

Rate Summary - Oct	current month (\$/kWh)	year to date (\$/kWh)		ytd '17-21 avg. (\$/kWh)	
Residential	0.1674	19.1%	0.1355	9.4%	0.1228
Residential - Seasonal	0.2926	18.5%	0.2385	15.2%	0.2023
Irrigation	0.1096	13.0%	0.0954	4.4%	0.0912
C&I 1000kVa or less	0.1332	10.8%	0.1188	7.1%	0.1104
C&I over 1000 kVA	0.1209	9.0%	0.1101	-1.3%	0.1115
Public Street and Lighting	0.1624	9.7%	0.1467	11.0%	0.1306
Other Sales to Public Authorities	0.1877	21.0%	0.1483	0.7%	0.1473
Sales for Resale - Other	0.0652	-19.1%	0.0777	-3.5%	0.0804
Total Sales price per kWh:	0.1286	10.6%	0.1150	4.1%	0.1103



2022 consumer hours						consumers
Power Supplier	Major Event	Planned	All Other	Total		
Jan	0.0	0.0	446.0	446.0		5802
Feb	0.0	0.0	36.0	36.0		5801
Mar	4010.0	0.0	1134.0	5144.0		5780
Apr	2802.0	30.0	5617.0	8449.0		5764
May	715.0	0.0	540.0	1255.0		5779
Jun	0.0	0.0	223.0	223.0		5781
Jul	560.0	0.0	72.0	632.0		5781
Aug	0.0	0.0	57.0	57.0		5790
Sep	0.0	0.0	83.0	83.0		5793
Oct	0.0	0.0	106.0	106.0		5798
Nov	2685.0	0.0	0.0	2685.0		5798
Dec				0.0		5798
totals	6762	4010	30	8314	19116	5789
	35.4%	21.0%	0.2%	43.5%		

metric	2020	2021	ytd Nov 2022	measures
SAIDI	2.45	8.19	3.30	Interruption DURATION / average for every member (hrs)
SAIFI	1.16	2.56	1.30	Interruption FREQUENCY / Average # of Interruptions per customer
CAIDI	2.10	3.20	2.54	Customer Avg Interruption Duration Index - IF you are out, how long (hrs).
ASAI	99.97%	99.91%	99.96%	Service Availability

- B. Tallgrass. This project is suspended until January when they will decide whether to “shelve” it again.
- C. The Credit Card records are available for the Boards review.
- D. Strategic Planning Update

2022 Strategic Plan Updates		2021			2022				last period changes
Strategic Plan created November 5, 2020.		Apr	July	Oct	Jan	Apr	July	Nov	
1	Demonstrate leadership in employee and public safety.	30	36	58	80	86	88	93	5
	Fully implement KEC Safety Accreditation.	65	85	85	90	90	97	100	3
	Explore improved field communication technology.	5	10	25	55	60	60	75	15
	Develop improved record keeping.	20	20	20	75	85	90	92	2
	Ensure free flow of information via whistleblower policy.	60	60	70	85	95	95	100	5
	Develop OSHA SHARP	0	5	90	95	100	100	100	0
2	Identify, assess, and mitigate cyber security risks.	35	45	55	75	77	85	95	10
	Research and implement cybersecurity mitigation strategies.	Carrie assessment	Carrie assessment	Carrie assessment	Carrie assessment	Carrie assessment	Carrie assessment	Carrie assessment	
	Identify and make necessary investments in hardware, software, and facilities.								
	Establish a cybersecurity training and awareness regimen for employees and members.								
3	Complete and evaluate the results of a cost-of-service study.	0	0	16.3	84	96	98	100	3
	Rate structure and level impact	0	0	25	100	100	100	100	0
	Line Extension Policy	0	0	0	50	85	90	100	10
	Prepaid Metering assessment	0	0	25	100	100	100	100	0
	Streamline Security Lighting Program	0	0	15	85	100	100	100	0
4	Assess and complete all remaining elements of the 2019 Strategic Plan.	95.0	97.0	99.0	99.2	99.2	99.6	99.6	0.0
	Continuous improvement of the safety program, to include construction height requirements review.	100	100	100	100	100	100	100	0
	Craft a long-term comprehensive technology plan focused on maximizing utilization, resource requirements, and the outage management system.	100	100	100	100	100	100	100	0
	Develop a financial plan to include a long-term forecast, equity management plan, rates (formulary and decoupling) and capital credits (discounting).	98	98	100	100	100	100	100	0
	Create a comprehensive member communication / engagement plan to include social media, information content and outage notification.	100	100	100	100	100	100	100	0
	Implement a succession plan for key employees (accounting and operations management) and board members (potential nominating committee utilization for appointments) to include education and development focus.	75	90	95	96	96	98	98	0
Overall completion rate (%)		40.0	44.5	57.1	84.5	89.6	92.6	97.0	4

E. Financials - October

- Total Revenues were \$318,282 over Oct 2021 while Wholesale Power Costs were down \$69,567 (total kWh sales were up 1.8% or 226,440 kWh). This increased our distribution revenue by \$387,849 to \$1,243,923. This continues to show the effect of changing the ECA spread to a rolling 12-month cycle which is recapturing unbilled wholesale power costs.
- Statement of Operations

- a. Total Operating Margins are \$669,931. I have directed the Crew Foremen to prioritize maintenance jobs over optional construction in order to increase operating expenses and lower the Operating Margin.
 - b. Total Margins are \$703,695.
 - c. Non-operating margins showed a gain of \$33,764 for the month and \$244,183 YTD.
- 3. Balance Sheet.
 - a. Assets and Debits balance at \$65,245,609. Cash Balances remain strong at \$5,237,965. Cash Balances are growing along with the ECA recapture.
 - b. Equity remains stable with Equity as a percent of Assets at 39.42% and Equity as a percent of Capitalization is 42.26%.
 - c. Our Cash to Debt ratio is 15.54% and the current ratio is 2.03.
 - d. Year to Date TIER is 2.13, OPTIER is 1.89 while Year to Date DSC is 3.5 and ODSC is 3.07.
- F. Operations Report. (Full report is in the Supplemental file)
 - 1. Maintenance

Repaired crossarm braces on East Mantina 3 phase.

Measured line height on Hwy 96 for oversized load coming through.

Retired single phase connects for Neal Wilson, Cathouse, and various in Ness and Gove Co.

Retired 3 phase line by Brownell.

Changed out meter loops at Mike Scheuerman's, Bill Danduran's and Vulgamore Land and Cattle.

Disconnected service at Scott Blackburn's.

Reconnected service for Wells Fargo in Scott Co.

Checked connections / patrolled line for blinking lights at Kyle Spencer's and Alex Nichepor's.

Changed out bad transformer at Lane Copeland's.

Fixed secondary at Jason Ratliff's and Tim Sidebottom's.

Trimmed trees at Berry Schwein's in Bazine.

Planned outage in the Manning substation. Fixed hot spots and changed out bad switches.

Fixed platform station and straightened poles north of Dighton.

Converted 3 phase connect to single phase for Scott Corsair.
 - 2. New Connects

Built 5 spans of new single phase and built connect for Nick Henning's new house.

Built new 3 phase connect for Palomino Ehmke Trust.
 - 3. Pole Change Outs.

Changed out lift pole for Gordon Breit.

Set 2 A-4 poles on the Rufenacht single phase.

Changed out bad V phase pole north of Manning.

Changed out bad 3 phase pole by Alamota.

Change out bad meter pole at Ty Panzner's.
 - 4. Other

Hung Christmas lights in Healy, Ness City, Bazine, McCracken, and the LSEC office in Dighton.

Yearly D.O.T inspections.

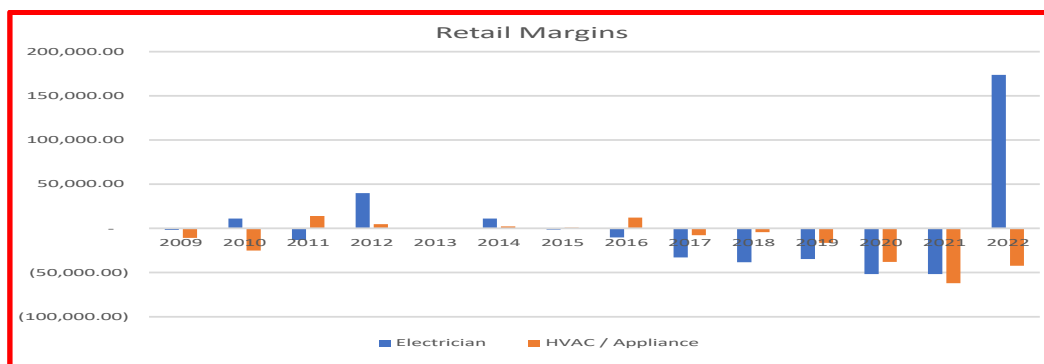
G. IT / Cybersecurity Report. Some of the things Carrie is working on are listed below. Please refer to her full reports in the Supplemental File for more information.

1. Work Management Operation Suite project scheduled to begin January 2023.
2. Verifone electronic payment device TLSv1.2 (Transport Layer Security) certificate upgrade. Protocol helps systems communicate data over a secured layer in encrypted format which is understood only by the involved parties not by intruders.
3. Telephone call center headset to decrease pains of existing injuries or developing future issues.
4. iVue 2.55 upgrade.
5. Mobile Radio Services meeting to gather information on router communication network and equipment requirements. Researching tower connectivity options with both Internet Service Providers.
6. Ness office SonicWall firewall and Aruba wireless access point set up and programming.
7. Veeam backup server installed and programming in progress.
8. Establishing a secondary GIS server to accomplish the same cybersecurity measurements as the domain server.

H. Member Services Report. Ann Marie will be at the December meeting to present a Member Services Update. Her full report is located in the Supplemental file.

I. Warehouse Report. (Full report in Supplemental file)

1. We have four Generac generators in stock waiting on parts for the installations. As cold weather approaches and grid reliability outlooks are pessimistic, we are getting a lot of calls.
2. Electrician / HVAC services. Demand continues to be steady, and HVAC posted its first positive month since last February
3. Materials. Tight supplies and long lead times continue to be the norm. We are “stocking up” on poles and transformers in anticipation of winter storms.



Respectfully submitted,

Richard McLeon, MBA
General Manager

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

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION <div style="text-align: right;">KS0042</div>
	PERIOD ENDED October 2022
INSTRUCTIONS - See help in the online application.	BORROWER NAME The Lane-Scott Electric Cooperative, Inc.

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	15,948,438	18,252,870	15,658,763	2,010,689
2. Power Production Expense				
3. Cost of Purchased Power	9,544,251	11,329,928	8,912,753	766,765
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	741,258	684,993	1,096,414	43,760
7. Distribution Expense - Maintenance	910,171	995,232	837,496	95,995
8. Customer Accounts Expense	151,320	202,852	189,492	21,560
9. Customer Service and Informational Expense	55,762	48,666	42,166	4,573
10. Sales Expense	40,247	54,791	55,018	6,115
11. Administrative and General Expense	1,038,004	1,333,235	1,135,620	132,585
12. Total Operation & Maintenance Expense (2 thru 11)	12,481,013	14,649,697	12,268,959	1,071,353
13. Depreciation and Amortization Expense	1,534,496	1,566,930	1,412,275	158,784
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,112,620	1,066,267	1,005,350	108,449
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	121	227		21
19. Other Deductions	16,322	15,874	36,041	2,150
20. Total Cost of Electric Service (12 thru 19)	15,144,572	17,298,995	14,722,625	1,340,757
21. Patronage Capital & Operating Margins (1 minus 20)	803,866	953,875	936,138	669,932
22. Non Operating Margins - Interest	154,801	72,122	166,666	14,219
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(123,170)	138,298	22,917	19,545
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	44,305	44,306	61,269	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	879,802	1,208,601	1,186,990	703,696

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 October 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	49	64	5. Miles Transmission		
2. Services Retired	41	52	6. Miles Distribution – Overhead	2,035.37	2,038.73
3. Total Services in Place	6,050	6,066	7. Miles Distribution - Underground	7.66	7.66
4. Idle Services (Exclude Seasonals)	252	268	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	60,477,707		30. Memberships	0	
2. Construction Work in Progress	1,303,627		31. Patronage Capital	23,100,305	
3. Total Utility Plant (1 + 2)	61,781,334		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	20,498,798		33. Operating Margins - Current Year	953,875	
5. Net Utility Plant (3 - 4)	41,282,536		34. Non-Operating Margins	1,453,717	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	209,994	
7. Investments in Subsidiary Companies	239,416		36. Total Margins & Equities (30 thru 35)	25,717,891	
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	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	32,306,081	
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)	5,277,946	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	2,451,342	
14. Total Other Property & Investments (6 thru 13)	12,946,236		43. Total Long-Term Debt (37 thru 41 - 42)	35,132,685	
15. Cash - General Funds	76,890		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	5,160,950		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	880,536	
20. Accounts Receivable - Sales of Energy (Net)	1,664,020		49. Consumers Deposits	112,736	
21. Accounts Receivable - Other (Net)	311,242				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	2,352,487	
23. Materials and Supplies - Electric & Other	537,503		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	19,724		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	1,130,483		53. Other Current and Accrued Liabilities	1,049,273	
26. Total Current and Accrued Assets (15 thru 25)	8,900,937		54. Total Current & Accrued Liabilities (47 thru 53)	4,395,032	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	2,115,899		56. Other Deferred Credits	0	
29. Total Assets and Other Debits (5+14+26 thru 28)	65,245,608		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	65,245,608	

Communication

Communication Mediums – Where we Communicate with members

1. Kansas Country Living Newsletter

- Monthly 4- or 8-page newsletter in the Kansas Country Living Magazine.
- I am responsible for all content every month.

2. Social Media

- This includes our Facebook & Instagram pages. I did create a YouTube channel, that I have used as a place to store some of our published videos, however most of our content is posted to Facebook & Instagram.
- Monthly, I schedule most posts the month before, then add anything that comes up during the month.
- Everything that has to do with Lane-Scott is published here. It's instantaneous, making it the best medium for content that needs to be communicated quickly like outage and crisis information, meeting notices, as well as any important information that arises after the KCL monthly deadline.
- We have social media contests that can direct members to our website to enter or instructs them to interact with the post. We've had Back-to-School Contests, the Annual Thanksgiving Giveaway Contest, and Kick-off to Summer contests. This encourages traffic to our website and social media pages.
- I also post information on local community pages such as the Lane County News, and Buy, Sell & Trade pages.
- We have **1,067 Facebook followers and 128 Instagram Followers.**

Facebook Reach (Number of people who saw content on our page):

- **2021 = 36,010**
- **2022 = 32,788 (Jan – November)**

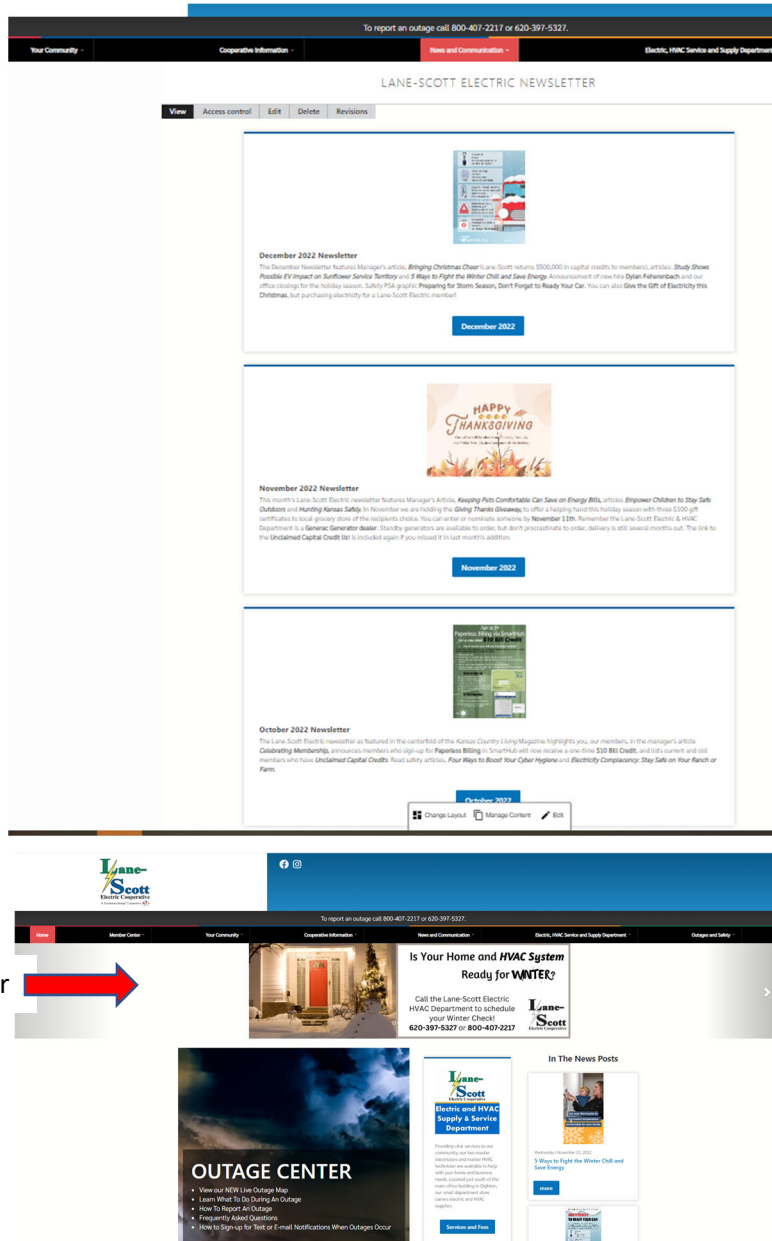
Instagram Reach

- **2021 = 223**
- **2022 = 202 (Jan-November)**

**Facebook data only goes back 2 years.*

3. Lane-Scott Website

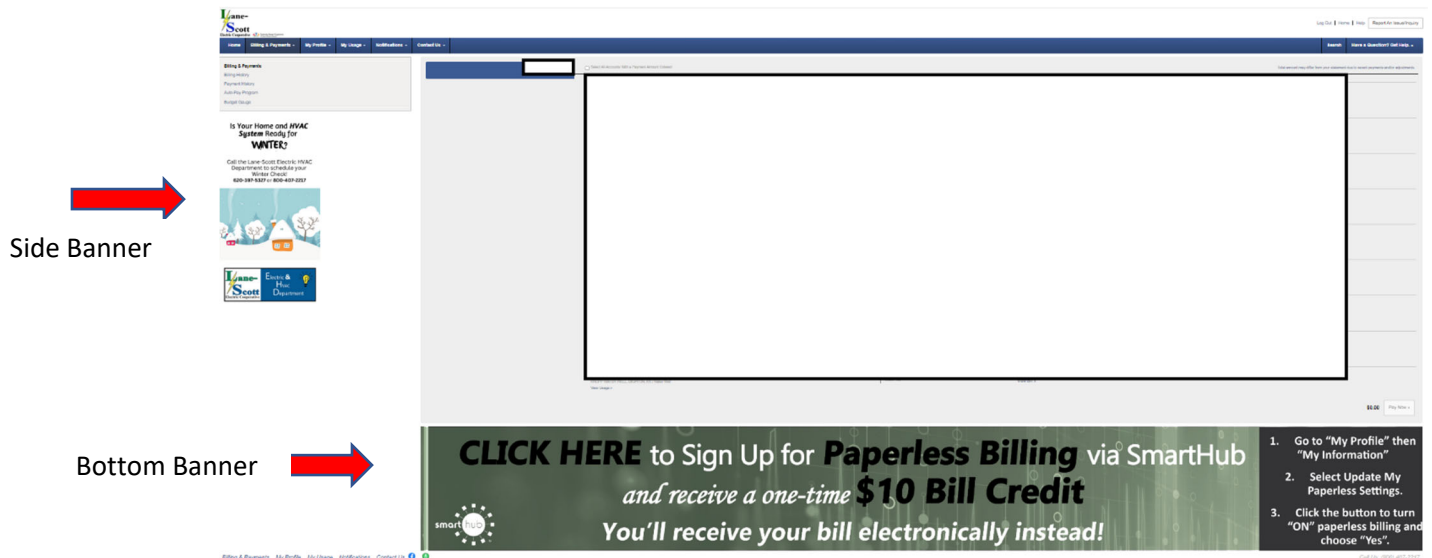
- Redesigned in 2020 using Touchstone Energy Webbuilder 3.0.
- Continual Updates and Page Redesigns depending on what we have going on.
- Monthly Updates: ***Electronic newsletter*** and ***In the News*** content. New promotions and information updated on the homepage web banner, as needed.
- I have created over 350 pages of content since 2020.
- ***How have we improved:***
 - ***Website on average has 1,900-2000 pageviews per month with 768 average users.***
 - ***I don't have analytics prior to the conversion to Webbuilder 3.0, but we had 321 average users when Analytics was activated in February of 2020.***



4. SmartHub Online and Mobile App

- SmartHub Messenger: I am able to send e-mails to all SmartHub users, and text messages (for those who opt in for text).
 - Monthly Electronic Newsletter
 - Monthly Electronic Bill Stuffers to those who are paperless
 - Important Messages “From the Manager” which includes our monthly e-mail welcome messages to new members, and important information which has included Winter Weather Event, Rate Adjustment Information, Rate Meeting Notices, COVID information, etc.
 - Watt’s Up at Lane-Scott, which includes emails for promotions, job openings, contests, annual meeting notice, other meeting invitations, etc.

- SmartHub Alerts: On the top-right of the SmartHub home page, we can post up to 3 alerts at one time.
- SmartHub Marketing Tools:
 - I am able to create website banners on SmartHub that members see and can link to more information on our website or SmartHub.



- **How Have We Improved:**
 - **SmartHub Website and Mobile Users:**
 - **January 2020 = 644 Member, 24.2% of our membership**
 - **November 2022 = 878 Members, 33.5% of our membership**

5. **Bill Stuffers:** I try to have a bill stuffer every month for relevant or important content. I create these inhouse, then send to NISC to print and insert with the bills.

6. **Newspaper and Print Advertising:** I am responsible for all newspaper advertising and articles, phone book listings, magazine ads, yearbook ads, advertising through the school, t-shirt throws, printed water bottles, LSEC giveaways, signs, and any other requests from businesses. This includes resale and Generac ads. The majority of these I design inhouse.

- In 2022 there has been over \$10,000 worth of advertising.

7. **Radio Advertising:** We have been advertising a 3-4 week flight of ads quarterly on 13 different radio stations in our service area. Most spots I create in-house, some I have used from Touchstone Energy with our tagline at the end.

8. **New Member Communications:** In addition to the new member e-mails, I also created a Member Guidebook that is given to all new members, along with any promotional material (paperless billing, sign-up for SmartHub, etc.). I pull a report every month and send all information.

9. **Donation requests:** I handle all requests, that sometime cross channels with advertising.

10. **Key Account Communication:** There are instances where Key Accounts receive additional communication. I also try to verify key contacts annually.

Communication Tracking, Planning, and Creative Material

1. I have an extensive Communication Plan Worksheet that plans out and tracks all communication activity, budget, and spending. *(It's very geeky!)*
2. The Analytics – Monthly I pull analytics for the LSEC website and SmartHub so I can report on progress (as is in here!)
3. The Creative Materials: All mediums require different size and shaped graphics. For a campaign that we promote on all mediums, I will create 10-12 different online and print graphics using several different software programs.
4. Crisis Communication Plans: I have put together a working document that is constantly being updated.

Member Services

- Safety Education Events: First responder trainings in Ness and Lane County. Once our safety trailer is complete, we will have more demonstrations within the community.
- Member Satisfaction Survey every other year.
- LIEAP Assistance: Every year I send the pamphlets with LIEAP applications to all churches and Senior Centers to help get the information for utility assistance to those in need.
- Implement the Continuing Education Scholarship Program.
- Promote the local Electrathon & Kid Wind teams.
- Put on the annual Food Drive in conjunction with the local schools.
- Implement the Co-Bank Sharing Success Grant Program.
- Send Military Care Packages.
- Distributive Generation: We are working on a better internal process for solar and wind inquiries, as home generation is becoming more popular.
- Participate in Community Events such as Trunk or Treat, Christmas Light Parades, School Career Days, etc.
- Handle advertising and promotions for the Resale Dept. and Generac (in conjunction with Scott).

Other Duties

- Annual Meeting
- I am now handling Capital Credit Estate Retirements.
- Help with daily general customer service calls and inquiries.
- I handle all "Contact Us" emails from the LSEC website.
- Rebecca's back-up for new connects and transfers.

10. b. 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 DECEMBER 2022							
Last Name	First Name	Cust No.	ELEC-COOP	ELEC-MKEC	Total ELEC Amount	Form W-9	G&T
Bockelman	Dale L	20444	\$ 1,105.85	\$ -	\$ 1,105.85	Yes	\$ 1,277.17
Borell	Ruth M	2413	\$ 2,390.84	\$ -	\$ 2,390.84	Yes	\$ -
Brenner	Ben F	20090	\$ 2,536.92	\$ -	\$ 2,536.92	Yes	\$ 1,343.42
Cooley (Harper)	Helen E	30281	\$ 1,222.51	\$ -	\$ 1,222.51	Yes	\$ 550.60
Downing	Mary E	40258	\$ 150.26	\$ -	\$ 150.26	N/A	\$ -
Gantz	Bob F	70249	\$ 23.86	\$ 269.05	\$ 292.91	N/A	\$ 220.13
Graves	(Billy) Kent	70062	\$ 1,460.36	\$ -	\$ 1,460.36	Yes	\$ 2,853.34
Heath	Joe L	80257	\$ 223.82	\$ -	\$ 223.82	N/A	\$ -
Hollis	Norman L	8168	\$ 512.19	\$ -	\$ 512.19	N/A	\$ -
Horacek	Alice A	80558	\$ 17.04	\$ 358.18	\$ 375.22	N/A	\$ 265.84
Jasper	Virginia L	100183/100049	\$ 4,156.86	\$ -	\$ 4,156.86	Yes	\$ 19,342.37
Jennison	(Gloria) Yvonne	100122	\$ 624.14	\$ -	\$ 624.14	N/A	\$ 1,002.16
Klaus	Earl	110176	\$ 16.16	\$ 150.10	\$ 166.26	N/A	\$ 133.32
Kuehn	Ernest D	110056	\$ 2,658.48	\$ -	\$ 2,658.48	Yes	\$ 1,248.70
Legg	(Linda) Marlene	120166	\$ 910.96	\$ -	\$ 910.96	N/A	\$ 2,883.80
McGaughey	Robert W	130448	\$ 167.23	\$ 1,472.36	\$ 1,639.59	Yes	\$ 1,293.81
McLeish	Lois M	130657	\$ 2,396.02	\$ -	\$ 2,396.02	Yes	\$ 124.33
Messenger	Charles A	130329	\$ 321.72	\$ -	\$ 321.72	N/A	\$ 466.61
Mishler	Fern J	130601	\$ 19.36	\$ 396.72	\$ 416.08	N/A	\$ 281.18
Moore	(Eleanor) Joan	130506	\$ 19.98	\$ 272.78	\$ 292.76	N/A	\$ 213.06
Mudd	(Robert) Ernest	130202/130723	\$ 1,428.26	\$ -	\$ 1,428.26	Yes	\$ 746.15
Neil D McWhirter	Revocable Trust	130688	\$ 192.02	\$ -	\$ 192.02	N/A	\$ 441.12
Pavlu	Mike R	16120	\$ 2,776.50	\$ -	\$ 2,776.50	Yes	\$ -
Pike	Billy R	160040	\$ 719.08	\$ -	\$ 719.08	Yes	\$ 205.45
Potter	Ross A	160050	\$ 4,297.39	\$ 11.31	\$ 4,308.70	Yes	\$ 2,533.11
Reinert	Carl H	180351	\$ 173.83	\$ 183.93	\$ 357.76	N/A	\$ 180.92
Roth	Bill F	18045	\$ 23.82	\$ -	\$ 23.82	N/A	\$ -
Russell	Jim R	180503	\$ 34.26	\$ -	\$ 34.26	N/A	\$ 177.16
Schwartzkopf	Alfred G	190788	\$ 69.11	\$ 828.65	\$ 897.76	Yes	\$ 695.81
Shapland	(Melvin) Duane	190610	\$ 163.82	\$ -	\$ 163.82	N/A	\$ -
Sinclair	Steven L	191072	\$ 11.71	\$ -	\$ 11.71	N/A	\$ 88.45
Speer	Linda L	19658	\$ 1,233.75	\$ -	\$ 1,233.75	Yes	\$ -
Stanley	Helen R	19174	\$ 75.83	\$ -	\$ 75.83	N/A	\$ -
Stanley	Skye W	191042	\$ 287.38	\$ -	\$ 287.38	N/A	\$ 15.51
Thomas	Dennis E	20079	\$ 520.22	\$ -	\$ 520.22	N/A	\$ 956.40
Tokoi	Hilton K	200064	\$ 79.10	\$ -	\$ 79.10	N/A	\$ 125.51
Wilson	Shelby	23175	\$ 1,678.29	\$ -	\$ 1,678.29	Yes	\$ -
Total LSEC Coop Pay Outs					<u>\$ 38,642.01</u>		

Staff requests that the Board approve the above Special Retirement of \$38,642.01.

10. c. Christmas Bonus

Lane-Scott EC has presented taxable Christmas Gifts to employees for many years. Last year the Board awarded \$150.00 per full-time employee and \$50.00 for part-time employees.

The Cooperative currently has 22 Full time employees (excluding the General Manager) and 1 Part-time employees (Stacy).

Once again, the employees have done a great job under difficult conditions, and I would like to reward them with a Christmas Bonus of \$200.00 for full-time and \$75.00 for part-time employees. This comes to a total of \$4,275.00 $[(21 \times \$200.00) + \$75.00]$.

Staff requests that the Board approve a total Christmas Bonus of \$200.00 to Full-time employees and \$75.00 to part-time employees.

10. c. Proposed Christmas Bonus

Emp #	Employee	2018	2019	2020	2021	2022
	Full-time, \$ per employee	100.00	150.00	150.00	150.00	250.00
	Part-time, \$ per employee	25.00	50.00	50.00	50.00	75.00
5	Kathy Lewis	100.00	150.00	150.00	150.00	250.00
17	Dave Howard	100.00	150.00	150.00		
21	Carrie Borrell	100.00	150.00	150.00	150.00	250.00
22	Rebecca Campbell	100.00	150.00	150.00	150.00	250.00
34	Kalo Mann	100.00	150.00	150.00	150.00	250.00
35	Nate Burns	100.00	150.00	150.00	150.00	250.00
50	Kasey Jenkinson	100.00	150.00	150.00	150.00	250.00
55	Ben Mann	100.00	150.00	150.00	150.00	250.00
74	Dal Hawkinson	100.00	150.00	150.00	150.00	250.00
81	Dee Shull	100.00	150.00	150.00		
84	Michael Pollock	100.00	150.00	150.00	150.00	250.00
85	Chad Rupp	100.00	150.00	150.00	150.00	250.00
89	Chris Terhune	100.00	150.00	150.00	150.00	250.00
91	Larry Kraft	100.00	150.00	150.00		
93	Myron Seib	100.00	150.00	150.00	150.00	250.00
99	Kevin Bradstreet	100.00	150.00	150.00	150.00	250.00
108	Mark McCulloch	100.00	150.00	150.00	150.00	250.00
117	Leighton Ayers	100.00	150.00	150.00	150.00	250.00
130	Ann Marie Jennings		150.00	150.00	150.00	250.00
131	Diana Kuhlman		150.00	150.00	150.00	250.00
132	Dellan Shelton			150.00	150.00	250.00
134	Scott Briand				150.00	250.00
135	Blake McVickers				150.00	250.00
137	Dylan Fehrenbach					250.00
129	Stacey Foos	25.00	50.00	50.00	50.00	75.00
intern	Dellan Shelton		50.00			
employees		19	22	22	21	22
total Bonus		1,825.00	3,100.00	3,200.00	3,050.00	5,325.00

10. d. Lane-Scott Electric Cooperative, Inc. 2023 Board Meeting Schedule (proposed)

(based on known calendars as of November 21, 2022)

<u>January</u>	2	Office Closed - New Years	<u>July</u>	3	LSEC Board of Trustees meeting
	9	LSEC Board of Trustees meeting change from 1/2 - holidays		4	Office Closed – 4 th of July
	18	Sunflower EPC Board, Hays		18	LSEC Annual Meeting
	21-23	KEC Annual Meeting, Topeka		19	Sunflower EPC Board, Hays
				29-31	KEC Summer Meeting, Overland Park
<u>February</u>	6	LSEC Board of Trustees meeting	<u>August</u>	7	LSEC Board of Trustees meeting
	15	Sunflower EPC Board, Hays		16	Sunflower EPC Board, Hays
<u>March</u>	1-2	KEC Board Meeting, Salina	<u>September</u>	4	Office Closed – Labor Day
	3-8	NRECA, Annual Meeting, Nashville, TN		11	LSEC Board of Trustees meeting change - Labor Day conflict
	13	LSEC Board of Trustees meeting change from 3/6 - NRECA		20	Sunflower EPC Board, Hays
	15	Sunflower EPC Board, Hays		26-28	NRECA Regional Meeting, Omaha, NE
<u>April</u>	3	LSEC Board of Trustees meeting	<u>October</u>	2	LSEC Board of Trustees meeting
	7	Office Closed – Good Friday		4-5	KEC Board Meeting, Wichita
	19	Sunflower EPC Board, Hays		18	Sunflower EPC Board, Hays
	16-19	NRECA Legislative Conference			
<u>May</u>	1	LSEC Board of Trustees meeting GM Evaluation	<u>November</u>	6	LSEC Board of Trustees meeting
	3-4	KEC Board Meeting, Wichita		15	Sunflower EPC Board, Hays
	16-17	Sunflower Annual & Board, Holcolm		23-24	Office Closed - Thanksgiving
	29	Office Closed – Memorial Day	<u>December</u>	4	LSEC Board of Trustees meeting
<u>June</u>	5	LSEC Board of Trustees meeting		6-7	KEC Board Meeting, Wichita
	5	Nominating Committee meeting		7-8	Sunflower EPC Board, KC, MO
	21	Sunflower EPC Board, Hays		25	Office Closed - Christmas

**LANE-SCOTT ELECTRIC COOPERATIVE, INC.
POLICY**

Dated: December 5, 2022

Policy No.: 514

SUBJECT: Employee Retirement Plan

POLICY:

The Cooperative adopts the NRECA Retirement and Security Program for all full-time permanent employees and the terms and conditions thereof.

- A. The normal retirement shall be after thirty (30) years of service or reaching 62 years of age with a 2.0 multiplier.
- B. The plan will contain the cost-of-living adjustment (COLA) provision.
- C. Employees with no prior rural electric experience shall be eligible for participation in the Retirement and Security Plan following one full year of employment.
- D. Contribution rates to the retirement and security program for each participating employee will be paid by the Cooperative.

ATTESTED _____

Secretary

(seal)

Revisions: June 4, 2018
 August 23, 1993
 August 1983
 January 1, 1948

LANE-SCOTT ELECTRIC COOPERATIVE, INC. POLICY

Dated: December 5, 2022

Policy No.: 515

SUBJECT: Employee NRECA Selectre Pension Plan (401(k) Plan)

POLICY:

Lane-Scott Electric Cooperative shall adopt the NRECA Selectre Pension Plan. Permanent full-time employees shall be eligible to participate after one full year of employment.

For those employees, hired, rehired, or transferred to the cooperative before July 1, 2018, the normal retirement date shall be 30 years of service or sixty-two (62) years of age. The Cooperative shall contribute to each Participant's account an Employer Matching contribution equal to the following schedule:

Employee Contribution:	Employer Matching Contribution:
2%	2%
5%	3%
8%	4%
10%	5%

All eligible Employees may choose to make pre-tax Employee Elective Contributions up to the limits prescribed by law.

All eligible Employees may also elect to make after-tax Voluntary Employee Contributions (VEC) to their account. Employees may make VEC contributions only without making any Employee Elective Contributions but shall not then receive any Employer Matching Contributions specified above.

ATTESTED _____

Secretary

(seal)

Revisions: June 4, 2018
October 1, 2007
October 28, 2002
August 23, 1993
April 23, 1990
August 1978
May 24, 1976
January 26, 1970

SAFETY PROGRAM

SAFETY PROJECTS COMPLETED AS OF November 2022

1. Decals replaced on truck #117
2. RESAP Onsite Observation
 - Alexander Substation has had new switch installed.
 - Substation battery maintenance was discussed with Sunflower Electric.
 - Regulator stands installed on Twin Springs substation.
 - North lot transformers have been moved to new concrete pad.
3. Ann Jennings's member safety awareness publishes to either KCL newsletter, social media, and/or the Lane Scott Electric website concerning:
 - Empowering Children to Stay Safe Outdoors: Kansas Country Living (KCL) article & graphic, social media
 - Hunting Kansas Safely: KCL article & graphic, social media
 - Generator Safety Transfer Switch: social media
 - Child Safety Protection Month, Safety Tips for Kids: social media
 - Outdoor Christmas Light Safety: social media
4. Diana Kuhlman submitted reports:
 - KEC Loss Control, Safety and Compliance System Monthly Statistical Report.
 - Compliance One drug and alcohol monthly roster report.
 - Lineman and retail personnel will be attending the Rorke Denver presentation in Dodge city.
 - CDL renewal process has been changed where all employees will be certified within the same month.
5. KEC November safety meeting topics: Safety summary, Hearing Conservation Program & Decibel Testing of Equipment, Accident Investigation Admin: Violence in workplace. November 30th safety minutes are included in the board packet.

SAFETY PROJECTS IN PROGRESS AS OF November 2022

1. SDS Program products updates and documentation improvements.
2. Safety Amp software inspection form templates.
3. Decals ordered for truck #173, Lane Scott decal ordered for truck #193.
4. FCC radios are on backorder.
5. Demo trailer hardware to be installed.
6. RESAP Onsite Observation
 - Leaking /weeping regulator in pole yard needs removed.
 - Nate Burns is working with Power System Engineering, Inc. to update the SPCC plan and data gathering for the arc hazard assessment testing.
 - Rope hoist quote in progress.
 - Review Chainsaw safety chaps.
 - Auto transformer stands need installed Dighton Hi to resolve substation clearance.
 - Circuits are being identified.
 - Switching procedure instructions are in progress.
 - URD cables need identified and labeled.
 - Padmount and switch cabinet signage need updated.