



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for March 14, 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. CyberSecurity Update – Carrie Borrell
 - b. Proposed Board Policy 535 Information Security and Cybersecurity
 - c. Dighton City West Real Estate
 - d. Approval of Annual Meeting Caterer and Gift
11. Safety Report
12. Executive Session – if requested
13. Adjourn

Upcoming Events:

LSEC Board Meeting	Dighton	March 14
KEC Day at the Capitol	Topeka, KS	March 16
Sunflower EPC Board	Hays, KS	March 18

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**MINUTES OF THE REGULAR FEBRUARY 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, February 7, 2022, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:52 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, Paul Seib Jr. and Craig Ramsey. Also present Richard McLeon IV and Joseph Gasper, Attorney.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on January 10, 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 Gasper had no current items to report.

REPORT OF SUNFLOWER DELEGATE

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

Trustee Seib added the following items:

- 30 structures were damaged by the recent wind storm.
- A study is being conducted regarding batteries and solar energy.
- A cryptocurrency mining company is looking at locating in Sunflower territory.
- Sunflower is working on the additional \$3 million fee from winter storm Uri.

Manager McLeon added that the second proposed solar farm will have a public meeting on February 15 at 5:00 p.m.

KEC REPORT

Manager McLeon reported the annual KEC meeting was January 22-24.

- There were good training sessions on the evolution of power supply and on cybersecurity.
- KEC is beginning to look at cybersecurity in the same sense as safety. Discussions are beginning on potentially hiring an IT expert and having a cybersecurity department for member assistance. There were 75,198 attempts to intrude on LSEC system in the last 192 days.
- Federated has been contacted regarding cybersecurity coverage.
- KEC is implementing an adopt a legislator program to establish relationships with eastern Kansas legislators.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- The monthly average power cost was 11 cents and 11.56 cents for the year. ASAI is 99.91% with the winter storm load shed and the August wind event being the two largest outages.
- The number of oil connects is increasing.
- Greg Lee has been hired by Federated to represent LSEC in the Alamota and Peach Grove fires.
- Year End total operating margins are \$1,011,124 for an OPTIER of 1.75 for the year. Year End total margins are \$2,471,457 for a year end TIER of 2.85.
- The cash balance stands at \$5,735,208.
- Retail services show a loss of \$106,423 for the year. A review of the retail services going forward is being conducted. The total non-operating margins total a gain of \$95,980 for the year end.

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. Write Offs

Write Offs in the amount of \$7,268.15 as contained in the board packet were presented to the board.

Discussion of the write offs included questions on how capital credits would be applied and if any of the members were still receiving electricity. Manager McLeon answered that any capital credits would be applied to the balance and he did not believe any of the potential write offs were still on the system.

➤ *A motion to approve the write offs in the amount of \$7,268.15 as presented to the board was made, duly seconded and carried.*

2. IRS form 990

➤ Trustees need to fill out their 2021 and 2022 forms and questionnaire.

3. Peck Real Estate Contract

➤ Attorney Gasper reviewed the proposed real estate contract for the purchase of the land at the Dighton West substation. The board had a question regarding the minerals and concerns that an oil company could potentially place equipment or wells on the property. Attorney Gasper will contact the owner's attorney regarding amending the proposed contract.

4. ACRE/KCRE Donations

➤ Cards for ACRE/KCRE donations were given to each Trustee.

5. Capper Park

KEC has requested donations for the Capper Park project at the State Fairgrounds. Senator Capper was a sponsor of the Capper-Volstead act that helped to create the Cooperative system. Staff has recommended a donation of \$1,000.00 for the project.

A motion to approve staff recommendation a donation of \$1,000.00 to KEC as a Capper Park project donation was made, duly seconded and carried.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 7:54 p.m., on Monday, February 7, 2022.

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Accounts Payable Check Register

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02/02/2022 To 03/02/2022

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2646 02/07/2022	WIRE	168	ONLINE INFORMATION SERVICES, INC	Utility Exchange	107.83
2647 02/07/2022	WIRE	468	U.S. BANK	Monthly Credit Card Invoice	29,070.42
2658 02/08/2022	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA Gr 1 -Feb Group Ins	2,719.41
2659 02/08/2022	WIRE	180	NRECA	NRECA Gr1 Adm Fee-Feb Group Ins Adm Fee	223.50
2648 02/09/2022	WIRE	1267	AFLAC	Premiums	693.85
2657 02/09/2022	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA Gr 1-Feb Group Ins	46,892.47
2649 02/10/2022	WIRE	18	CITY OF DIGHTON	Monthly Invoice	1,459.83
48086 02/10/2022	CHK	1	GREG ANDERSON MEMORIAL	Greg Anderson Memorial	50.00
48087 02/10/2022	CHK	1	NESS CITY FUN RUN	Donation-Fun Run	100.00
48088 02/10/2022	CHK	1	PHILLIPS COUNTY HOME HEALTH	Charlene Ross Memorial	50.00
48089 02/10/2022	CHK	15	ERIC DOLL	Feb Board Mtg, ACRE & KCRE	190.95
48090 02/10/2022	CHK	23	FEDERATED RURAL ELECTRIC	All Risk Blanket	546.00
48091 02/10/2022	CHK	30	HAROLD HOSS	February Board Mtg, ACRE&KCRE	185.10
48092 02/10/2022	CHK	40	KANSAS ELECTRIC COOPERATIVES	Touchstone dues	4,309.50
48093 02/10/2022	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Invoice	811.70
48094 02/10/2022	CHK	55	NESS COUNTY NEWS	Advertising	88.00
48095 02/10/2022	CHK	60	PAUL SEIB JR	Feb Board Mtg, ACRE & KCRE	188.61
48096 02/10/2022	CHK	63	RICHARD JENNISON	Feb Board Mtg, KEC Mtg, ACRE & KCRE	2,206.02
48097 02/10/2022	CHK	96	STEPHENS LUMBER - DIGHTON	Monthly Invoice	111.37
48098 02/10/2022	CHK	104	HOME OIL CO	Monthly Fuel Invoice	1,213.72
48099 02/10/2022	CHK	105	CITY OF NESS CITY	Postage and Pay Station	616.46
48100 02/10/2022	CHK	117	NESS CITY FARM & FEED	Monthly Invoice	264.01
48101 02/10/2022	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	6,762.85
48102 02/10/2022	CHK	164	FAIRBANK EQUIPMENT INC.	Monthly Invoice	112.25
48103 02/10/2022	CHK	179	RAD ROEHL	Feb Board Mtg, ACRE & KCRE	160.53
48104 02/10/2022	CHK	187	S&W SUPPLY DIVISION	Monthly Invoice	62.18

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
48105 02/10/2022	CHK	202	CHAD GRIFFITH	Feb Board Mtg, ACRE & KCRE	193.88
48106 02/10/2022	CHK	238	ILLINOIS MUTUAL	Premiums	153.20
48107 02/10/2022	CHK	261	LOCKE SUPPLY CO	Monthly Invoice	276.04
48108 02/10/2022	CHK	272	LEWIS AUTOMOTIVE GROUP INC	Monthly Invoice	109.39
48109 02/10/2022	CHK	306	BORDER STATES INDUSTRIES INC	Monthly Invoices	26,239.42
48110 02/10/2022	CHK	387	WESTERN FUEL & SUPPLY	Monthly Invoice	545.11
48111 02/10/2022	CHK	392	TRUCK CENTER COMPANIES	Monthly Invoice	87.85
48112 02/10/2022	CHK	427	DIGHTON HERALD LLC	Advertising	128.00
48113 02/10/2022	CHK	450	RANDALL G EVANS	Feb Board Mtg, ACRE & KCRE	150.59
48114 02/10/2022	CHK	481	CARTMILL FLORAL & CREATIONS	Cookies for Board Mtg	78.12
48115 02/10/2022	CHK	505	GREAT WESTERN TIRE INC.	Truck #512	272.50
48116 02/10/2022	CHK	506	K&J FOODS	Monthly Invoice	172.40
48117 02/10/2022	CHK	773	BRETZ, INC.	Monthly Invoice	24.00
48118 02/10/2022	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fees	42.00
48119 02/10/2022	CHK	1169	WASHER SPECIALTIES CO.	Monthly Invoice	23.45
48120 02/10/2022	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	4,448.07
48121 02/10/2022	CHK	1197	GARDEN CITY WHOLESALE SUPPLY	Monthly Invoice	3,508.61
48122 02/10/2022	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Monthly Invoice	763.83
48123 02/10/2022	CHK	1251	TECHLINE, LTD	Monthly Invoice	3,854.25
48124 02/10/2022	CHK	1263	RICHARD SOREM	Feb Board Mtg, ACRE & KCRE	200.31
48125 02/10/2022	CHK	1300	CRAIG RAMSEY	Feb Board Mtg, KEC Mtg, ACRE & KCRE	2,753.41
48126 02/10/2022	CHK	1303	LANE COUNTY IMPLEMENT, INC	Monthly Invoice	228.53
48127 02/10/2022	CHK	9999	KEVIN J FLAX	INACTIVE REFUND	132.87
48128 02/10/2022	CHK	9999	NADIA RAMIREZ	INACTIVE REFUND	79.18
2651 02/11/2022	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Invoice	836.73
2650 02/14/2022	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Invoice	189.39

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
48129 02/16/2022	CHK	1	BAZINE AMERICAN LEGION	Raffle Donation	100.00
48130 02/16/2022	CHK	1	PIONEER ELECTRIC COOPERATIVE, INC	Mutual Aid-December Wind Storm	29,509.95
48131 02/16/2022	CHK	1	SOUTHERN PIONEER ELECTRIC COMP	Mutual Aid-December Wind Storm	21,700.35
48132 02/16/2022	CHK	20	BASIN ELECTRIC POWER COOP	Jan SaaS Monthly Fee	845.66VOID
48133 02/16/2022	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	50,000.00
48134 02/16/2022	CHK	32	WESCO RECEIVABLES INC	Monthly Invoice	843.05
48135 02/16/2022	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Invoice-Dues	7,086.77
48136 02/16/2022	CHK	105	CITY OF NESS CITY	Franchise Fee	5,868.02
48137 02/16/2022	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Ness City	93.83
48138 02/16/2022	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	16,335.80
48139 02/16/2022	CHK	135	CITY OF BAZINE	Franchise Fee	2,101.83
48140 02/16/2022	CHK	164	FAIRBANK EQUIPMENT INC.	Monthly Invoice	930.00
48141 02/16/2022	CHK	169	AMERICAN ELECTRIC-GARDEN CITY	Monthly Invoice	3,072.79
48142 02/16/2022	CHK	172	TYNDALE COMPANY, INC.	Clothing Allowance-Pollock & McCulloch	645.14
48143 02/16/2022	CHK	182	G.E.M.S. INC	Monthly Invoice	876.98
48144 02/16/2022	CHK	184	JOHNSTONE SUPPLY	Monthly Invoice	3,441.65
48145 02/16/2022	CHK	239	HEALY OIL CO	Tire Repair #701	20.96
48146 02/16/2022	CHK	269	ANIXTER INC	Monthly Invoice	425.88
48147 02/16/2022	CHK	279	IT1 SOURCE LLC	APC Back-Up	162.88
48148 02/16/2022	CHK	309	KANSAS BG LLC	Monthly Invoice	515.97
48149 02/16/2022	CHK	380	GRAINGER	Monthly Invoice	74.60
48150 02/16/2022	CHK	395	DOLLAR GENERAL - REGIONS 410526	Supplies	152.54
48151 02/16/2022	CHK	467	DIGHTON CHIROPRACTIC	Wellness Program-Dr. Bennett	200.00
48152 02/16/2022	CHK	472	C.H. GUERSNEY & COMPANY	COSS Study	287.50
48153 02/16/2022	CHK	745	GOVE COUNTY ADVOCATE	Advertising	74.00
48154 02/16/2022	CHK	790	SOLOMON CORPORATION	Transformers	4,893.37

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
48155 02/16/2022	CHK	803	ALTEC INDUSTRIES, INC	Parts	2,101.69
48156 02/16/2022	CHK	903	NISC	Monthly Invoice	10,378.88
48157 02/16/2022	CHK	1139	LANE COUNTY HOSPITAL	Kevin DOT Physical	364.50
48158 02/16/2022	CHK	1225	CINTAS CORPORATION	Monthly Invoice-Dighton	228.16
48159 02/16/2022	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Supplies	463.82
48160 02/16/2022	CHK	1248	COMPLIANCE ONE	Drug & Alcohol Testing	353.50
2652 02/18/2022	WIRE	1229	SCHABEN SANITATION	Monthly Invoice	540.58
48161 02/22/2022	CHK	40	KANSAS ELECTRIC COOPERATIVES	DONATION - CAPPER PARK PROJECT	1,000.00
2654 02/23/2022	WIRE	101	ATMOS ENERGY	Mnthly Invoice	203.74
2653 02/25/2022	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Invoice	129.66
2655 02/25/2022	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	18,503.36
2656 02/28/2022	WIRE	1290	WEX BANK	Monthly Fuel Invoice	530.67
48162 02/28/2022	CHK	5	CLEO SHULL	CC GENERAL RETIRE 1988 - 1998	83.99VOID
48163 02/28/2022	CHK	5	HELEN BRUNER	CC GENERAL RETIRE 1988 - 1998	103.00
48164 02/28/2022	CHK	5	RED HILL MANUFACTURING, INC.	CC GENERAL RETIRE 1988 - 1998	15.99
48165 02/28/2022	CHK	5	CLEO SHULL HARRIS	CC GENERAL RETIRE 1988 - 1998	83.99
2660 03/01/2022	WIRE	1187	MIDWEST ENERGY	Monthly Invoice	1,514.19
48166 03/01/2022	CHK	1	LANE COUNTY LIONS CLUB	Calendar Advertising	35.00
48167 03/01/2022	CHK	1	LORENA O'BRIEN MEMORIAL FUND	Memorial	50.00
48168 03/01/2022	CHK	18	CITY OF DIGHTON	Water Meter Pucks	334.04
48169 03/01/2022	CHK	20	BASIN ELECTRIC POWER COOP	Jan Dispatch Fees	2,129.75
48170 03/01/2022	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Trf	43,500.00
48171 03/01/2022	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Invoice	2,436.93
48172 03/01/2022	CHK	79	POSTMASTER	Postage for Newsletter	61.61
48173 03/01/2022	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	323.29
48174 03/01/2022	CHK	126	CARRIE BORELL	Per Diem-Tech Advantage	276.50

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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
48175 03/01/2022	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	12,827.09
48176 03/01/2022	CHK	136	NATHAN BURNS	Per Diem-Tech Advantage	197.50
48177 03/01/2022	CHK	160	SHULL OIL COMPANY	Monthly Fuel Invoice	5,699.35
48178 03/01/2022	CHK	164	FAIRBANK EQUIPMENT INC.	Monthly Invoice	107.97
48179 03/01/2022	CHK	220	LANDIS+GYR TECHNOLOGY, INC	Jan SaaS Monthly Fee	845.66
48180 03/01/2022	CHK	317	JOHN DEERE FINANCIAL	Chain Saw Blades and Oil	141.52
48181 03/01/2022	CHK	352	AG-NEWS	Advertising	215.00
48182 03/01/2022	CHK	373	KANSASLAND TIRE CO. INC OF HAYS	Tires	7,705.20
48183 03/01/2022	CHK	389	MIDWEST CONNECT	Sealing kit for postage machine	81.38
48184 03/01/2022	CHK	406	RICHARD MCLEON	Per Diem-NRECA Conference	736.32
48185 03/01/2022	CHK	429	IT1 CONSULTING LLC	Software	73.52
48186 03/01/2022	CHK	459	YESTERDAYS BODY SHOP	Windshield Repairs	1,765.84
48187 03/01/2022	CHK	469	BOJACK ROUSTABOUT, LLC	Hauled rock into Yard	11,610.00
48188 03/01/2022	CHK	507	GDS ASSOCIATES, INC	Online class	165.00
48189 03/01/2022	CHK	508	ELI O RUPP	Contract labor-HVAC	240.00
48190 03/01/2022	CHK	648	MERCHANT JT&S	Book 3-Dellon Shelton	550.00
48191 03/01/2022	CHK	1030	THE SCOTT COUNTY RECORD	Subscription renewal	46.33
48192 03/01/2022	CHK	1200	KASEY JENKINSON	CDL	29.75
48193 03/01/2022	CHK	1225	CINTAS CORPORATION	Monthly Invoice	102.94
48194 03/01/2022	CHK	1305	ACRE	ACRE Contributions for 2022-Directors	900.00
48195 03/01/2022	CHK	1306	KCRE	KCRE Contributions for 2022-Directors	900.00

Total Payments for Bank Account - 2 : (123) 424,704.77

Total Voids for Bank Account - 2 : (2) 929.65

Total for Bank Account - 2 : (125) 425,634.42

Grand Total for Payments : (123) 424,704.77

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Payroll/Labor Check Register

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Pay Date: 02/01/2022 To 02/28/2022

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	02/14/2022	5950	5,161.57	0.00	88.00	0.00	626.90 397.29	42.32 0.00	1,593.74 2,774.96	2,940.93 1,005.00 175.00 1,760.93	DD DD DD
21	CARRIE M BORELL	02/14/2022	5951	2,825.68	0.00	88.00	0.00	395.57 224.73	16.14 0.00	500.73 2,136.82	1,929.38	DD
22	REBECCA L CAMPBELL	02/14/2022	5952	2,512.91	0.00	89.25	0.00	457.41 200.04	11.76 0.00	463.85 2,002.32	1,591.65 450.00 1,141.65	DD DD DD
26	RICHARD A MCLEON	02/14/2022	5953	9,583.33	0.00	88.00	0.00	401.33 746.84	229.20 0.00	2,840.89 3,365.01	6,341.11	DD
34	KALO M MANN	02/14/2022	5954	3,875.96	0.00	99.00	0.00	602.40 303.90	70.25 0.00	871.88 1,890.28	2,401.68	DD
35	NATHAN A BURNS	02/14/2022	5955	3,239.28	0.00	88.00	0.00	395.28 258.13	19.28 0.00	844.93 1,639.25	1,999.07	DD
50	KASEY R JENKINSON	02/14/2022	5956	5,151.14	0.00	103.00	0.00	805.81 396.42	35.75 0.00	1,215.34 2,676.62	3,129.99	DD
55	BENJAMIN L MANN	02/14/2022	5957	4,155.41	0.00	89.00	0.00	661.46 324.81	17.10 0.00	921.11 1,995.00	2,572.84	DD
74	DAL S HAWKINSON	02/14/2022	5958	3,836.79	0.00	89.00	0.00	566.36 292.96	5.85 0.00	826.98 2,547.38	2,443.45	DD
84	MICHAEL S POLLOCK	02/14/2022	5959	3,836.16	0.00	98.00	0.00	739.75 292.94	6.29 0.00	731.57 2,380.44	2,364.84 100.00 25.00 25.00 25.00 2,189.84	DD DD DD DD DD DD
85	CHAD A RUPP	02/14/2022	5960	4,469.41	0.00	99.00	0.00	554.36 345.14	37.95 0.00	1,228.45 2,547.38	2,686.60	DD
89	CHRIS R TERHUNE	02/14/2022	5961	3,793.68	0.00	88.00	0.00	602.74 290.30	15.23 0.00	1,107.46 2,547.38	2,083.48	DD
93	MYRON E SEIB	02/14/2022	5962	3,793.68	0.00	88.00	0.00	687.73 291.29	27.75 0.00	680.60 2,547.38	2,425.35	DD
99	KEVIN A BRADSTREET	02/14/2022	5963	4,469.41	0.00	99.00	0.00	459.48 351.89	35.13 0.00	1,316.81 1,551.84	2,693.12	DD
108	MARK R MCCULLOCH	02/14/2022	5964	3,393.45	0.00	89.50	0.00	1,167.98 265.51	23.22 0.00	790.25 1,674.95	1,435.22	DD
117	LEIGHTON J AYERS	02/14/2022	5965	4,756.16	0.00	103.00	0.00	401.71 365.93	16.03 0.00	1,105.55 2,433.57	3,248.90 150.00 3,098.90	DD DD DD

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Payroll/Labor Check Register

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Pay Date: 02/01/2022 To 02/28/2022

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	02/14/2022	5966	121.50	0.00	7.50	0.00	0.00	0.00	9.30	112.20	DD
								10.27	0.00	0.00		
130	ANN MARIE JENNINGS	02/14/2022	5967	2,326.72	0.00	88.00	0.00	425.25	8.64	438.61	1,462.86	DD
								182.69	0.00	1,617.16		
131	DIANA F KUHLMAN	02/14/2022	5968	2,335.52	0.00	88.00	0.00	425.29	13.33	379.26	1,530.97	DD
								192.14	0.00	1,298.69		
132	DELLON R SHELTON	02/14/2022	5969	2,525.60	0.00	88.00	0.00	161.16	1.75	651.21	1,713.23	DD
								206.28	0.00	988.74		
134	SCOTT A BRIAND	02/14/2022	5970	1,893.76	0.00	88.00	0.00	260.42	3.00	273.18	1,360.16	DD
								147.82	0.00	1,596.19		
135	BLAKE T MCVICKER	02/14/2022	5971	3,366.00	0.00	88.00	0.00	884.88	3.30	850.02	1,631.10	DD
								261.76	0.00	1,213.29		
5	KATHERINE E LEWIS	02/27/2022		5,161.57	0.00	72.00	0.00	626.86	42.32	1,593.77	2,940.94	
			5972					389.67	0.00	2,774.96	1,005.00	DD
											175.00	DD
											1,760.94	DD
21	CARRIE M BORELL	02/27/2022	5973	2,697.24	0.00	80.00	0.00	344.19	16.14	468.75	1,884.30	DD
								204.31	0.00	2,169.84		
22	REBECCA L CAMPBELL	02/27/2022		2,013.12	0.00	72.00	0.00	403.72	11.76	337.15	1,272.25	
			5974					146.63	0.00	1,979.96	450.00	DD
											822.25	DD
26	RICHARD A MCLEON	02/27/2022	5975	9,583.33	0.00	72.00	0.00	401.33	229.20	2,840.89	6,341.11	DD
								746.84	0.00	3,365.01		
34	KALO M MANN	02/27/2022	5976	3,402.04	0.00	85.00	0.00	602.40	70.25	751.71	2,047.93	DD
								265.74	0.00	1,890.28		
35	NATHAN A BURNS	02/27/2022	5977	2,650.32	0.00	72.00	0.00	395.28	19.28	636.73	1,618.31	DD
								206.82	0.00	1,609.81		
50	KASEY R JENKINSON	02/27/2022	5978	3,361.68	0.00	72.00	0.00	723.63	35.75	691.61	1,946.44	DD
								250.16	0.00	2,639.26		
55	BENJAMIN L MANN	02/27/2022	5979	4,321.90	0.00	85.50	0.00	661.46	17.10	979.97	2,680.47	DD
								331.39	0.00	1,957.64		
74	DAL S HAWKINSON	02/27/2022	5980	3,990.51	0.00	85.50	0.00	483.59	5.85	881.31	2,625.61	DD
								302.76	0.00	2,512.90		
84	MICHAEL S POLLOCK	02/27/2022		2,769.12	0.00	72.00	0.00	678.21	6.29	462.69	1,628.22	
			5981					208.82	0.00	2,349.68	100.00	DD
											25.00	DD
											25.00	DD
											25.00	DD
											1,453.22	DD
85	CHAD A RUPP	02/27/2022	5982	3,103.92	0.00	72.00	0.00	485.38	37.95	742.85	1,875.69	DD

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Payroll/Labor Check Register

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Pay Date: 02/01/2022 To 02/28/2022

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	02/27/2022	5983	3,362.58	0.00	75.00	0.00	233.85	0.00	2,512.90		
								533.76	15.23	955.09	1,873.73	DD
								255.16	0.00	2,512.90		
93	MYRON E SEIB	02/27/2022	5984	3,980.18	0.00	86.00	0.00	584.27	27.75	740.10	2,655.81	DD
								302.92	0.00	2,512.90		
99	KEVIN A BRADSTREET	02/27/2022	5985	3,103.92	0.00	72.00	0.00	383.61	35.13	822.31	1,898.00	DD
								239.04	0.00	1,517.36		
108	MARK R MCCULLOCH	02/27/2022	5986	3,227.60	0.00	83.00	0.00	976.37	23.22	701.66	1,549.57	DD
								241.34	0.00	1,644.71		
117	LEIGHTON J AYERS	02/27/2022		3,103.92	0.00	72.00	0.00	387.92	16.03	650.79	2,065.21	
			5987					233.04	0.00	2,419.78	150.00	DD
											1,915.21	DD
129	STACEY L FOOS	02/27/2022	5988	48.60	0.00	3.00	0.00	0.00	0.00	3.71	44.89	DD
								4.10	0.00	0.00		
130	ANN MARIE JENNINGS	02/27/2022	5989	1,903.68	0.00	72.00	0.00	382.95	8.64	331.38	1,189.35	DD
								140.88	0.00	1,596.00		
131	DIANA F KUHLMAN	02/27/2022	5990	1,910.88	0.00	72.00	0.00	361.59	13.33	284.98	1,264.31	DD
								145.93	0.00	1,277.45		
132	DELLON R SHELTON	02/27/2022	5991	2,066.40	0.00	72.00	0.00	138.20	1.75	488.89	1,439.31	DD
								159.62	0.00	965.78		
134	SCOTT A BRIAND	02/27/2022	5992	1,549.44	0.00	72.00	0.00	243.20	3.00	192.79	1,113.45	DD
								118.73	0.00	1,484.28		
135	BLAKE T MCVICKER	02/27/2022	5993	3,760.97	0.00	89.00	0.00	884.88	3.30	989.63	1,886.46	DD
								292.32	0.00	1,182.69		
Grand Total:				\$ 152,496.04	\$ 0.00	3,541.25	\$ 0.00	\$ 22,366.07	\$ 1,278.54	\$ 36,190.48	\$ 93,939.49	
								\$ 11,769.15	\$ 0.00	\$ 86,300.74		



SUNFLOWER ELECTRIC POWER CORPORATION BOARD MEETING – FEBRUARY 16, 2022

Mike Keyser, new CEO of the National Renewables Cooperative Organization (NRCO), gave an update on the organization. Sunflower, a founding member of NRCO, is joined by 21 other electric utilities—20 G&Ts and 2 distribution cooperatives. Formed to provide electric cooperatives with specialized expertise in the renewable energy market, NRCO delivers services in the following areas: strategic advisory, program development and management, PPA origination, and project self-development and management. Mr. Keyser explained the growing for renewable energy, with 95 GW currently installed and 112 GW in the SPP queue. As the new CEO of NRCO, Mr. Keyser is initiating a strategic planning effort to increase the value of NRCO membership.

ICARE

Construction Standards

Staff reviewed the *draft* construction standards for connecting to the Sunflower transmission system. The draft defines Minimum Design Standards, Standards of Service, and Sunflower System Standards. The Minimum Design Standard must be met for all projects. The Standard of Service can be equal to or greater than the Minimum Design Standard. The combination of the Minimum Design Standard and Standard of Service results in the Construction Standard for a given project. The Minimum Design Standard defines the limiting requirements which then become the Construction Standard for a given project. In some situations, the Minimum Design Standard required for the service requested may not provide the level of service expected by the service requester. In those circumstances, the service taker has the responsibility to select a design that can provide the expected Standard of Service. If Sunflower sees a need to exceed Construction Standards, reasons must be communicated to the service requester, and Sunflower must ensure the service requester's costs do not exceed costs to meet Construction Standards based on the impact of their service request.

Dodge City Reliability and Synchronous Condenser Option

The original system around Dodge City was built and designed with Fort Dodge dispatched most of the year. Since the Southwest Power Pool's (SPP's) Integrated Marketplace (IM) integration in 2014, Sunflower has seen several power-quality issues due to weak transmission in the area when Fort Dodge is offline. (Currently, the unit is not frequently being called upon in the SPP market due to offer price compared to other resources, including significant growth in wind.) Most of the power quality issues are attributed to low inertia availability caused by the absence of Fort Dodge generation unit and increased renewable penetration around Dodge City. Sunflower engaged 1898 & Co. (Burns & McDonnell) to develop transmission network upgrade options and provide a benefit/cost comparisons, which were presented by 1898 staff. The Board requested additional information that staff will provide at the March meeting.

2022 Rate Design Study

Industry standards recommend completing a new rate design study every three to five years to address different industry dynamics and align costs and recovery. The study will include rate options requested by Members, such as time-of-use rates, methodology changes, and rates for wholesale loads. Since the last rate design study was completed for 2020 rates, a new study will be completed this year with any changes to Sunflower's rates implemented in 2023. Staff will

present initial results at the April Board meeting, have ongoing discussions through August, and seek approval of any rate change in September.

34.5 kV Assessment and Future Scenarios

Staff met with Members from March to June 2021 to get feedback and solutions on 21 challenges. The primary issue that led to Sunflower's review of the current 34.5 kV business model was the risk of third-party exits with no penalty and the associated rate impact on the remaining 34.5 kV customers. As staff began to evaluate the risks of third-party exits, other problems with the 34.5 kV business model became apparent. Finding a consensus will not be easy as each possible solution improves the challenges while creating others. Staff developed a decision matrix to capture the issues associated with the 34.5 kV business model and evaluate each potential solution against the full range of issues. All Members were asked to give a presentation on their perspective of the issue at future Board meetings.

Member Lease Project

Around 2004-2006, the Board determined that leased facilities should transfer ownership at the end of the lease to Sunflower. Many of the leases have matured, but the transfer process is not well defined and has not been completed for most facilities. The leases were rewritten in the 2009-2010 and implemented the revised and standardized lease and payment terms, including transfer of ownership at the end of the lease. However, the goal of standardizing of types of facilities was not well documented in the lease, leading to uncertainty regarding who (Sunflower or Member) is responsible for certain facilities. This project will develop the process necessary to complete transfer of ownership of the leased facilities at the end of each lease. Moving forward, staff will review historical documents and identify challenges. Next, staff will develop ownership and cost allocation options. Member discussions and the FERC Demarcation Project will drive final resolutions.

CURRENT ACTIVITIES

Sunflower's Members' Conference

Dates and locations were discussed for the third Sunflower Members' Conference, created to give Members' staff and boards of directors the opportunity to learn about Sunflower's strategic goals and initiatives. The Board selected November 15 for the conference date in Hays. A survey will be sent to Member CEOs for feedback on preferred topics.

Touchstone Energy Strategy Execution Process

Pioneer is considering adopting the Touchstone Energy Strategy Execution process. The first step is the TSE Master Class (2-day workshop). Staff recommended that Sunflower underwrite the cost for any Members interested in enrolling in the TSE Master Class.

PRESIDENT'S REPORT

Operations

Repairs of damage caused by the December 15 windstorm have been completed, and the Garden City PDC Project is progressing. Staff are also preparing for the planned maintenance outage at Holcomb.

Power Supply & Delivery

Winter Storm Uri Cost

During the January Board meeting, staff reported on SPP's denial of Sunflower's dispute associated with make whole payments for S2 and FD4 for operations that occurred on February 15, 2021, during Winter Storm Uri. SPP Tariff language states resource offers at the time of commitment are binding, and since those S2 and FD4 received Multi-Day Reliability Assessment commitments in advance of February 15, 2021, our request to be made whole was

denied. In early February, SPP notified Sunflower that it had identified an issue with the offers processed for the R300 resettlements for FD4 and S2 for operating day February 15, 2021, and calculations showed that S2 and FD4 were actually due an increase in make-whole payments. On February 9, SPP resettled the market, and Sunflower received make-whole payment credits for FD4 and S2 (in addition to make-whole payment charges for our load ratio share [approximately 1.3%] of the make-whole payment credits received). Sunflower is also eligible for incremental credits from the Kansas Gas Service; the KCC order on that settlement agreement is expected on March 7. Four disputes from the winter weather event remain open, and SPP anticipates they will remain open after the 365-day deadline for resettling the market.

Rate Considerations

The Kansas Department of Commerce submitted proposals on Sunflower's behalf in response to a Request for Information (RFI) referred to as "Project Power." The customer expressed interest in a Member's 10 MW interconnection site for a minimum of three years. Staff discussed rate options for "Project Power."

Rate options were also discussed for a customer with a facility under construction in southwest Kansas.

Board action: The Sunflower Board approved the rate proposals for "Project Power" and for the facility under construction as presented.

Sunflower Electric Solar @ Russell

The application for Sunflower Electric Solar @ Russell Project's Solar Energy System permit was submitted to Russell County Commission on February 7. A public meet-and-greet gathering in Russell had an attendance of more than 20 people. On February 22, Sunflower is on the County Commission meeting's agenda to answer questions from the commissioners. On March 7, Sunflower is on the County Commission meeting's agenda to seek approval of the permit application. Generation Interim Interconnection studies are nearing completion with Southwest Power Pool (SPP), and we expect the agreement to be executed within the next few weeks. Next steps include developing two project schedules, one assuming Sunflower ownership of the project and one assuming a third-party ownership with a Power Purchase Agreement (PPA); developing a timeline for finalizing project costs; and making a decision on the status of the project. If the Board decides to proceed with the project, the goal is to achieve commercial operation by the end of 2023. If the Russell project moves forward, there is an opportunity to capitalize on economies of scale and purchase panels for small solar installations at Sunflower's Members' offices.

Several commercial and industrial customers have expressed interest in Sunflower's Renewable Energy Rider. Staff are addressing challenges, such as making the Rider competitive with behind-the-meter options and determining the calculation methodology and participation agreements.

Integrated Resource Plan

The Board received a report on the status of the IRP. Next steps include completing the transmission study associated with resources; monitoring development and approval of Unforced Capacity (UCAP) rules at SPP; working with ACES to model capacity sensitivities associated with UCAP; and working with ACES to identify other sensitivities to the model.

Technology Services

Sunflower owns and operates 70 telecom facilities (including 55 towers) in over half of Kansas for data communications to support the service territory. Sunflower's current network is architected in a "ring" configuration. The network mesh program establishes a point-to-multiple point "mesh" network configuration at key telecom towers. If a catastrophic failure occurs at a

key tower site, network mesh will provide business continuity for network communications, increasing value and reliability to Sunflower's Members. Supply chain challenges have changed the project schedule and increased costs (^18.4%). Work began in March 2021 and was expected to be completed in 12 months, but the project is now expected to be completed by the end of June.

Corporate Services

Coal Purchase

A purchase of 45,000 tons of Laramie River Station - Antelope 8800 Btu coal was made for 2022. The purchase was made for Sunflower's normal business use.

Board action: The Sunflower Board approved the coal purchase as presented.

Financials – January Preliminary

Overall Member loads were down 3.63% from budget for the month. Large industrial loads were down 1.18% from budget for the month. Year-to-date operating expenses were down 13.48% from budget for the month.

2022-2031 Long-Range Plan

The basis for the long-range plan was the 2021 load forecast (normal weather and normal economics) and the 2022-2024 budget. The study used cost assumptions for capacity (if needed), fuel and purchase power, rates, capital expenditures, depreciation rates, transmission, financings, O&M, and A&G. The study also made assumptions regarding the lifespan of generation facilities, capacity needs, and weather and economic scenarios. Staff will seek approval for the plan in March.

KEC

The electric co-op Day on the Hill is a scheduled for March 16.

KEC Board Meeting Summary

March 3, 2022, at the Hilton Garden Inn, Salina

To: KEC Trustees,
Alternate Trustees
and Member System
Managers

From: Shana Read,
Director of Education
and Training

Click for a
printable
version of this
summary

Upcoming KEC Meetings

May 11-12, 2022
Marriott, Wichita

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

Oct. 5-6, 2022
Marriott, Wichita

December 7-8, 2022
Marriott, Wichita

Presentation Link

KEC Cyber Initiative
March 3, 2022



[Click for the pdf
of the KEC Cyber
Initiative slide](#)

In official action, the KEC Board of Trustees

1. Ratified the President's Board Committee assignments.
2. Accepted the audit report for the year ended December 31, 2021.
3. Authorized KEC to utilize existing funds, along with grants from CFC, CoBank, and Touchstone Energy, to make a coordinated donation to the House of Capper and the Capper Park projects on behalf of all current KEC member-systems. KEC will return any funds received to date from individual co-op back to those member cooperatives. All current KEC member systems will be listed as donors, unless a specific co-op requests they not be listed.

KEC Board Meeting Summary

Three of the KEC standing committees met the day prior to the board meeting. The **Communications Committee** discussed supply chain and postal delivery issues, including paper and envelope shortages and increased costs, was given a tour of kclonline.com, and learned about KEC Member Connections and future advertising opportunities. The **Regulatory Review and Tax Committee** heard updates on several regulatory issues including those as a result of Winter Storm Uri, annexation, KDHE's Air Quality program, and VW settlement funds. The committee also discussed the status of the Kansas Department of Revenue property valuation appeals. They received an update on Distributed Generation (DG) issues, including small generation interconnect procedures and net energy metering tariffs. The **Legislative Committee** met to hear an update on current legislative issues. There was discussion regarding how the Advocacy Framework is being utilized. The committee heard a report on the upcoming NRECA Legislative Conference and what to expect from this year's event. There was also discussion on the upcoming *KEC Day at the Capitol* event scheduled for March 16.

On Thursday, March 3, the **Executive Committee** met to review general association activities, the KEC Annual Meeting evaluations, and other matters.

The **KEC Board of Trustees** heard department reports from KEC staff and committee reports from the following: Communications; Regulatory Review & Tax; and Legislative. Karen Linn, Managing Director, BT&Co., P.A., presented the annual audit report. Bruce Meyer gave a Federated report.

[deck](#), presented by Lee Tafarielli at the March Board Meeting.

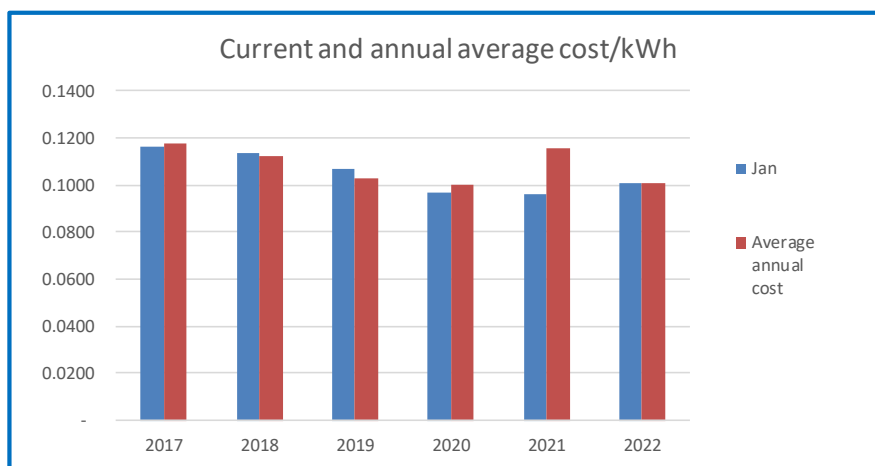


Mike Lewis, National Rural Utilities Cooperative Finance Corporation Regional Vice President, (pictured on the right) presents a \$10,000 donation to Lee Tafarielli, KEC CEO. The donation is in support of the Capper House/Park Project located at the Kansas Fairgrounds in Hutchinson. The project is a tribute to the great work of U.S. Senator Arthur Capper. Efforts are underway to rebuild the historic House of Capper and construct a new Capper Cooperative Park that will tell the story of cooperatives. KEC will combine this donation along with those from CoBank and Touchstone Energy to sponsor these projects.

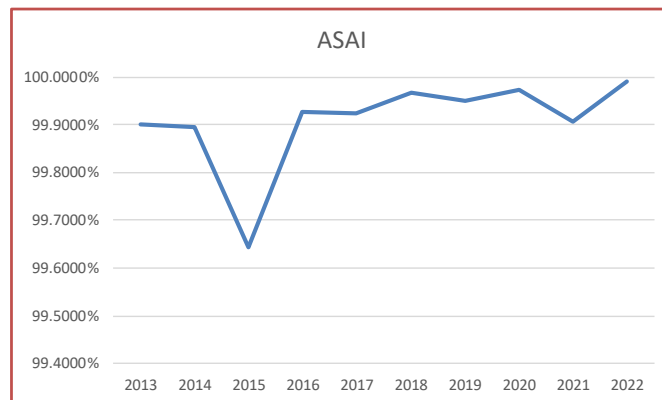
8. General Manager's Report

A. Rates and Reliability Dashboard

Rate Summary - Jan 2022	current month (\$/kWh)	year to date (\$/kWh)	ytd '17-21 avg. (\$/kWh)	
Residential	0.1124	0.1124	-9.4%	0.1230
Residential - Seasonal	0.1682	0.1682	-9.3%	0.1839
Irrigation	0.0828	0.0828	-8.4%	0.0898
C&I 1000kVa or less	0.1018	0.1018	-4.6%	0.1065
C&I over 1000 kVA	0.0964	0.0964	-9.5%	0.1055
Public Street and Lighting	0.1255	0.1255	-2.2%	0.1283
Other Sales to Public Authorities	0.1159	0.1159	-19.1%	0.1380
Sales for Resale - Other	0.0710	0.0710	7.5%	0.0657
Total Sales price per kWh:	0.1006	0.1006	-9.1%	0.1098



January 2022		
SAIDI	0.08	Interruption DURATION / average for every member (hrs)
SAIFI	0.03	Interruption FREQUENCY / Average # of Interruptions per customer
CAIDI	2.20	Customer Avg Interruption Duration Index - IF you are out, how long (hrs).
ASAI	99.99%	Service Availability



- B. Employee Satisfaction Survey. We conducted an informal survey of all employees the first week of February using Survey Monkey. I wanted to give everyone an anonymous opportunity to tell us what they think about the cooperative, me, each other, their wages and benefits, and training. The survey questions were scaled 1 “strongly disagree” to 5 “strongly agree”.

Overall, there results were very positive at 3.93. Receiving the highest agreement was question 20. “I feel safe working alongside my co-workers.” While question 24. “I feel there are too many employees in my department to complete the work that needs to be done.” Received the lowest agreement score at 2.24. Question 22. Related to the whistleblower policy received above average acceptance at 3.67.

I am happy with the results of the survey, but it does show some room for improvement. The results are above average with most responses in the “agree” and “strongly agree” categories.

- C. February 15, 2022 credential harvesting e-mail attack. Lane-Scott received, and executed, a credential harvesting e-mail which took over Ann Marie’s MicroSoft e-mail account to copy all her contact directory. Carrie and AMJ were able to stop the attack with Carrie regaining control of the account. It appears that no files were compromised or installed. Carries’ write up is in the Supplemental folder and she can discuss further at the Board meeting.
- D. FEMA Update. We have been notified that FEMA funding will be available for losses from the December 15, 2021 Wind Storm in Lane, Ness, and Rush counties. Kathy, Rebecca, and I are getting the paperwork together. We currently estimate our losses at around \$225,000.
- E. Federated Update. The 12/15 Wind Storm has generated three insurance events:
- 1) The Peach Grove fire near Ransom
 - 2) The Alamota fire, and
 - 3) The Knotts fire south of Ness City.

We continue working with the Federated lawyer preparing a defense.

- F. The Credit Card records are available for the Boards review.
- G. Operations Report. Operations was busy with line maintenance and the following new connections:
- Set new pole and build new single phase connect for Venture Corp Lane Co Asphalt plant and the K&O Railroad.
 - Build new 3 phase connect for American Warrior Ashley lease, the Citadel Oil Ramsey lease, the Palomino A Fist Full of Dollars lease.
 - Build new V phase connect for Shakespeare Huck 2-6 lease.
 - Trenched in New primary underground and set pad mount transformer for Bondurant Grain at Laird elevator.

- Trenched in Primary underground in Scott Park and set single phase pad mount transformers for camper connects.

H. Financials

1) Income Statement.

- a. The January statement shows a loss mainly due to an additional \$250,000 in wholesale power cost. Sunflower has told us that this increase was due to the added expense of hedging instruments.
 - i. Total Operating Margins are -\$201,468.
 - ii. Total Margins are -217,072.

2) Balance Sheet.

- a. Assets and Debits balance at \$64,469,445. Cash Balances remain strong at \$5,967,939.
- b. Equity as a percent of Assets is stable at 37.64% and Equity as a percent of Capitalization is 40.61%.
- c. Our Cash to Debt ratio is 17.44% and the current ratio is 1.76.

Respectfully submitted,

Richard McLeon, MBA
General Manager

2022 Lane-Scott Electric Cooperative Employee Satisfaction Survey					
	1	2	3	4	5
	Strongly disagree	disagree	neither agree of disagree	agree	strongly agree
2. I am satisfied with my opportunities for professional growth.	3.81				
3. The cooperative is dedicated to my professional development.	3.81				
4. I am satisfied with the job-related training.	4.19				
5. I have the opportunities to apply my talents and expertise.	4.05				
6. I enjoy coming to work.	3.76				
7. I feel involved in my work.	4.00				
8. I am often so involved in my work that the day goes by very quickly.	4.10				
9. I am determined to give my best effort at work each day.	4.33				
10. I feel employees in my dept. take the initiative to help other employees when the need arises.	3.76				
11. I am satisfied with my overall compensation.	4.14				
12. I am satisfied with my overall healthcare benefits.	4.24				
13. I am satisfied with my retirement opportunities.	4.43				
14. Communication between senior leadership and employees is good.	3.76				
15. Management recognizes strong job performance.	3.95				
16. My direct supervisor and I have a good working relationship.	4.14				
17. My co-workers and I have a good working relationship.	4.29				
18. Employees treat each other with respect.	3.57				
19. My cooperative has a safe work environment.	4.48				
20. I feel safe working alongside my co-workers.	4.57				
21. I am satisfied with my overall job security.	4.24				
22. Regarding the whistle blower policy, I feel comfortable reporting a violation.	3.67				
23. I feel there are too few employees in my department to complete the work that needs to be done.	2.86				
24. I feel there are too many employees in my department to complete the work that needs to be done.	2.24				

2022 Employee Satisfaction Survey Scoring

2. I am satisfied with my opportunities for professional growth.
3. The cooperative is dedicated to my professional development.
4. I am satisfied with the job-related training.
5. I have the opportunities to apply my talents and expertise.
6. I enjoy coming to work.
7. I feel involved in my work.
8. I am often so involved in my work that the day goes by very quickly.
9. I am determined to give my best effort at work each day.
10. I feel employees in my dept. take the initiative to help other employees when the need arises.
11. I am satisfied with my overall compensation.
12. I am satisfied with my overall healthcare benefits.
13. I am satisfied with my retirement opportunities.

1	2	3	4	5	avg
1	0	6	9	5	3.81
1	0	3	15	2	3.81
0	0	0	17	4	4.19
1	0	2	12	6	4.05
0	1	5	13	2	3.76
1	0	1	15	4	4.00
0	0	1	17	3	4.10
1	0	1	8	11	4.33
0	3	5	7	6	3.76
0	1	2	11	7	4.14
0	1	4	5	11	4.24
0	1	1	7	12	4.43

14. Communication between senior leadership and employees is good.
15. Management recognizes strong job performance.
16. My direct supervisor and I have a good working relationship.
17. My co-workers and I have a good working relationship.
18. Employees treat each other with respect.
19. My cooperative has a safe work environment.
20. I feel safe working alongside my co-workers.
21. I am satisfied with my overall job security.
22. Regarding the whistle blower policy, I feel comfortable reporting a violation.
23. I feel there are too few employees in my department to complete the work that needs to be done.
24. I feel there are too many employees in my department to complete the work that needs to be done.

0	3	4	9	5	3.76
0	0	5	12	4	3.95
0	0	3	12	6	4.14
0	0	1	13	7	4.29
0	4	3	12	2	3.57
0	0	2	7	12	4.48
0	0	2	5	14	4.57
0	0	2	12	7	4.24
0	1	5	10	4	3.67
0	8	8	5	0	2.86
2	12	7	0	0	2.24
7	35	73	233	134	
7	70	219	932	670	1898
					483
					3.93

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 January 2022
INSTRUCTIONS - See help in the online application.	BORROWER NAME <div style="text-align: right;">The Lane-Scott Electric Cooperative, Inc.</div>

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

CERTIFICATION

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

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

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

(check one of the following)

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

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

 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	1,247,885	1,439,202	1,565,876	1,439,202
2. Power Production Expense				
3. Cost of Purchased Power	589,066	1,023,296	891,275	1,023,296
4. Transmission Expense	208			
5. Regional Market Expense				
6. Distribution Expense - Operation	106,788	81,174	109,641	81,174
7. Distribution Expense - Maintenance	58,605	106,476	83,750	106,476
8. Customer Accounts Expense	14,331	17,430	18,949	17,430
9. Customer Service and Informational Expense	5,833	4,465	4,217	4,465
10. Sales Expense	4,641	6,050	5,502	6,050
11. Administrative and General Expense	143,232	139,496	113,562	139,496
12. Total Operation & Maintenance Expense (2 thru 11)	922,704	1,378,387	1,226,896	1,378,387
13. Depreciation and Amortization Expense	152,540	155,349	141,228	155,349
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	108,314	106,162	100,535	106,162
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	13	21		21
19. Other Deductions	1,282	751	3,604	751
20. Total Cost of Electric Service (12 thru 19)	1,184,853	1,640,670	1,472,263	1,640,670
21. Patronage Capital & Operating Margins (1 minus 20)	63,032	(201,468)	93,613	(201,468)
22. Non Operating Margins - Interest	2,804	2,535	16,667	2,535
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(16,988)	(18,139)	2,292	(18,139)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends				
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	48,848	(217,072)	112,572	(217,072)

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 January 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	3	12	5. Miles Transmission		
2. Services Retired	0	0	6. Miles Distribution – Overhead	2,035.37	2,038.73
3. Total Services in Place	6,045	6,064	7. Miles Distribution - Underground	7.66	7.66
4. Idle Services (Exclude Seasonals)	249	262	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	59,002,257		30. Memberships	0	
2. Construction Work in Progress	1,038,622		31. Patronage Capital	21,272,283	
3. Total Utility Plant (1 + 2)	60,040,879		32. Operating Margins - Prior Years	393,295	
4. Accum. Provision for Depreciation and Amort.	19,525,622		33. Operating Margins - Current Year	(201,468)	
5. Net Utility Plant (3 - 4)	40,515,257		34. Non-Operating Margins	2,602,703	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	202,490	
7. Investments in Subsidiary Companies	230,143		36. Total Margins & Equities (30 thru 35)	24,269,303	
8. Invest. in Assoc. Org. - Patronage Capital	11,976,266		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	33,027,142	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	221,958		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	6,318,335	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	3,859,324	
14. Total Other Property & Investments (6 thru 13)	12,879,329		43. Total Long-Term Debt (37 thru 41 - 42)	35,486,153	
15. Cash - General Funds	56,551		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	5,911,263		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	1,129,316	
20. Accounts Receivable - Sales of Energy (Net)	1,385,749		49. Consumers Deposits	113,732	
21. Accounts Receivable - Other (Net)	177,832				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	2,307,705	
23. Materials and Supplies - Electric & Other	466,862		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	122,330		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	165,156		53. Other Current and Accrued Liabilities	1,163,236	
26. Total Current and Accrued Assets (15 thru 25)	8,285,868		54. Total Current & Accrued Liabilities (47 thru 53)	4,713,989	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	2,788,991		56. Other Deferred Credits	0	
29. Total Assets and Other Debits (5+14+26 thru 28)	64,469,445		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	64,469,445	

Richard McLeon

From: SEPC Invoicing <SEPCInvoicing@sunflower.net>
Sent: Tuesday, February 22, 2022 10:01 AM
To: Kathy Lewis
Cc: Richard McLeon; Rebecca Campbell
Subject: Re: ** External Email ** Re: SEPC Member ECA January '22

Kathy,

The main driver for the increased ECA were the hedging activities to provide additional protection in the event there is another extreme weather event. There is a good possibility that the February ECA will be above budget as we have hedges in place for this month as well. These activities were approved by the Board last fall. If you need additional information please let me know.

Stay Warm!!

Ronald Chartier

Manager Market Operations & Billing
Sunflower Electric Power Corporation
PO Box 1020
Hays, KS 67601
785-623-3379
ronc@sunflower.net

From: Kathy Lewis <kathy.lewis@lanescott.coop>
Sent: Tuesday, February 22, 2022 8:18 AM
To: SEPC Invoicing <SEPCInvoicing@sunflower.net>
Cc: Richard McLeon <richard.mcleon@lanescott.coop>; Rebecca Campbell <rebecca.campbell@lanescott.coop>
Subject: ** External Email ** Re: SEPC Member ECA January '22

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Ron,

We are wondering what caused the January ECA to be so high?

Thank you,

Katherine E. Lewis | Finance Manager
Lane-Scott Electric Coop., Inc.
PO Box 758 / 410 S. High St.
Dighton, Ks. 67839
p: (620) 397-5327 | f: (620) 397-5997

From: SEPC Invoicing <SEPCInvoicing@sunflower.net>

Sent: Tuesday, February 8, 2022 5:07 AM

To: Angela Unruh <angela@victoryelectric.net>; Nelson, Beth <bnelson@weci.net>; Brandi Pulvermacher <bpulvermacher@pioneerelectric.coop>; Clint Meier <cmeier@southernpioneer.net>; Connie Pfannenstiel <cpfannenstiel@ple.coop>; Elena Larson <elarsen@ple.coop>; Jeanette Deneault <jdeneault@ple.coop>; John Atkins <jatkins@ple.coop>; Kirk Girard <kgirard@ple.coop>; Larissa Batterton <lhoopingarner@pioneerelectric.coop>; Lindsay Campbell <lcampbell@pioneerelectric.coop>; PioneerBillingDept <billingdept@pioneerelectric.coop>; Richard McLeon <richard.mcleon@lanescott.coop>; Ron Aschenbrenner <rona@westerncoop.com>; Shane Laws <shane@victoryelectric.net>; sheila.mason <sheila.mason@pioneerelectric.coop>; seaston <seaston@pioneerelectric.coop>; Tami Henry <thenry@victoryelectric.net>; Tom Ruth <tomr@westerncoop.com>; Goddard, Traci <tgoddard@weci.net>; abedwell@southernpioneer.net <abedwell@southernpioneer.net>; Brian Beecher <bbeecher@southernpioneer.net>; Bruce Mueller <bmueller@weci.net>; Chantry Scott <cscott@pioneerelectric.coop>; Churchill, Michele <mchurchill@sunflower.net>; Eilene Jacobs <ejacobs@weci.net>; Kathy Lewis <kathy.lewis@lanescott.coop>; Lowry, Stuart <slowry@sunflower.net>; Melanie Patterson <mpatterson@southernpioneer.net>; Randy Magnison <rmagnison@pioneerelectric.coop>; Rebecca Campbell <rebecca.campbell@lanescott.coop>; Rooney, Davis <d Rooney@sunflower.net>; Sandy Long <sandy@victoryelectric.net>; Stacey Malsam <staceym@westerncoop.com>; Steve Epperson <sepperson@pioneerelectric.coop>; Tamimi, Al <atamimi@sunflower.net>

Subject: SEPC Member ECA January '22

Good Morning,

Attached is the ECA information for January.

Invoices will be available on the External Share Site later today. Please let me know if you have any questions.

Have a Great Week!!

Ronald Chartier

Manager Market Operations & Billing

Sunflower Electric Power Corporation

PO Box 1020

Hays, KS 67601

785-623-3379

ronc@sunflower.net

10. a. CyberSecurity and IT Update

Carrie Borrell has been employed by Lane-Scott Electric Cooperative since XXXX and is our Network Administrator. Carrie is also a member of the LSEC Safety Council and serves as our Compliance Coordinator and Administrator (Board Policy 508).

CARRIE BORELL, NETWORK ADMINISTRATOR 2022

Born and raised in Lane County. Attended Colby Community College in 1991 for Business Administration. I was offered a job in the college business department. Instead, I came back home to marry Kent Borell a local farmer. I started doing IT duties and programming for the Lane County Museum in 1992 creating an artifact inventory process to convert all their documents to digital format. Was hired at the Lane County Hospital and assisted the transition of insurance submissions by paper using a typewriter to a software program to be submitted electronically and began occasionally troubleshooting computer issues. Was then hired by the First National Bank where I helped move the loan process from typewriter to digital software. Then moved into purchasing, managing, and doing maintenance for the company computers and software. Set up electronic credit reporting processes to the three credit bureaus.

Was hired at Lane Scott Electric as cashier in March 2007. I took initiative to improve my knowledge on the iVue software. Completed at Colby Community College Accounting I in 2012 and Accounting II in 2013 courses. Promoted to head cashier in 2014 where I began to self-educate on all iVue software, incorporate compliance processes, incorporate job processes and programs across all departments, assisted building the safety program, and started doing more information technology duties. Western Electric IT department was hired in 2015 on a contract as needed basis and I mentored with them and began self-educating on cybersecurity. Completed supervisory program certification and RESAP On-Site Assessment training.

Applied in 2016 for the information technology position and was hired as apprentice information technology and proceeded to do this while working as head cashier full time and continue improvements in the safety program.

Began in 2017 building the information technology cybersecurity program and assisting the manager with operating procedures while working as full-time head cashier and assisting in the safety program. Completed Fort Hays State University Networking I Introduction and Computer Information System Introduction courses and joined the NRECA RC3 Cybersecurity Program.

A part-time cashier was hired in 2018 and I performed my part-time head cashier duties, part time information technology cybersecurity, and safety program. Completed Fort Hays State University Networking II Routing and Switching Essentials course, SANS Institute Cybersecurity Information Security Introduction, SANS Institute Cybersecurity Essentials: Network, Endpoint, and Cloud courses. Continued in the NRECA RC3 Cybersecurity program.

A full-time cashier was hired in 2019 and I went to full time into information technology cybersecurity department and the safety program. Completed SANS Institute courses in Cybersecurity Intrusion Detection in Depth, and Best Practices and Analysis of Front-Line Attacks, Streamlining Security Processes, and SSL Vulnerabilities. Completed

NRECA Axio 360 Cybersecurity and Compliance 6-Month Workshop Program and continued in the NRECA RC3 Cybersecurity program.

Promoted to senior director-information technology in 2020. Completed NRECA information technology mentorship 6-month training program, Cybersecurity Summit and Mini CyberSeec Workshop, Intrusion Detection Tabletop Exercises, and RC3 Cybersecurity program.

Title changed to network administrator in 2021. I will be attending Tech Advantage Cybersecurity Workshops and Incident Response Training Workshops and Safety Response Training.

Accomplishments: I work hard for the company and try to set an exemplary example in my job performance working hard to increase my knowledge. I have incorporated job duty improvements across all departments to help others. Established company programs, implemented compliance, safety, and cybersecurity rules and regulations. Completed quality courses and education programs that would benefit the company cybersecurity programs so it can excel quickly. I continually take part with many certified third-party resources for training, education, informational bulletins, webinars, workshops, tabletop exercises, perform several assessments throughout the year to prioritize implementation cybersecurity measures, network with other cooperative IT, and self-educate outside of work to strengthen our cybersecurity program.

STATEMENT FOR THE PURPOSE OF THE BOARD CYBERSECURITY POLICY

A cybersecurity program is based on the Triad of Triads:

- AAA (Authentication, Authorization, Accountability)
- CIA (Confidentiality, Integrity, Availability)
- PPT (Policy, Procedures, Training)

This cybersecurity policy is to document acknowledgement that the trustees and management recognizes cybersecurity as a risk to the company and understands that the implementation of a company cybersecurity program with participation from everyone from trustees, managers, and employees may help to mitigate risk.

Evidence of commitment to a cybersecurity program has helped in litigations.

Establishing a cybersecurity policy shows the following intentions:

- Provides the company standards and expectations for commitment to a cybersecurity program.
- Provides accountability across the company.
- Emphasizes that cybersecurity is a company priority and is taken seriously.
- Shows due diligence and good faith in providing a safe environment.
- Acknowledges that cybersecurity is a risk and shows awareness to mitigate the risk to reduce the company liability in an incident.
- Documentation showing proof of a cybersecurity program is critical in a liability lawsuit and for insurance claim purposes.
- Establishes a foundation for the company's ethics, values, and principles concerning cybersecurity.
- Emphasizes that cybersecurity programs are vital and an ongoing part in the company's over.

10. b. Proposed Board Policy 535 Information Security CyberSecurity Policy

Board Policy 535

OBJECTIVE: The purpose of this policy is to establish commitment to cybersecurity by setting a “culture of cybersecurity” through an extensive network throughout the company.

POLICY: The Board of Trustees acknowledge that information security requires trustee, management, and employee involvement. It is the responsibility of all individuals to protect the utility, our consumers, and both utility and consumer data, and the utility’s information systems.

Trustee, management, and employee understands that cybersecurity encompasses all activities, processes, technologies, and capabilities used to protect and defend technology systems, data, and assets from unauthorized use, damage, modifications, or exploitation. Including preventing and mitigating the impacts of cybercrime.

I. BOARD OF TRUSTEE RESPONSIBILITIES AND DUTIES

- A. The Board of Trustees continually work to fulfill its oversight responsibilities and fiduciary duties of care and good faith.
- B. The Board of Trustees support management and information technology personnel to manage and minimize risks and initiate security measures on an ongoing basis.
- C. The Board of Trustees entrust management and information technology personnel to emphasize, incorporate, and practice the importance of cybersecurity and make decisions that support a strong cybersecurity program.

II. GENERAL MANAGER RESPONSIBILITIES AND DUTIES

- A. The General Manager will work with information technology to implement a cybersecurity program.
- B. The General Manager is authorized to hold all employees accountable for a secure and safe cybersecurity culture.
- C. The General Manager is authorized to promulgate any operational policies and procedures necessary for complete compliance with this policy.

III. INFORMATION AND TECHNOLOGY RESPONSIBILITIES AND DUTIES

- A. The Information Technology personnel shall recommend cybersecurity, data privacy, and compliance operating rules and procedures to strengthen the cybersecurity program.
- B. The Information Technology personnel shall coordinate cybersecurity education, training, and provide notifications concerning cybersecurity risk

and/or alerts.

- C. The Information Technology personnel shall enforce cybersecurity rules and safe working practices.

IV. EMPLOYEE RESPONSIBILITIES AND DUTIES

- A. The Employees share with the trustees, management, and information technology the responsibility for cybersecurity safety practices.
- B. The Employees shall follow all cybersecurity rules and other applicable orders or procedures.
- C. The Employees shall be accountable for their actions involving cybersecurity risks; report all incidents and suspicious activities.

- V. ENFORCEMENT.** It shall be the responsibility of the General Manager to enforce this policy.

Staff requests that the Board approve Board Policy 535 Information CyberSecurity Policy.

10. c. Dighton City West Real Estate

Joe sent this over on Tuesday March 1st along with the following note.

Richard-

Attached is an updated contract for the Dighton West Sub. There are changes in paragraph 6 that have the Seller retaining the minerals, but they cannot lease that one acre tract for mineral development without consent of Lane-Scott. If they would ever ask for consent, Lane-Scott could grant the consent with the restriction that no well or other equipment be placed on the one acre tract.

The language will be included on the deed to give notice to any potential oil and gas lessees. The deed will include language that any lease including the one acre tract will be void as to that one acre tract. This will prevent any leasing of the one acre tract without consent of Lane-Scott but the mineral owners can still develop the remaining land for production. Please include this in the board packet.

Joe

Staff recommends that the Board accept the Real Estate Purchase contract with Mona Peck and authorize the General Manager to execute the necessary forms and payments.

- 2.3. The rights or claims of any party in possession not shown of public record, but that could be determined by inspection of the Premises and reasonable inquiry, provided the term of possession is less than one year;
- 2.4. Zoning regulations;
- 2.5. Boundary or fence agreements of public record; and,
- 2.6. Liens or encumbrances of record of a definite or ascertainable amount and liens, or the right to a lien, for services, labor or materials furnished to the Premises that are not of public record and to which Seller has certified by affidavit prior to closing, which may be removed by the payment of money and which Seller may remove at that time of closing using the funds to be paid at closing.

At Buyer's sole expense, Buyer will examine the Title Evidence in accordance with the Title Standards of the Bar Association of the State of Kansas and the provisions of the Kansas Marketable Record Title Act, as amended. If the Title Evidence discloses encumbrances or title exceptions that render Seller's title unmarketable (herein called "Title Defects"), Buyer may notify Seller in writing of the Title Defects prior to closing. Seller will have a reasonable time, not to exceed ninety (90) days, after the Buyer notify Seller of Title Defects to have the Title Defects removed, or to have a title insurer commit to insure against loss or damage that may be occasioned by the Title Defects. Seller is solely liable for all expenses to remove or insure against Title Defects. The time of closing will be extended until the Title Defects are cured or the time to cure expires, whichever first occurs. If Seller fails to cure or remove the Title Defects, or in the alternative, to obtain a commitment of title insurance specified above as to such Title Defects within the specified time, Buyer may terminate the purchase of the Premises or may elect upon written notice to Seller to take title as it then is. Seller will deliver an affidavit of no liens on Real Estate at closing.

3. Survey. The parties will cause a survey to be performed. The parties agree that this survey shall be the boundary of the premises.

4. Closing. The escrow and closing agent is Lane County Abstract, of Dighton, Kansas. The closing agent will hold all money and documents required by this agreement and will schedule the hour and place of closing with Seller and Buyer. This contract will close in the office of the closing agent at a time to be scheduled by the Buyer and Seller within 30 days of the completion of the survey and title work. The closing date may be extended or accelerated by mutual written agreement of Buyer and Seller.

5. Conveyance Documents. At closing, Seller will deliver a Warranty deed conveying title to the Real Estate as Buyer may direct.

6. Mineral Rights. Seller hereby reserves all mineral interest in the premises. The parties hereby agree that Seller and all successors and assigns shall not lease the one acre tract described herein for mineral exploration without the express consent of the surface owner of such tract. Any such mineral lease entered into purporting to lease said one acre tract for mineral exploration shall be void as to the one acre tract described herein.

Nothing herein shall preclude or limit the mineral owner from leasing mineral rights other than the one tract described herein and the mineral owner shall be entitled all royalties. The deed transferring ownership of the premises shall contain language describing this mineral leasing limitation.

7. Warranties. The property is sold "AS IS" without express or implied warranty, except for warranty of good title, subject to the provisions herein.

8. Risk of Loss. Seller bears all risk of loss, damage or destruction to the Premises that occurs prior to closing, whether by fire, wind, storm, freezing or other cause. If any loss, damage or destruction occurs prior to closing, and the same is not repaired, replaced or restored by the time of closing, Buyer will be entitled to credit against the sale price for the amount of such repair, replacement or restoration, but in no event shall the amount exceed the fair market value of the item prior to such loss, damage or destruction.

9. Payments at Closing. At closing the parties will pay or allocate the following costs and expenses:

9.1 Title Expenses. The expense of issuing the Title Evidence will be paid by Buyer. All other title expenses shall be allocated and paid as provided in paragraph 2.

9.2 Survey Expenses. All survey expenses shall be allocated and paid by Buyer.

9.3 Closing Agent. The expense of closing agent, referred to on paragraph 4, will be paid by Buyer.

9.4 Recording. Buyer is liable for the expense of recording Buyer's loan documents and the deed.

9.5 Attorney's Fees. Each party shall be responsible for the payment of the party's own attorneys fees incurred in connection with this transaction.

9.6 Taxes. Seller will pay all *ad valorem* property taxes and special assessments assessed for the year of 2021 and all prior years. The 2022 taxes shall be prorated at the date of closing based upon the 2021 assessment.

10. Default. Time is of the essence. If before or at the time of closing, any note or check or any other payment or document of conveyance due hereunder is not paid, honored or tendered when due or if any other obligation prior to closing hereunder is not performed as herein provided, there shall the following remedies:

10.1. IF SELLER IS IN DEFAULT, (a) Buyer may elect to treat this contract as terminated, or (b) Buyer may elect to treat this contract as being in full force and effect and Buyer shall have the right action for specific performance; or

10.2. IF BUYER IS IN DEFAULT, (a) Seller may elect to treat this contract as terminated, or (b) Seller may elect to treat this contract in full force and effect and shall have the right to an action for specific performance.

10.3. In any action for specific performance, the successful party will be entitled to recover reasonable attorney's fees and court costs from the unsuccessful party.

PURCHASE AGREEMENT

THIS AGREEMENT is made between Lane-Scott Electric Cooperative, Inc. ("the Buyer"), a Kansas Cooperative, and Mona Peck ("the Seller").

1. Subject Property. Seller agree to sell and Buyer agree to purchase, the following described real estate to wit:

A ONE ACRE TRACT OF LAND SITUATED IN THE
SOUTHWEST QUARTER (1/4) OF SECTION 13, TOWNSHIP
18 SOUTH, RANGE 29 WEST OF THE 6TH PRINCIPAL
MERIDIAN, LANE COUNTY, KANSAS, ROUGHLY
DESCRIBED BY THE ATTACHED EXHIBIT "A" HERETO.

A SURVEY SHALL BE CONDUCTED AFTER EXECUTION
OF THIS AGREEMENT AND THE FINAL LEGAL
DESCRIPTION SHALL BE DETERMINED BY SUCH
SURVEY.

collectively referred to herein as the "Premises."

Purchase Price. The total purchase price shall be Fourteen Thousand Five Hundred dollars and no/100 (\$14,500.00) due and payable as follows:

The sum of Five Hundred dollars and no/100 (\$500.00) has shall be paid to the escrow agent to be held by said agent until closing; and,

The sum of Fourteen Thousand dollars (\$14,000.00), subject to adjustment for prorations and fees, shall be due and payable by Buyer to Seller in certified or bank guaranteed funds at closing.

2. Title Evidence. Within thirty days after the effective date of this agreement, Seller will deliver to the Buyer or the Buyer's agent a title insurance commitment, herein referred to as the "Title Evidence." The Title Evidence will show merchantable title in Seller, and may be subject to:

- 2.1. Easements for roads, communications lines, electrical lines and pipelines of public record;
- 2.2. Easements, or claims of easements, not shown of public record, but that could be determined by inspection of the Premises and reasonable inquiry and that do not materially limit the use of the Premises;

- 2.3. The rights or claims of any party in possession not shown of public record, but that could be determined by inspection of the Premises and reasonable inquiry, provided the term of possession is less than one year;
- 2.4. Zoning regulations;
- 2.5. Boundary or fence agreements of public record; and,
- 2.6. Liens or encumbrances of record of a definite or ascertainable amount and liens, or the right to a lien, for services, labor or materials furnished to the Premises that are not of public record and to which Seller has certified by affidavit prior to closing, which may be removed by the payment of money and which Seller may remove at that time of closing using the funds to be paid at closing.

At Buyer's sole expense, Buyer will examine the Title Evidence in accordance with the Title Standards of the Bar Association of the State of Kansas and the provisions of the Kansas Marketable Record Title Act, as amended. If the Title Evidence discloses encumbrances or title exceptions that render Seller's title unmarketable (herein called "Title Defects"), Buyer may notify Seller in writing of the Title Defects prior to closing. Seller will have a reasonable time, not to exceed ninety (90) days, after the Buyer notify Seller of Title Defects to have the Title Defects removed, or to have a title insurer commit to insure against loss or damage that may be occasioned by the Title Defects. Seller is solely liable for all expenses to remove or insure against Title Defects. The time of closing will be extended until the Title Defects are cured or the time to cure expires, whichever first occurs. If Seller fails to cure or remove the Title Defects, or in the alternative, to obtain a commitment of title insurance specified above as to such Title Defects within the specified time, Buyer may terminate the purchase of the Premises or may elect upon written notice to Seller to take title as it then is. Seller will deliver an affidavit of no liens on Real Estate at closing.

3. Survey. The parties will cause a survey to be performed. The parties agree that this survey shall be the boundary of the premises.

4. Closing. The escrow and closing agent is Lane County Abstract, of Dighton, Kansas. The closing agent will hold all money and documents required by this agreement and will schedule the hour and place of closing with Seller and Buyer. This contract will close in the office of the closing agent at a time to be scheduled by the Buyer and Seller within 30 days of the completion of the survey and title work. The closing date may be extended or accelerated by mutual written agreement of Buyer and Seller.

5. Conveyance Documents. At closing, Seller will deliver a Warranty deed conveying title to the Real Estate as Buyer may direct.

6. Mineral Rights. Seller hereby reserves all mineral interest in the premises. The parties hereby agree that Seller and all successors and assigns shall not lease the one acre tract described herein for mineral exploration without the express consent of the surface owner of such tract. Any such mineral lease entered into purporting to lease said one acre tract for mineral exploration shall be void as to the one acre tract described herein.

Nothing herein shall preclude or limit the mineral owner from leasing mineral rights other than the one tract described herein and the mineral owner shall be entitled all royalties. The deed transferring ownership of the premises shall contain language describing this mineral leasing limitation.

7. Warranties. The property is sold "AS IS" without express or implied warranty, except for warranty of good title, subject to the provisions herein.

8. Risk of Loss. Seller bears all risk of loss, damage or destruction to the Premises that occurs prior to closing, whether by fire, wind, storm, freezing or other cause. If any loss, damage or destruction occurs prior to closing, and the same is not repaired, replaced or restored by the time of closing, Buyer will be entitled to credit against the sale price for the amount of such repair, replacement or restoration, but in no event shall the amount exceed the fair market value of the item prior to such loss, damage or destruction.

9. Payments at Closing. At closing the parties will pay or allocate the following costs and expenses:

9.1 Title Expenses. The expense of issuing the Title Evidence will be paid by Buyer. All other title expenses shall be allocated and paid as provided in paragraph 2.

9.2 Survey Expenses. All survey expenses shall be allocated and paid by Buyer.

9.3 Closing Agent. The expense of closing agent, referred to on paragraph 4, will be paid by Buyer.

9.4 Recording. Buyer is liable for the expense of recording Buyer's loan documents and the deed.

9.5 Attorney's Fees. Each party shall be responsible for the payment of the party's own attorneys fees incurred in connection with this transaction.

9.6 Taxes. Seller will pay all *ad valorem* property taxes and special assessments assessed for the year of 2021 and all prior years. The 2022 taxes shall be prorated at the date of closing based upon the 2021 assessment.

10. Default. Time is of the essence. If before or at the time of closing, any note or check or any other payment or document of conveyance due hereunder is not paid, honored or tendered when due or if any other obligation prior to closing hereunder is not performed as herein provided, there shall the following remedies:

10.1. IF SELLER IS IN DEFAULT, (a) Buyer may elect to treat this contract as terminated, or (b) Buyer may elect to treat this contract as being in full force and effect and Buyer shall have the right action for specific performance; or

10.2. IF BUYER IS IN DEFAULT, (a) Seller may elect to treat this contract as terminated, or (b) Seller may elect to treat this contract in full force and effect and shall have the right to an action for specific performance.

10.3. In any action for specific performance, the successful party will be entitled to recover reasonable attorney's fees and court costs from the unsuccessful party.

11. Binding Agreement. This agreement is binding on all parties and on their heirs, personal representatives, executors, administrators, successors and assigns.
12. Survival. All representations, warranties, promises, covenants and agreements stated herein, and all remedies for breach of the same, will survive closing and the delivery of documents of conveyance.
13. Entire Agreement. This agreement contains the parties' entire agreement, and there are no other agreements, promises, covenants or warranties between the parties other than as stated herein. Any amendments or alterations to this contract must be made in writing and executed by each party.
14. Execution. This agreement may be executed in separate counterparts, each and all of which shall be considered as one agreement.
15. Effective Date. This agreement shall not become effective until it is signed by all parties.

Executed by Buyer and Seller as of the dates shown below.

BUYER:

SELLER:

Lane-Scott Electric Cooperative, Inc.

Richard McLeon IV,
General Manager

Mona Peck

DATE: _____

DATE: _____

**LANE-SCOTT ELECTRIC COOPERATIVE, INC. RESOLUTION
APPROVING THE PURCHASE OF REAL ESTATE FOR
THE DIGHTON CITY WEST SUBSTATION**

Whereas, the Board of Trustees find it necessary to purchase real estate for the location of the Dighton City West Substation in Lane County, Kansas;

Whereas, A one-acre tract of land has been located in the Southwest Quarter of Section 13-18-29 in Lane County, Kansas owned by the Mona Peck Revocable Trust and Alexis Peck, and the purchase of this land has been negotiated for the amount of \$14,500.00.

Resolved, the Board hereby approves the purchase of one-acre of land in the Southwest Quarter of Section 13-18-29 in Lane County, Kansas for the amount of \$14,500.00 and further authorize the General Manager Richard McLeon IV, to do such acts as are consistent therewith, including but not limited to executing all necessary documents to complete the transaction.

CERTIFICATION OF SECRETARY

I, Paul Seib, Jr., Secretary of the Lane-Scott Electric Cooperative, Inc. do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the board of directors of the Lane-Scott Electric Cooperative, Inc., held on the 14th day of March, 2022, at which meeting a quorum was present.

SEAL

Signature

10. d. Annual Meeting Caterer and Gift

Like all industries, prices have gone up a little. Speaking with John after the dinner he was surprised at how little people looked or talked about the whole hog. The cost is significantly less if we eliminate it, or we can get two meats instead. The actual cost of a hog plus the time to cook it is quite a bit more. Additionally, we will have two serving lines this year instead of one.

2021 Actual Cost: Whole Pig & Sides \$13.75
 Ice Cream \$2.00
 Service ware \$0.50

2022 Quotes: Excluding tip and sales tax
 In addition to each of the following options add:
 Service ware: \$0.75
 Ice Cream: \$2.50

We can substitute these for menu items for free or add them for these additional charges:

Sliced Sausage: \$2.50
Sweet Corn Salad: \$2.00
Potato Chips: \$1.00

	Per plate	Plus service-ware & ice cream	Est. 450 people
	\$14.25	\$17.50	\$7,875.00

#1 Whole Pig Option

Whole Pig
Cheesy Spuds
Cowboy Beans
Cucumber Salad
Spicy Slaw
Watermelon
Rolls
Jam
BBQ Sauce

#2 Pulled Pork Option

Pulled Pork	\$12.75	\$16.00	\$7,200.00
Cheesy Spuds			
Cowboy Beans			
Cucumber Salad			
Spicy Slaw			
Watermelon			

Rolls w/ Jam
BBQ Sauce

#3 Two Meat Option

Pulled Pork	\$13.90	\$17.15	\$7,717.50
Sliced Sausage			
Cheesy Spuds			
Cowboy Beans			
Cucumber Salad			
Spicy Slaw			
Watermelon			
Rolls w/ Jam			
BBQ Sauce			

We would like the Board to approve an insulated tumbler as the gift. This is at a cost of \$3,881,50 plus tax and shipping.

Staff recommends that the Board approve Option #1` (whole pig plus ice cream and service ware) along with the gift tumbler as the meal and member gift for the 2022 Annual Meeting.

SAFETY PROGRAM

SAFETY PROJECTS COMPLETED AS OF FEBRUARY 2022

1. Kansas Department of Labor OSHA Sharp Program abatement items resolved and submitted request to participate in the OSHA Sharp Program. Not eligible this year for the program. We can reapply in one year from the time of our first initial request to consideration into the program.
2. Prepared OSHA reporting, recordable, and first aid training and incident processes.
3. Prepared Minor Electric Work training.
4. Prepared Respirator training.
5. Constructed a fall protection railing on open side of retail loft and painted overhead awareness guide.
6. Constructed a mid-rail on truck bay stairs.
7. Adjusted tongue guard and safety guard peripheral according to OSHA specs.
8. Created an OSHA Safety and Health Management Program.
9. Established a 2022 project plan of OSHA recommended recordkeeping improvements to implement before our next reapplication for the OSHA Sharp Program.
10. Trucker Against Trafficking record updates.
11. Desktop battery backup replaced and outlet wiring.
12. Ann Jennings's member safety awareness publishes to either KCL newsletter, social media, and/or the Lane Scott Electric website concerning:
 - Generator Safety
 - Outlet Safety
 - Extension Cord Safety
 - Tree Trimming Contractors with safety message
 - Dispose of Metallic Balloons
 - Power Tool Safety
13. Diana Kuhlman submitted reports:
 - KEC Loss Control, Safety and Compliance System Monthly Statistical Report.
 - Compliance One drug and alcohol monthly roster report.
 - OSHA 300A reporting and form posted
 - Federated Insurance OSHA 300A Summary updated.
14. In-House February safety meeting topics: Safety summary, OSHA 300 Reporting, Minor Electrical Work training, Respirator training, and Safety and Health Program training. February 17th safety minutes are included in the board packet.

SAFETY PROJECTS IN PROGRESS AS OF FEBRUARY 2022

1. SDS Program products updates and improvements.
2. Safety Amp software creating inspection form templates.
3. Security system building mapping of network, cameras, and access door controls. Inventory for servers and security system networking.
4. Review of OSHA program forms and program implementations.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SAFETY MEETING

February 17, 2022

Chris Terhune called the meeting to order at 9:01am.

Minutes were read: Dal Hawkinson made a motion to approve the January 14th minutes and Dellon Shelton seconded. Minutes were read and approved as printed.

Present: Richard McLeon, Kasey Jenkinson, Ben Mann, Dal Hawkinson, Chad Rupp, Chris Terhune, Myron Seib, Kevin Bradstreet, Leighton Ayers, Dellon Shelton, Blake McVicker, Nate Burns, Scott Briand, Kalo Mann, Carrie Borell, Diana Kuhlman, and Ann Marie Jennings

Absent: Michael Pollock, Mark McCulloch, Kathy Lewis, and Rebecca Campbell

Guest: None

Truck report of inspections:

105	Dellon Shelton	OK
110	Myron Seib	OK
112	Leighton Ayers	Windshield replacement from windstorm damage.
117	Chris Terhune	Windshield replacement from windstorm damage.
123	Mark McCulloch	OK
132	Kevin Bradstreet	OK
135	Nate Burns	OK
136	Dellon Shelton	OK
143	Scott Briand	OK
144	Kalo Mann	OK
145	Chris Terhune	Mouse nest on battery.
150	Kasey Jenkinson	OK
173	Chad Rupp	Windshield replacement from windstorm damage.
174	Dal Hawkinson	OK
191	Kalo Mann	OK
193	Myron Seib	OK
200	Ben Mann	Windshield replaced and Altec changed out boom hoses.
304	Myron Seib	OK
305	Myron Seib	Windshield chipped.

Trailer and Equipment report of inspections:

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

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SAFETY COUNCIL COMMITTEE MEETING

February 17, 2022

Leighton Ayers called the meeting to order at 1:00pm.

Minutes were read: Chris Terhune made a motion to approve the October 25th minutes with amendments and Richard McLeon seconded. Minutes were read and approved with amendments.

Present: Richard McLeon, Chris Terhune, Leighton Ayers, and Carrie Borell

Absent:

Old Business:

- ◆ Chris Terhune:
 - Waiting on bids for Ness City cement slurry for concrete floor and will be installing shelving.
 - OSHA 10hr training still needs done by Myron Seib, Kalo Mann, Michael Pollock, Scott Briand, and Mark McCulloch.
 - Federated Insurance Accident and Investigation Training will be rescheduled.
 - Retail scaffold inspections and recertification requirements or scaffold disposal were discussed.
 - Truck K-Trip/Overlength permits are all updated.
- ◆ Carrie Borell:
 - KDOL safety assessment items have been resolved for February 28th abatement date. Once abatement is approved a request for participation in the OSHA Sharp program will be submitted.
 - SafetyAmp inspection form has been tested and a few changes have been made to make the forms more user friendly.

New Business:

- ◆ Richard McLeon:
 - Supervisor training was discussed.
 - Contractor safety program discussed. Safety manual and Storm Restoration Safety Guide for Contractors are in place to be provided to all contractors and a contractor's page needs signed and filed in the office before the contractors start work. Carrie Borell uploaded the documents into the SafetyAmp site and will save a copy in the share drive and email Richard McLeon the safety manual and the contractor guide to provide the contractors a digital copy.
- ◆ Carrie Borell:
 - Budget 2021 final report was reviewed and 2022 budget was discussed.
 - Safety Council 2022 positions were reviewed.
 - RESAP Safety Improvement Plan was reviewed, and Richard McLeon will submit the plan to the NRECA RESAP site. 2022 Safety goals: SDS Program Review, Incident Investigation Processes review, and Crew Leadership involvement/training.
 - RESAP/Annual Self-Assessment report was emailed to council members to review and will be discussed at the next safety meeting.
 - Truck safety manuals are all updated.
 - Safety policy amendments were discussed.

Meeting adjourned

Chris Terhune
Safety Coordinator

Carrie Borell
Secretary

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 #50 Ozone damaged

Substation and Regulator Report:

- ♦ Chad Rupp: Twin Springs rocked.
- ♦ Nate Burns: Alexander towers ordered.

PCB Report: None to Report

Line Clearance: S of Dighton City circuit, Ness NE and SE, McNair 3 phase, and Scheuerman.

Accident and Near Misses:

- ♦ Myron Seib: Removed tree that fell on secondary from windstorm Ness City.
- ♦ Kasey Jenkinson: Cause of transmission line going off on Twin Springs is unknown.
- ♦ Chad Rupp: Pole was broken by Theoni School.
- ♦ Carrie Borell: Ann Jennings credential harvesting.
- ♦ Myron Seib: Vehicle loss control and slid into pole hitting street light pole in Ness City.

Old Business:

- ♦ Myron Seib: Ness City warehouse bids for pouring concrete. The 34-5 poles replaced switch, hospital 13-8 need poles and switch replaced.
- ♦ Nate Burns: Healy work plan switch replacement.
- ♦ Chris Terhune: Dighton, Ness City, and Scott City emergency dispatch offices will call our dispatch of known damages or emergencies that affect our services. Mobile radios are on backorder.

New Business:

- ♦ Richard McLeon: Coal prices, pole truss options, scraping snow around water main, J&J contractor for large work plans, ACRE and KCRE committee dues, and Sunflower is moving forward with Russel solar farm. Sunflower is constructing a free-standing tower near Twin Springs and will allow us to install our digital CB radio repeater on it. Rate tariff was approved, and a line extension analysis has been completed.
- ♦ Myron Seib: Ness City warehouse shelving ordered.
- ♦ Chris Terhune discussed OSHA Sharp program progress from the Kansas Department of Labor eligibility assessment and site walk through. KEC No Lost Time Award for 217,679 employee hours worked with no lost time. Blake McVicker and Dellon Shelton completed 3 Phase Meter Connection and 3 Phase Transformer Connection Training. KE Safety Summit meeting was rescheduled. Kasey Jenkinson and Leighton Ayers will be attending National Electric Code (NEC) workshop in April. Replaced all truck safety manuals. OSHA Sharp Program application process, items to abate, and program goals.
- ♦ Chris Terhune: OSHA Defining Recordable and Reportable Incidents and how to Define what is beyond First Aid Training. Diana Kuhlman reviewed company procedures for incidents.
- ♦ Respirator PPE Standard 1910.134 Appendix D training.
- ♦ Minor Electrical Work OSHA Standards 1910.331-335 Training
- ♦ Safety and Health Management Program Training.
- ♦ Reviewed safety summary.

Meeting adjourned.

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Secretary