



To: **Board of Trustees and Attorney**

A meeting of the Board of Trustees has been scheduled for October 23, 2023, at 7:00 p.m.

Proposed Agenda:

1. Call to Order
2. Reading and Approval of Minutes
  - a. August Meeting
  - b. September Meeting
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. Safety Program Presentation – Chris Terhune and Leighton Ayers.
  - b. Bank Resolutions for FND Dighton and FSB Healy.
11. Safety Program Report
12. Executive Session (is requested)
13. Adjourn

Upcoming Events:

KEC District Meeting	Hays	Nov. 2
Sunflower Board Meeting	Great Bend	Nov. 8
Sunflower Strategy Meeting	Great Bend	Nov. 8-9
Sunflower CEO Search	Great Bend	Nov. 9
Office Closed Thanksgiving		Nov. 23-24
LSEC Board of Trustees meeting	Dighton	Nov. 27

## Electronic Document Index

#	item	author	document	Board Packet	Supplemental information
2	Minutes	Joe	Minutes	3-14	
3	Check Register(s)	Katie	AP / Check Register	15-19	
4	President's Report	Richard Jennison			
5	Attorneys Report	Joseph Gasper			
6	Sunflower Report	Richard Jennison	SEPC Board Summary	20-24	
7	KEC Report	Craig Ramsey		25-27	
8	GM Report	Richard	Report	28-33	
	<u>Financials</u>	Kathy	Form 7	34-35	
		Kathy	Statistical Report		1
		Kathy	Non-operating margins		2
	<u>Operations</u>	Dal/Ben	Maintenance Inspection Log		3
		Dal	Monthly Report		4
	<u>Information Technology</u>	Carrie	Monthly Report		5
	<u>Cybersecurity-Compliance</u>	Carrie	Monthly Report		6
	<u>Engineering</u>	Richard	Substation NCP and CP		7
		Nate	Eng. Report		8
	<u>Member Service</u>	Ann Marie	Board Report		9
	<u>Retail / Warehouse</u>	Scott	Warehouse Report		10
9	Old Business				
10	New Business				
a.	Safety Program Presentation	Chris Terhune and Leyton Ayers	Oral presentation	36	
b.	Bank Resolutions		resolutions	37	
c.					
d.					
e.					
11	Safety Program Report	Chris	Safety Program Monthly Report	38	
		Chris	Safety Meeting minutes	39-40	

**MINUTES OF THE REGULAR AUGUST 2023  
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, August 7, 2023, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:56 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Harold Hoss, Randy Evans, Eric Doll, Susan Nuss, Chad Griffith, James Jordan. and Craig Ramsey. Also present Richard McLeon IV and Joseph D. Gasper, Attorney.

**REORGANIZATION AND ELECTION OF OFFICERS**

President, Jennison asked Attorney Gasper to chair the meeting for the election of officers. Attorney Gasper called for nominations for president to serve until the next election of officers following the annual meeting in year 2024.

*Richard Jennison was nominated to serve as President. The nomination was seconded and it was moved that nominations cease and that a unanimous ballot be cast for Richard Jennison to serve as President. The motion was duly seconded and carried.*

*Craig Ramsey was nominated to serve as Vice-President. The nomination was seconded and it was moved that nominations cease and that a unanimous ballot be cast for Craig Ramsey to serve as Vice-President. The motion was duly seconded and carried.*

*Harold Hoss was nominated to serve as Secretary. The nomination was seconded and it was moved that nominations cease and that a unanimous ballot be cast for Harold Hoss to serve as Secretary. The motion was duly seconded and carried.*

*Eric Doll was nominated to serve as Treasurer. The nomination was seconded and it was moved that nominations cease and that a unanimous ballot be cast for Eric Doll to serve as Treasurer. The motion was duly seconded and carried.*

Attorney Gasper called for action on the time and place for the monthly meeting. The board discussed moving the date of the meeting to the last Monday

of the month. *A motion to change the monthly board meeting and time to 7:00 p.m. on the last Monday of each month was made, duly seconded and carried.*

The board discussed Trustee compensation levels. *A motion to increase the subsistence compensation to \$150 per day and to keep the other compensation levels the same was made, duly seconded and carried.*

*A motion to appoint Richard Jennison and Manager McLeon as the Sunflower delegates and Randy Evans and Kathy Lewis as the alternate Sunflower delegate was made. The motion was seconded and carried.*

*A motion to appoint Craig Ramsey as the KEC delegate and Manager McLeon as the alternate KEC delegate was made. The motion was seconded and carried.*

## **MINUTES OF PRIOR MEETING**

President Jennison called for action on the minutes of the prior meeting held on July 10, 2023. *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 checks.

## **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.

The next board meeting is August 16 and the plant tour is August 30.

## **KEC REPORT**

Craig Ramsey, KEC representative, reported the following items:

- The summer meeting was held and the training sessions were informative.
- KEC has been filing the incorrect tax forms for several years and they will begin filing the correct tax form this year.
- Pat Norris was re-elected as the NRECA director.
- LSEC received a safety achievement award.

## MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- The monthly overall rate is 9.76 cents. Wholesale power has been lower recently.
- There was a glitch with the mailing of ballots for the vote at the annual meeting. This was related to the member list did not include some members who do not receive the Country Living magazine. Twenty-five members did not receive a ballot and an analysis of the votes indicate that it would not have had an impact on the outcome of the election. This will be corrected for future years.
- The first iron poles have been installed on the system. These poles will be placed at strategic locations to help break up the “domino” effect of poles going down in a storm and where pole replacement is difficult.
- Contractors still are unavailable at a satisfactory price for pole replacement.
- Manager McLeon has discussed a COSS with Justin at Guernsey and he is working on a price estimate but it is expected to be around \$35,000-\$40,000. This study will be based on the 2022 numbers. This COSS will have to evaluate the potential Sunflower bifurcated rate structure and analyze how LSEC can structure rates to not be negatively affected. LSEC has been collecting demand data on all meters for the last year to obtain data. The expected impact on the proposed Sunflower change would be \$3,200 to \$6,500 for LSEC.
- The FCC radios have been installed and testing for dead spots will begin in August.
- RESAP Onsite Observation is completed, and staff is working on correcting deficiencies.
- Safety Amp software inspection form templates being tested.
- Public education increased during harvest season and preparing for school start programs.
- The 2023 Member Satisfaction Survey produced a ACSI score of 89 (same as the 2020 Survey) and a CAPS score of 93.

- Of the 251 members surveyed (95% Confidence Interval) only 4 people (1.59%) expressed an interest in behind the meter solar power. 96% said they had no plans of purchasing an electric vehicle with the remaining 4% interested “sometime in the future.”
- Manager McLeon reviewed a powerpoint with the detailed responses on the survey.
- KECHIT is exploring (at BCBS of Kansas’ prompting) two major initiatives. The first is limiting the insurance option to age 65 for all participants. The second is having KECHIT become self-insured. There are major issues with both initiatives. The first could save KECHIT money and improve BCBS profitability but have negative impacts on an employee turning 65 with dependents that are younger. The second option is worrisome because lineman work is dangerous, and Sunflower is not likely collectively big enough to handle a few major claims.
- The reliability numbers remain good. LSEC is seeing more planned outages due to pole change outs.
- Through June had \$24,103 in year-to-date Patronage Capital. The monthly operating ratios continue to be weather (kWh sales) and inflation (cost) dependent. However, the financial integrity remains strong with \$7,353,195 in cash position (a \$220,738 increase).
- Year to date revenue is \$989,566 (10.5%) below last year with year-to-date wholesale power expense is \$1,133,387 (19.1%) below last year.
- PSE WindMil model data collection is in process and about 70% complete.
- The WesKan grain facility in Scott County is in process and work continues with Habco engineering on railroad crossing applications.
- The prospective conversion of the 34.5 line will be discussed with Dr. Al on August 15.
- Retail services non-operating margins total \$38,394.23 for the y.t.d.
- Four Generac units were sold in July.
- Lane-County feeders continues to keep the electricians busy.
- It is expected to have all accounting functions transitioned to Jocelyn by the end of the year.

## 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. AUDITOR ENGAGEMENT LETTER.

- *A motion to approve the audit engagement letter in the amount of \$27,000.00 with Bolinger, Segars Gilbert & Moss, LLP for the audit of the 2023 business year was made, duly seconded and carried.*

### 2. FIRST NATIONAL BANK OF DIGHTON

- *A motion to approve the resolution naming Richard A. McLeon IV, Katherine E. Lewis and Jocelyn Walker, independently, to act as signatories on checks and drafts drawn on accounts held by Lane-Scott Electric Cooperative, Inc. at the First National Bank of Dighton, Kansas was made, duly seconded and carried.*

### 3. FIRST STATE BANK OF HEALY

- *A motion to approve the resolution naming Richard A. McLeon IV, Katherine E. Lewis and Jocelyn Walker, independently, to act as signatories on checks and drafts drawn on accounts held by Lane-Scott Electric Cooperative, Inc. at the First State Bank of Healy, Kansas was made, duly seconded and carried.*

### 4. RUS RESOLUTION

- *A motion to approve the resolution authorizing Richard A. McLeon IV, General Manager/CEO, Richard Jennison President, and Harold Hoss, Secretary, be authorized to sign RUS Form Number 595, Financial Requirement and Expenditure Statement and also authorizing Richard A. McLeon IV, General Manager/CEO, Richard Jennison President, and Harold Hoss, Secretary be authorized to sign Advance Request for Federal Financing Bank, was made, duly seconded and carried.*

### 5. COBANK RESOLUTION

- *A motion to approve the resolution of incumbency naming Richard Jennison, President, Craig Ramsey, Vice-President, Eric Doll, Treasurer,*

*Harold Hoss, Secretary and Richard A. McLeon IV, Manager/CEO to CoBank was made, duly seconded and carried.*

**ADJOURNMENT**

*A motion to adjourn the meeting was made, seconded and carried at 8:52 p.m., on Monday, August 7, 2023.*



**MINUTES OF THE REGULAR SEPTEMBER 2023  
MEETING OF THE BOARD OF TRUSTEES  
OF THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

**CALL TO ORDER**

A regular meeting of the Board of Trustees of the Lane-Scott Electric Cooperative, Inc., was held on Monday, September 25, 2023, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 7:00 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Harold Hoss, Randy Evans, Susan Nuss, James Jordan. and Craig Ramsey. Also present Richard McLeon IV and Joseph D. Gasper, Attorney. Eric Doll and Chad Griffith were absent.

**MINUTES OF PRIOR MEETING**

President Jennison called for action on the minutes of the prior meeting held on August 7, 2023. The bank names in new business need to be corrected to reflect the proper names as the First National Bank of Dighton and the First State Bank of Healy. *Hearing no further corrections to the minutes, President Jennison declared the minutes stand approved as corrected.*

**CASH DISBURSEMENTS**

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

There were no questions regarding the checks.

**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.

- President Jennison added that there has been some changes to the corporate chart due to the upcoming retirement of Kyle Nelson.
- The size of the coal pile is going to be increased.
- Manager McLeon reported that the bifurcated rate was approved. It is expected to have a less than 1% impact on the LSEC rates.

## **KEC REPORT**

Craig Ramsey, KEC representative, reported the following items:

- There had been no KEC meeting.

## **MANAGER'S REPORT**

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- The monthly overall rate is 10.98 cents.
- The year-to-date outage statistics are good with half of the outage time attributed to major events. There will be some further planned outages for various repairs.
- C&I provides approximately 60% of revenue.
- KMEA will be meeting with the Dighton City Council to discuss a wholesale power contract.
- YTD Kilowatt per hour sales are 1.43% below 2022, but 7.23% above the 2018—2022 average.
- Wholesale Power costs per kWh continue to be below average. The year-to-date cost at 15.0% below 2022 and almost 30% below 2018-2022 averages.
- YTD sales are 3.09% below last year, but 7.98% above the 2019-2022 average.
- YTD is \$2,089,825 (14.9%) below last year with year-to-date wholesale power expense is \$2,234,115 (23.8%) below last year. The net effect is the YTD distribution revenue is \$4,787,693 compared to \$4,643,402 last year. That's \$144,291 (or 3%) above last year helping offset inflationary pressures.
- Costs have increased approximately 14% over the last year and inflation is outpacing revenues.
- Long term debt has been decreased and operations are being ran with cash which has only been decreased by \$1 million. Current cash on hand is \$6,863,230.
- Pole change outs will likely be caught up in the next six weeks.

- The WindMil model data update is 80% complete.
- The railroad crossing was approved for the Weskan grain facility project.
- The arc flash study was completed and approved
- The spill prevention plan has been completed.
- The Utica autotransformer project is nearly complete.
- Trustees were requested to make any updates or changes to their biographies for the website.
- The Social Media Back to School Campaign reached 2,111 people with 222 interactions.
- The Retail Non-operating margins were \$10,400.95 for August and \$61,563.08 YTD.
- Four Generac units were sold in July.
- Materials seem to be in good shape for the first time in two years.
- A question on the impact of non-operating margins was answered by Manager McLeon with the explanation of where the margins were located on the Form 7.
- Inflation has affected the cost of inventory. The retail pricing was changed from average cost pricing to a LIFO costing method which has helped margins.
- A discussion of the operating margins and the impact of the margins due to power cost versus sales and whether the margins are due mainly to power cost was made to a question. Manager McLeon will prepare some example numbers and provide them to the board for a more thorough explanation.

## **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. LOAD FORECAST STUDY.**

- Manager McLeon presented the 2024 load forecast study

A summary of the load forecast for 2024-2033 is as follows:

Overall KWh Sales: 1.50%

Residential -0.46%

Residential - Seasonal 1.92%

Irrigation 0.63%

C&I Under 1000kVa 1.09%

C&I over 1000kVa 2.65%

Public Street & Highway -0.51%

Other Sales - Public Authority -3.10%

Sales for Resale - Dighton -0.84%

Revenue: 2.66%

Sunflower CP Demand: 0.92%

LSEC NCP Demand: 1.00%

- Actual kWh sales and operating revenues from 2009 through 2022 is used as the basis for the Load Forecast Study. The use of fourteen years historical data normalizes variations in sales and revenues due to weather and market conditions. This data is taken from Part O of the audited Year End RUS Form 7 for each revenue class.
- Manager McLeon reviewed the assumptions used in the study.
- A question whether social trends were factored in the study. Manager McLeon answered it does, but that LSEC has not seen much data that indicates significant trend changes.
- Meter growth is projected at 0.25% and kWh sales increases of 1.5%.
- *A motion to approve the 2024-2033 Load Forecast Study as presented was made, duly seconded and carried.*

## 2. YOUTH TOUR AND LEADERSHIP CAMP

- Staff recommends the reinstatement of the DC Youth Tour and the Leadership Camp for 2024. There have been several phone calls from parents regarding the camp and tour.
- The request is to have two positions for the DC Youth Tour at an estimated cost of \$3,675 per youth and two positions for the Leadership camp at an estimated cost of \$1,800 per youth. The total cost would be about \$10,950.
- The board discussed staff recommendations.
- *A motion to approve the staff recommendation that LSEC participate in the DC Youth Tour and the Leadership camp by having two positions available for each event was made, duly seconded and carried.*

### 3. CFC DELEGATE

- *A motion to approve naming Richard A. McLeon IV as the LSEC voting delegate to the 2023 CFC District 7 meeting in Omaha, Nebraska was made, duly seconded and carried.*

### 4. WAGE AND SALARY

- Manager McLeon reviewed the 2024 wage and salary proposal with the board.
- The 2024 Wage and Salary Plan presents a \$204,094 increase (6.28%) from projected 2023 costs.
- Wages: The Plan represents:
  - a. A net 3.00% increase to wages, with a 2.5% floor (CPI @ 2.4%): \$52,982.
  - b. Merit, Equity, and Market adjustments totaling: \$16,000
  - c. Progression increases of: \$17,264
- There are no changes to the existing benefit plan.
- The board discussed the proposed wage and salary plan. A discussion of seniority pay was raised. Manager McLeon has previously discussed seniority pay with the linemen and the consensus was that they wished to have the pay rate the same with no seniority pay.
- *A motion to approve the 2024 Wage and Salary package of approximately \$3,454,26 was made, duly seconded and carried.*

### 5. CAPITAL CREDIT RETIREMENT

- The Lane-Scott Electric Cooperative currently has \$9,840,111.12 in allocated but unretired LSEC and MKEC Distribution Capital Credits. These unretired Capital Credits date from 1998 (LSEC) and 2016 (MKEC).
- The approved LSEC formula calculates a 2023 General Capital Credit retirement of \$451,588.39 on an average 21.79-year depreciation cycle.
- Last year the cooperative retired \$55,389.67 in Sunflower capital Credits bringing the G&T rotation to a 20-year cycle. Currently, the staff does not recommend retiring G&T Capital Credits.
- The General Distribution retirement of \$451,588.39 will not compromise the Cooperatives' financial position.
- Staff recommends that the Board approve a 2023 General Capital Credit retirement of \$451,588.39 to be paid on a FIFO basis. Staff further proposes that the distribution be mailed to inactive members, and applied to current balance for active members unless member opts to receive a check and the distribution amount is over \$10.00

- *A motion to approve the 2023 General Capital Credit Retirement of \$451,588.39, to be paid on a FIFO basis and that the distribution will be mailed to inactive members, and applied to the current balance for active members unless the member opts to receive a check, and the distribution amount is over \$10.00 was made, duly seconded and carried.*

## **EXECUTIVE SESSION**

*A motion to enter executive session to discuss personnel matters was made, duly seconded and carried at 9:10 p.m. The board came out of executive session at 9:25 p.m.*

## **ADJOURNMENT**

*A motion to adjourn the meeting was made, seconded and carried at 9:25 p.m., on Monday, September 25, 2023.*

10/05/2023 10:33:00 AM

# Accounts Payable Check Register

Page 1

09/13/2023 To 10/05/2023

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
50622 09/15/2023	CHK	1	NESS CITY ROTARY CLUB	Every Rotarian Every Year/ Aug meals	50.00
50623 09/15/2023	CHK	1	RANSOM OCTOBERFEST	Donation for Octoberfest	50.00
50624 09/15/2023	CHK	1	UNIVERSITY OF ILLINOIS OF URBANA-	Scholarship	1,500.00
50625 09/15/2023	CHK	9	CHAD RUPP	KLSA Fall Line Super Meeting	160.00
50626 09/15/2023	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll transfer	58,000.00
50627 09/15/2023	CHK	74	WEBER REFRIGERATION & HEATING I	Compressor	1,605.00
50628 09/15/2023	CHK	79	POSTMASTER	Newsletter postage	119.56
50629 09/15/2023	CHK	104	HOME OIL CO	Monthly fuel	1,196.32
50630 09/15/2023	CHK	114	WHEATLAND ELECTRIC COOPERATIVE	Watt sponsorship/ Mulligan	170.00
50631 09/15/2023	CHK	126	CARRIE BORELL	Coop University- Charleston, SC	513.50
50632 09/15/2023	CHK	164	FAIRBANK EQUIPMENT INC.	Rego 1st/2nd stage pole	249.51
50633 09/15/2023	CHK	172	TYNDALE COMPANY, INC.	Dragonwear Jacket- Mark Mcculloch	401.88
50634 09/15/2023	CHK	306	BORDER STATES INDUSTRIES INC	Monthly invoice	10,801.89
50635 09/15/2023	CHK	359	WEBBER-GROSS WELDING, LLC	Repairs to truck #193	3,060.65
50636 09/15/2023	CHK	361	ANN M JENNINGS	KMSDA- Manhattan/ Food for employee meal	195.72
50637 09/15/2023	CHK	366	DIANA KUHLMAN	Acct Assoc. Meeting- Wichita	160.00
50638 09/15/2023	CHK	380	GRAINGER	Monthly invoice	774.02
50639 09/15/2023	CHK	387	WESTERN FUEL & SUPPLY	Monthly invoice fuel	562.86
50640 09/15/2023	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly invoice	99.99
50641 09/15/2023	CHK	406	RICHARD MCLEON	KEC managers meeting- Salina mileage	244.38
50642 09/15/2023	CHK	442	QUADIENT INC.	Postage machine	434.73
50643 09/15/2023	CHK	460	MARKS NELSON LLC	Kansas Directors Unit Value correction	867.19
50644 09/15/2023	CHK	517	UNITED RENTALS INC.	Fair grounds work	348.88
50645 09/15/2023	CHK	524	MORRIS ELECTRIC & REPAIR	12v Charger	202.11
50646 09/15/2023	CHK	557	KATIE RIFFLE	Pick up pizza for commitment to 0 meet	39.30
50647 09/15/2023	CHK	563	JOCELYN WALKER	Acct Assoc. Meeting- Wichita	160.00

10/05/2023 10:33:00 AM

# Accounts Payable Check Register

Page 2

09/13/2023 To 10/05/2023

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
50648 09/15/2023	CHK	566	SUNRISE OIL SUPPLY	Supplies for Airport	54.20
50649 09/15/2023	CHK	573	HM CRAGG	Beeler substation batteries	2,584.81
50650 09/15/2023	CHK	715	KATHERINE E LEWIS	Acct Assoc. Meeting- Wichita	160.00
50651 09/15/2023	CHK	773	BRETZ, INC.	Monthly invoice	414.73
50652 09/15/2023	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Monthly invoice- locate fee	92.40
50653 09/15/2023	CHK	1169	WASHER SPECIALTIES CO.	Monthly invoice	205.52
50654 09/15/2023	CHK	1197	GARDEN CITY WHOLESALE SUPPLY	Monthly invoice	928.42
50655 09/15/2023	CHK	1225	CINTAS CORPORATION	Monthly invoice	168.89
50656 09/15/2023	CHK	1228	BENJAMIN L MANN	KLSA Fall Line Super Meeting	160.00
50657 09/15/2023	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Envelopes with logo	66.01
50658 09/15/2023	CHK	9999	PRISCILLA GARAY	INACTIVE REFUND	96.03
50659 09/15/2023	CHK	9999	KENNETH R SHOWALTER	INACTIVE REFUND	166.94
50660 09/15/2023	CHK	9999	URBAN OIL & GAS GROUP LLC	INACTIVE REFUND	609.99
50661 09/15/2023	CHK	9999	SHAWN L WOODS	INACTIVE REFUND	123.49
3125 09/19/2023	WIRE	1229	SCHABEN SANITATION	Monthly trash service	673.73
3128 09/25/2023	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales tax	26,789.90
3127 09/26/2023	WIRE	101	ATMOS ENERGY	Monthly natural gas	89.17
50662 09/26/2023	CHK	1	USD 303 NESS CITY	1/2 page yearbook advertisement	200.00
50663 09/26/2023	CHK	20	BASIN ELECTRIC POWER COOP	Alarm monitoring fee- August	2,125.41
50664 09/26/2023	CHK	30	HAROLD HOSS	Board meeting- September	389.30
50665 09/26/2023	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly dues	7,616.07
50666 09/26/2023	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly invoices	493.27
50667 09/26/2023	CHK	63	RICHARD JENNISON	Board meeting	367.03
50668 09/26/2023	CHK	105	CITY OF NESS CITY	Monthly invoice	7,916.95
50669 09/26/2023	CHK	107	CINTAS CORPORATION #449	Monthly invoices	517.50
50670 09/26/2023	CHK	117	NESS CITY FARM & FEED	Monthly invoices	405.39



10/05/2023 10:33:00 AM

# Accounts Payable Check Register

Page 3

09/13/2023 To 10/05/2023

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
50671 09/26/2023	CHK	122	MYRON SEIB	Clothing allowance/ supplies	591.56
50672 09/26/2023	CHK	135	CITY OF BAZINE	Franchise Fee	2,334.45
50673 09/26/2023	CHK	155	KEVIN BRADSTREET	State fair safety demo	175.48
50674 09/26/2023	CHK	160	SHULL OIL COMPANY	Monthly invoices	9,472.74
50675 09/26/2023	CHK	179	RAD ROEHL	Board meeting	361.79
50676 09/26/2023	CHK	182	G.E.M.S. INC	Capacitors	90.56
50677 09/26/2023	CHK	187	S&W SUPPLY DIVISION	Monthly invoices	149.15
50678 09/26/2023	CHK	248	CENTRAL PUMP & SUPPLY	All purpose cement	12.51
50679 09/26/2023	CHK	259	FIRE ALARM SPECIALIST, INC	Annual testing/ maintenance	120.00
50680 09/26/2023	CHK	269	ANIXTER INC	Monthly invoices	1,900.92
50681 09/26/2023	CHK	279	IT1 SOURCE LLC	IPads for board members/ ADOBE subscript	3,670.81
50682 09/26/2023	CHK	304	STECKLINE COMMUNICATIONS INC	Advertismet	200.00
50683 09/26/2023	CHK	366	DIANA KUHLMAN	Clothing allowance	250.00
50684 09/26/2023	CHK	380	GRAINGER	Monthly invoices	471.61
50685 09/26/2023	CHK	383	HUXFORD POLE AND TIMBER CO INC	32 Class 2 SYP Poles	26,522.40
50686 09/26/2023	CHK	406	RICHARD MCLEON	Pioneer meeting/ KEC Budget meeting	521.35
50687 09/26/2023	CHK	417	SUNFLOWER ELECTRIC POWER COOP	Substation maintenance- Alexander	805.38
50688 09/26/2023	CHK	427	DIGHTON HERALD LLC	Buisness directory/ School page sponsor	402.00
50689 09/26/2023	CHK	450	RANDALL G EVANS	Board meeting	350.65
50690 09/26/2023	CHK	459	YESTERDAYS BODY SHOP	Replaced hood on truck #193	1,350.83
50691 09/26/2023	CHK	539	HRDL, INC.	Cloud based safety software subscription	2,507.40
50692 09/26/2023	CHK	552	HIGH POINT NETWORKS, LLC	Motherboard down	956.25
50693 09/26/2023	CHK	568	SUSAN NUSS	Board meeting	424.67
50694 09/26/2023	CHK	570	JAMES W JORDAN	Spetember Board Meeting	391.92
50695 09/26/2023	CHK	803	ALTEC INDUSTRIES, INC	Shock for opening bin truck #150	211.39
50696 09/26/2023	CHK	903	NISC	August 2023 print services	12,315.79

10/05/2023 10:33:00 AM

# Accounts Payable Check Register

Page 4

09/13/2023 To 10/05/2023

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
50697 09/26/2023	CHK	1215	POWER SYSTEM ENGINEERING, INC.	Flash study/ planning schedule	2,190.00
50698 09/26/2023	CHK	1248	COMPLIANCE ONE	Monthly invoice	404.50
50699 09/26/2023	CHK	1251	TECHLINE, LTD	Monthly invoices	22,843.46
50700 09/26/2023	CHK	1299	DEANNE DECHANT	Cookies for Sept. Board Meeting	72.00
50701 09/26/2023	CHK	1300	CRAIG RAMSEY	September Board Meeting	382.75
3129 09/27/2023	WIRE	1290	WEX BANK	Monthly fuel	197.45
3130 09/28/2023	WIRE	183	HIBU INC	Monthly advertisement	10.00
3126 09/29/2023	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly bottled water	154.08
50702 09/29/2023	CHK	1	DCF- LIEAP	Refund for retired accounts	687.70
50703 09/29/2023	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll transfer	57,500.00
50704 09/29/2023	CHK	40	KANSAS ELECTRIC COOPERATIVES	KCL subscriptions/ center/ cover	2,578.30
50705 09/29/2023	CHK	57	LOPP MOTORS, INC.	Adapter for truck # 193	168.75
50706 09/29/2023	CHK	73	STANION WHOLESALE ELEC CO INC	Monthly invoices	35,039.81
50707 09/29/2023	CHK	107	CINTAS CORPORATION #449	Monthly invoice	352.71
50708 09/29/2023	CHK	198	OTIS ELEVATOR COMPANY	Maintenance service 10/1-12/31/23	152.76
50709 09/29/2023	CHK	317	JOHN DEERE FINANCIAL	Part freight for locator	17.75
50710 09/29/2023	CHK	406	RICHARD MCLEON	NRECA Regional- NE	663.56
50711 09/29/2023	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Service contract for copier	58.43
50712 09/29/2023	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly gas	8.77
50713 09/29/2023	CHK	715	KATHERINE E LEWIS	Accountants Asso. Meeting- Wichita	275.10
50714 09/29/2023	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Monthly invoices	1,323.65
3133 10/01/2023	WIRE	530	SNAP-ON CREDIT LLC	Monthly software subscription	50.72
3134 10/02/2023	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly phone	1,038.50
3132 10/03/2023	WIRE	1187	MIDWEST ENERGY	Monthly gas	61.08

Total Payments for Bank Account - 2 : (102) 328,176.08

10/05/2023 10:33:00 AM

**Accounts Payable  
Check Register**

Page 5

09/13/2023 To 10/05/2023

**Bank Account: 2 - FIRST STATE BANK**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount	
					<b>Total Voids for Bank Account - 2 :</b>	(0) 0.00
					<b>Total for Bank Account - 2 :</b>	(102) 328,176.08
					<b>Grand Total for Payments :</b>	(102) 328,176.08
					<b>Grand Total for Voids :</b>	(0) 0.00
					<b>Grand Total :</b>	(102) 328,176.08



## **SUNFLOWER ELECTRIC POWER CORPORATION BOARD MEETING SUMMARY**

### **SEPTEMBER 20, 2023**

#### **Current Activities**

The Sunflower Electric Power Corp. Board of Directors appointed Corey Linville as senior vice president and chief operations officer of generation and power supply and Al Tamimi as senior vice president and chief operations officer of transmission, effective immediately. Corey and Al succeed Kyle Nelson, who will retire at the end of 2024 after 35 years at Sunflower.

#### **ACES**

Corey Linville introduced Matthew Sasaki, Sunflower's new ACES client relationship manager, based in Tucson, AZ. The Board received an overview of ACES, a nationwide energy management company that helps its clients buy, sell, and manage energy more efficiently with less risk. Headquartered in Carmel, IN, ACES is owned by one distribution cooperative and 23 G&Ts, one of which is Sunflower.

#### ***Interim Energy Committee Meetings in Topeka***

On Oct. 16-17 and Nov. 6, members of the Kansas House and Senate will meet with representatives from Kansas electric utilities to discuss transmission challenges and needs, along with generation resource planning. Sunflower staff will make presentations; Members are encouraged to attend.

#### **Operations**

Generation: Generation had a strong month, with HL1 operating at a 70.51% Net Capacity Factor. Gas-steam units continue to experience high numbers of run hours and start orders from SPP indicating the region is "running close to the edge." Year to date, gas steam units responded to 42 Reliability Unit Commitments (RUCs) compared to 18 RUCs in 2022. S2 and FD4 operated fewer than 200 hours last year; year to date, S2 operated more than 1,000 hours, and FD4 has operated more than 1,500 hours. Sunflower benefits financially from the increased operation of the gas-steam units, but the upsurge in operations will likely impact future maintenance.

Transmission: Crews completed three relatively minor storm restorations across the system including replacing five H-frame structures and two crossarms. Impacted lines included Fort Dodge-Ford, Fort Dodge-Crooked Creek, and Smith Center-Glen Elder.

Environmental: Sunflower environmental staff supported an air inspection and annual relative accuracy test audits (RATA) at HLS and completed internal environmental audits at GCS and CLS.

*This document is for the sole use of the intended recipients and contains confidential and privileged information. Any unauthorized review, copy, use, disclosure, or distribution is prohibited.*

### *Holcomb Coal Pile Expansion Project*

The Holcomb Station coal pile inactive inventory space is inadequate to effectively manage fuel inventory. Expanding the inactive pile area allows for larger coal deliveries, reducing the number of hours we offer the unit at a cost discount or premium. Burns & McDonnell completed design of the expanded storage area in August; the study shows an 89% cost increase for the project but still within a cost recovery period of 1-2 years. Staff recommended increasing the inactive storage area within the original design for fuel storage and within existing wastewater basins and operating permit. Construction will occur this fall and winter with an expected in-service date in early 2024.

**Board Action:** The Sunflower Board approved proceeding with expansion of the Holcomb Station coal pile inactive inventory space as presented.

### *Power Supply & Delivery*

A cryptocurrency mining company located in Victory's territory wants to add 45 MW at the North Fort Dodge Substation and 15 MW load at the Ford Substation. The 45 MW load would be supported by two mobile substations the cryptocurrency mining company was able to procure. The company wants Sunflower to consider additional rate incentives for the North Fort Dodge load in exchange for Sunflower assuming ownership of the two mobile substations at the end of the five-year electric service agreement. Assessments of the mobile substation's capabilities are being conducted. Sunflower will develop a business case for the mobile substations to determine whether we want to assume ownership.

**Board Action:** The Sunflower Board approved pursuing an additional rate incentive for the load at North Fort Dodge based on value derived from Sunflower's assuming ownership of mobile substations.

**Board Action:** The Sunflower Board approved a rate incentive for the increased load at the Ford Substation.

2024 wholesale tariff changes with a non-coincident peak (NCP) charge were reviewed. Staff recommended the Sunflower Board approve the WHM-24 Tariff for implementation on Jan. 1, 2024, and sending the 90-day notice letter to WKIEC.

**Board Action:** The Sunflower Board approved the WHM-24 tariff as presented.

**Board Action:** The Sunflower Board approved sending the 90-day notice to WKIEC.

### *Public Utility Regulatory Policies Act of 1978 (PURPA)*

#### *Five MW Purchase Obligation Exemption and PURPA Implementation Plan*

The PURPA requires Sunflower and our Members to interconnect qualifying facilities (QF), which are renewable generators of 80 MW or fewer, and purchase the output of the QF at the utility's avoided cost. Sunflower and all Members currently hold an exemption from the purchase obligation for QFs greater than 20 MWs. Previously, the Sunflower Board approved pursuing an exemption of the purchase obligation for QFs greater than five MWs, and Sunflower staff will be reaching out to Members for information. Erica Schmidt is Sunflower's point person for this project.

*This document is for the sole use of the intended recipients and contains confidential and privileged information. Any unauthorized review, copy, use, disclosure, or distribution is prohibited.*

Sunflower staff will also develop a PURPA Implementation Plan, which would assign the Members' purchase obligations to Sunflower under our avoided cost. The PURPA Implementation Plan will be brought to the Board for approval.

#### *New ERA Letter of Interest (LOI)*

Sunflower held a special Board meeting on Sept. 12 to finalize the LOI for New ERA funding opportunities. Sunflower staff and Members reviewed modeling for seven projects (including solar, retiring/replacing units, microgrids, wind, green hydrogen, and synchronous condensers) and combinations of those projects. The LOI was submitted on Sept. 14. A short list of applicants will be announced mid-October, after which time selected applicants will have 60 days to submit a final proposal.

### ***Transmission Planning & Policy***

#### *Generation Interconnection Lead Line Update*

SPP's current generator interconnection (GI) active queue inside the Sunflower zone consists of 26 projects totaling 4.3 GW. Total GIs in the Sunflower zone total 3,675 MW. By 2030, it is anticipated that Sunflower will have 9 GW of renewables in our territory. Renewable developers are facing challenges and would like Sunflower to assist, especially in building generator lead lines to connect to the grid. Possible solutions include ITC constructing and owning the lead line, Sunflower and ITC jointly owning the lead, and Sunflower owning the lead line.

#### *Winter Season Reserve Margin Requirements*

The Winter Season is defined as Dec. 1 through March 31. The current Winter Season obligation is a requirement of the tariff but does not have the same level of associated with the Summer Season Resource Adequacy Requirement (RAR) and does not require resources to be made available during the seasonal timeframe. A new Winter Season tariff revision RAR will be implemented beginning with the 2024/2024 Winter Season. The RAR will be equal to the LRE's Winter Season Net Peak Demand plus its Winter Season Net Peak Demand multiplied by the Planning Reserve Margin (PRM) of 15%. It will require the same data processes currently in place for the Summer Season RAR. Deficiency Payments for both the Summer Season and Winter Season RAR use the same calculation methods.

#### *Grain Belt HVDC*

Sunflower signed a Non-Disclosure Agreement (NDA) to discuss the use of the VARs produced by the DC Condenser for the HVDC line. Sunflower is exchanging data to see if problems on the eastern grid can be alleviated with this project.

#### *C2 Waiver*

On July 13, FERC reversed its C2 Waiver decision made in October 2022. In August, Sunflower requested a rehearing with FERC, and FERC did not respond within the specified time. Sunflower then filed an appeal to the DC Circuit Court. Sunflower continues to work with the SPP regarding the four Notices to Construct (NTCs) for which we are requesting monetary relief. On Sept. 18, the SPP Cost Allocation Working Group (CAWG) approved Sunflower's application for the four NTCs; next, the SPP Regional State Committee (RSC) will vote on the four NTCs. If approved by the RSC, SPP will file with FERC to include Sunflower's NTCs in the SPP tariff as regionally funded NTCs instead of Byway funded.

On Sept. 6, U.S. Senators Jerry Moran and Roger Marshall co-signed a letter to FERC Commissioners urging the Commission to reinstate its order accepting the SPP's tariff filing issued on Oct. 28, 2022. As stated in the letter, "SPP's filing created a process to resolve the unreasonable allocation of costs for transmission facilities in geographic portions of the SPP region that have experienced rapid expansion of new wind generation resources. ...The Commission's repeated rejection of the processes developed by SPP and its stakeholders to provide a mechanism for the cost of Byway facilities to be allocated regionally when they are demonstrated to benefit the entire region based on specific criteria leaves in place the unreasonable cost allocation for transmission facilities in the Sunflower Zone."

### ***Technology Services***

Attempted cybersecurity attacks aimed at Sunflower average 500 per day. On July 31 and Aug 1, Sunflower experienced more than 60,000 attempts and around 14,000 attempts/day in the subsequent days. The attempted attacks, most likely coordinated by robotics, were easily mitigated but kept Sunflower on higher alert than usual for a while.

Staff presented an update on the Technology Services Policy, which was developed in 2019. The policy includes a cyber security hotline for staff and instructions on handling suspicious activity. The original policy focused on ransomware infections, and the updated policy will define Sunflower's response to cyber security incidents, financial crime, and terrorism/sabotage attempts to compromise the system.

### ***Corporate Services***

Updates were made to Policy 111 Sick Leave.

**Board Action:** The Sunflower Board ratified the settlement agreement from the 2023 Wage Opener on August 17, 2023, between Sunflower and Local Union No. 304, International Brotherhood of Electrical Workers.

### ***Financial Services***

#### ***August Financials***

Overall Member loads were up 2.19% from budget for the month and down 2.11% from budget year to date. The August Member rate was \$18/MWh, favorable to budget; the year-to-date Member rate was \$14/MWh, favorable to budget. Large industrial loads were up 1.17% from budget for the month and up 0.12% from budget year to date. Year-to-date operating expenses were up 19.34% from budget for the month and down 4.89% from budget year to date.

#### ***2024-2026 Budget***

In August, staff presented the preliminary 2024-26 budget, which showed Member rate increases in 2024, 2025 and 2026. Staff emailed the Members to review and answer questions. The September presentation included a call for a Board resolution to ensure deductions are fully tax deductible (the same resolution approved the past three years).

**Board Action:** The Sunflower Board approved the income tax deduction resolution as presented.

*This document is for the sole use of the intended recipients and contains confidential and privileged information. Any unauthorized review, copy, use, disclosure, or distribution is prohibited.*

**Board Action:** The Sunflower Board approved the 2024 budget as presented.

**Board Action:** The Sunflower Board approved the addition of two names to signature cards as presented.



## Richard McLeon

---

**From:** Kansas Electric Cooperatives, Inc. <sread@kec.org>  
**Sent:** Friday, October 6, 2023 4:31 PM  
**To:** Richard McLeon  
**Subject:** October KEC Board of Trustees Meeting Summary

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged



# KEC Board Meeting Summary

*Oct. 5, 2023, at the Wichita Marriott*

**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

**KEC Continuing  
Legal Education  
(CLE) Seminar**  
Oct. 27, 2023  
KEPCo, Topeka

**2023 KEC District  
Meetings**  
Oct. 31, Cheney  
Nov. 1, Dodge City

## In official action, the KEC Board of Trustees

1. As recommended by the Budget and Operations Committee, approved the 2024 salary and benefits budget for KEC.
2. Approved the BT&Co Audit Agreement for 2024 as presented.
3. Approved the slate of KEC Board of Trustee meetings for 2024.
4. As recommended by the Policies and Bylaws Committee, approved a series of proposed changes to be forwarded for a membership vote to align KEC's Articles of Incorporation and Bylaws with its appropriate organizational purpose and tax status as a taxable cooperative.
5. As recommended by the Policies and Bylaws Committee, approved a KEC employee cellphone reimbursement policy.

## KEC Committee Meetings

President Teresa Miller appointed Kathy O'Brien, Nemaha-Marshall; Angie Erickson, Twin Valley; Terry Hobbs, Western; and Mike Brewer, Pioneer; to serve as the 2024 nominating committee. She appointed Jarod Chaffee, Bluestem, to the vacant District 2 operations position on the LCS&C Committee, and appointed Lindsay Campbell, Pioneer, to replace Steve Epperson on KEC committees.

Nov. 2, Hays  
Nov. 3, Topeka

**KEC Board Meeting**  
**December 6-7, 2023**  
Marriott, Wichita

**KEC Winter Conference**  
**Feb. 3-5, 2024**  
Cyrus Hotel, Topeka

**KEC Board Meeting**  
**March 13-14, 2024**  
Marriott, Wichita

**KEC Board Meeting**  
**May 1-2, 2024**  
Marriott, Wichita

**KEC Summer Meeting**  
**Aug. 3-5, 2024**  
Marriott, Overland Park

**KEC Board Meeting**  
**Oct. 2-3, 2024**  
Hilton Garden Inn, Salina

**KEC Board Meeting**  
**Dec. 4-5, 2024**  
Marriott, Wichita

## **Upcoming Touchstone Energy Meetings**

**Kansas Touchstone Energy Annual Meeting**  
**Nov. 7, 2023**  
Wheatland Office, Great Bend

**National Touchstone Energy Annual Meeting**  
**Nov. 29, 2023**  
Online

On Wednesday, Oct. 4, KEC standing committees met the day prior to the board meeting. The **Loss Control and Safety Committee** welcomed the new LCS&C employee Marc Champlin. The committee approved recommending the proposed 2024 departmental budget to the Budget & Operations Committee, discussed on-site regulatory compliance visits and RESAP observations, and reviewed department activities including the Safety Summit and Commitment to Zero program. The **Communications Committee** reviewed department activities including KEC's e-newsletter, monthly virtual learning opportunities, custom cover changes planned for *Kansas Country Living* magazine, the KEC Directory, and the creation of a new video library. The committee discussed the planned postal increases, and the rebidding process for the magazine printer in 2024. The committee approved recommending the proposed 2024 departmental budget to the Budget & Operations Committee. The **Policy and Bylaws Committee** reviewed and approved recommending to the board proposed changes to align KEC's Articles of Incorporation and Bylaws with its appropriate organizational purpose and tax status as a taxable cooperative. The committee also recommend for board consideration an employee handbook policy regarding cell phone reimbursement and reviewed a cyber security policy for inclusion in the handbook. The joint **Legislative and Regulatory and Tax Committees** had a special presentation by Rep. Leo Delperdang (R-Wichita) who serves as the Chair of the House Energy, Utilities, and Telecommunications Committee. He shared insights for the upcoming joint interim committee, as well as his energy vision for Kansas. After the presentation, the joint Committees heard updates on the KCRE golf event, the new KCC Commissioner, and the DG Working Group. The Legislative Committee had discussion on allocating costs for committee members to attend the NRECA Legislative Conference, and they approved recommending the proposed 2024 departmental budget to the Budget & Operations Committee. The joint committees also received updates on the SPP Tour and upcoming Co-ops Vote events.

On Thursday, Oct. 5, the **Executive Committee** met to review general association activities, including planned activities for the upcoming District Meetings, the 2024 Winter Conference, and options for the 2024 Summer Meeting.

## **KEC Board Meeting**

The **KEC Board of Trustees** heard committee reports covering: Loss Control, Safety, and Compliance; Communications; Legislative and Regulatory and Tax ; Policy and Bylaws; and Budget and Operations. The Board also heard a KCRE report, NRECA Board report, and an NRTC report.

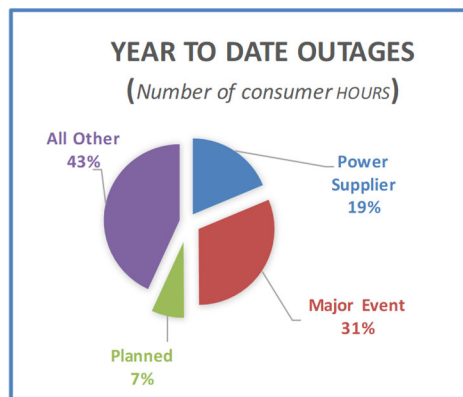
Unapproved  
KEC Meetings for 2024

Feb. 3-5, 2024	Cyrus Hotel/Townsite	Winter Conference
March 13-14, 2024	Marriott, Wichita	KEC Board Meeting
May 1-2, 2024	Marriott, Wichita	KEC Board Meeting
August 3-5, 2024	Marriott, Overland Park	KEC Summer Meeting
October 2-3, 2024	Hilton Garden Inn, Salina	KEC Board Meeting
December 4-5, 2024	Marriott, Wichita	KEC Board Meeting

## 9. General Manager's Report

### A. Rates and Reliability Dashboard

Rate Summary - Sep	current month (\$/kWh)	ytd average (\$/kWh)	ytd avg dist rev. /kWh	demand charge	monthly charge
Residential	0.1336	0.1355	0.066	-	28.00
Residential - Seasonal	0.2479	0.2507	0.181	-	28.00
Irrigation	0.0947	0.0942	0.024	hp charge	-
C&I 1000kVa or less	0.1196	0.1182	0.048	-	28.00
C&I over 1000 kVA	0.1014	0.1009	0.031	12.80-13.00	65-100
Public Street and Lighting	0.1623	0.1570	0.087	-	varies
Other Sales to Public Authorities	0.1515	0.1462	0.076	-	-
Sales for Resale - Other	0.0835	0.0704	0.001	2.80	150.00
average	0.1368	0.1341	0.0644		



Form 7 Part O.

		kWh	\$s
1 Residential Sales	2,224	2,080,140	277,992
2 Residential Seasonal	1,118	178,631	44,286
3 Irrigation Sales	337	751,374	71,176
4 C&I 1000 kVa or less	1,844	4,071,424	486,765
5 C&I over 1000 kVa	179	5,840,080	591,929
6 Public Street and Lighting	13	31,954	5,185
7 Other Sales to Public Authorities	48	31,680	4,801
8 Sales for Resale - RUS Borrowers	0	0	0
9 Sales for Resale - Other	1	870,668	72,713
	5,764	13,855,951	1,554,847

Sep-23	meters	kWh	\$\$s	ratio
Residential Sales	38.6%	15.0%	17.9%	1.19
Residential Seasonal	19.4%	1.3%	2.8%	2.21
Irrigation Sales	5.8%	5.4%	4.6%	0.84
C&I 1000 kVa or less	32.0%	29.4%	31.3%	1.07
C&I over 1000 kVa	3.1%	42.1%	38.1%	0.90
Public Street and Lighting	0.2%	0.2%	0.3%	1.45
Other Sales to Public Authorities	0.8%	0.2%	0.3%	1.35
Sales for Resale - RUS Borrowers	0.0%	0.0%	0.0%	
Sales for Resale - Other	0.0%	6.3%	4.7%	0.74

- Strategic Planning. Staff estimates that we have achieved a 50% completion rate on the 2023-2025 Strategic Plan.

2023-2025 Strategic Plan Updates			2023		
This Strategic Plan approved by the LSEC Board of Trustees February 6, 2023.			Feb	July	Oct
1	Demonstrate leadership in employee and public safety.		42	74	82
A	Continuously review options for safety improvement.	CT	52	75	83
	1 KEC On-Site Regulatory Report 2022		75	100	100
	2 KEC On-Site Regulatory Report 2023		0	25	50
	3 RESAP/Supervisor Self-Assessment 2022		80	100	100
B	Explore improved field communication technology.	CT	23	65	85
	1 Antennae installation at both towers.		82	99	100
	2 Sonic Walls installed.	CB	0	99	99
	3 Radios installed and training completed.		0	50	100
	4 Evaluate area coverage.		10	10	40
C	Develop improved record keeping.	CT	60	63	65
	1 SafetyAmp electronic safety inspection forms		65	69	75
	2 SDS Program - review and explore digital options	CB	75	80	80
	3 OSHA SHARP Program Recommendations		40	40	40
D	Safety Program Continuous Improvement	CT	33	65	65
	1 Safety Demo Trailer.	CT	40	95	95
	2 Evaluate process for data analytics review.		25	35	35
2	Identify, assess, and mitigate cyber security risks.		17	31	36
A	Research and implement cybersecurity mitigation strategies.	CB	19	67	79
	1 Domain/GIS Server Security upgrades		50	85	95
	2 Veeam Backup		95	100	100
	3 Domain Server Replacement Backup		0	90	100
	4 NRECA Cyber Goals Program		0	35	35
	5 MicroSoft Email Impersonations, Employee Email Account Reviews, and Security Permissions Reviewed		0	100	100
	6 Insight VM - Vulnerability Management Transition		0	100	100
	7 Federated Insurance Wire Transfer Procedure	RM	0	20	100
	8 Identity an Access Management (2-stage or DUO-type) system		5	5	5
B	Identify and make necessary investments in hardware, software, and facilities.	CB	30	35	35
C	Establish a cybersecurity training and awareness regimen for employees and members.	CB	20	35	45
D	Develop a comprehensive policy.	RM	10	15	15
E	Conduct an advanced audit.	CB	5	5	5
3	Evaluate advanced rate options for the future.		5	9	18
A	Analyze formulary rate structure.	RM	2	3	5
	1 Identify metric to use		4	5	10
	2 Identify level		0	0	0
B	Develop 3-part rate options.	RM	7	15	30
	1 Assure MDM system is gathering / collecting data.	NB	14	20	20
	2 Evaluate 2024 Sunflower bifurcated rate structure.	RM	0	10	40

4	Develop a comprehensive succession plan for the Board, CEO, and staff.		31	53	71
A	Develop job descriptions, education options for employees.	DK	16	55	77
	1 Review and update all employee job descriptions	RM	10	90	100
	2 Implement Leadership training for all supervisors	RM	0	15	100
	3 Implement Myers-Briggs and Emotional Intelligence training for all employees.	DK	0	100	100
	4 Consolidate all training records with HR	DK	0	100	100
	5 Substation Technician Apprenticeship program	CT	0	15	50
	6 Cooper Regulator Training Program	BM	0	0	20
	7 Lineman Apprenticeship Program	CT	65	75	100
	8 Staking Certification Program	DH	67	100	100
	9 SHRM HR Certification program	DK	0	0	25
B	Develop emergency, interim, and long-term plans for CEO and staff.	RM	58	60	60
	1 CEO Plan		100	100	100
	2 Staff Plan		15	20	20
C	Evaluate appropriate human resource needs for the cooperative.	RM	22	33	68
	1 Review and update all work flow processes for efficiency.	all	15	25	40
	2 Review employee benefits package and options	DK	10	15	80
	3 Review potential retirement impacts		40	60	85
D	Evaluate board nomination process, term options and election process as appropriate.	AMJ	30	65	78
	1 Implementation of electronic voting process	AMJ	20	95	100
	2 Board candidate application process	RM	70	100	100
	3 Research Board term options	RM	0	0	35
5	Enhance operational excellence by implementing appropriate technology options and processes.		12	35	45
A	Evaluate and implement processes for data analytics for decision	CB	21	53	73
	1 Mobile Radio Firewalls	CB	25	100	100
	2 Mosaic - GM Dashboard	CB	50	50	50
	3 AppSuite cause codes review	CB	100	100	100
	4 Work Management Suite	CB	5	50	98
	5 HR iVue Connect	CB	5	60	98
	6 AppSuite Document Vault	CB	5	25	40
	7 ASP Trustgrid	CB	5	10	15
	8 InTunes - MSoft mobile mgmt and device security	CB	0	0	95
	9 Employee review / evaluation program	DK	0	40	40
	10 Review data analytics/forecasting for Wage/Salary tables	DK	10	90	90
B	Analyze options for AMI utilization in the future.	DH	8	17	17
	1 Connecting primary fiber to most collectors.		0	0	0
	2 Establish an annual meter (%) exchange program.		0	10	10
	3 Utilizing our distributed automation system.		20	25	25
	4 Better synchronization between AMI and MDM.		20	40	40
	5 Replacing all collectors nearing life end.		0	10	10
C	Develop analysis and options around emerging technologies such as DER and Electric Vehicles.	RM	9	36	46
	1 Review Tariff for Line Extension gaps.	RM	15	80	100
	2 Analyze MDM system for ability to "mine" demand information.	NB	0	20	20
	3 Explore EV charging and DER installation options.	SB	10	20	35
	4 Explore Generac PowerCell technology and training	SB	10	25	30
Overall completion rate (%)			21	41	50

- ECA. A question came up about how we could sell more kilowatt-hours but collect less revenue. The answer is two-part. First, selling more kWh does increase our distribution revenue. Second, if wholesale power costs decrease more than our kWh sales increase, we will generally see TOTAL revenue collected decrease. The example below identifies the 2022 actual Residential monthly kWh usage and wholesale power cost (WPC). The average WPC figure is added to the distribution energy charge and these two equal the total energy charge.

The "Current" example reflects our tariff rate structure. "Expanded" breaks out the embedded charge and shows the ECA difference between the embed WPC and the 2022 av. WPC. The "No ECA" has the WPC at full cost. These all produce the same \$121.96 billing.

2022 Average monthly kWh usage:		912.4		
2022 Average Wholesale Power Cost:		0.069757		
Rate embedded base wholesale power:		0.06975		
<u>Current:</u>				
Customer Charge				28.00
Energy Charge	912.4 x	0.10297 =		93.95
ECA	912.4 x	0.000007 =		0.01
Total Billing:				121.96
<u>Expanded:</u>				
Customer Charge				28.00
Energy Charge	912.4 x	0.03322 =		30.31
Embedded WPC	912.4 x	0.069750 =		63.64
ECA	912.4 x	0.000007 =		0.01
Total Billing:				121.96
<u>No ECA:</u>				
Customer Charge				28.00
Energy Charge	912.4 x	0.03322 =		30.31
WPC	912.4 x	0.069757 =		63.65
Total Billing:				121.96
Increase				
kWH	5%	912.4 x	105% =	958.02
Decrease				
WPC	10%	0.069757 x	90% =	0.0627813
<u>No ECA:</u>				
Customer Charge				28.00
Energy Charge	958.02 x	0.03322 =		31.83
WPC	958.02 x	0.06278 =		60.15
Total Billing:				119.97

In the last scenario, kWh sales increased by 5% and WPC decreased by 10%. Here our distribution margin *increased* by \$0.52 (31.83-31.31) while our overall revenue *decreased* by \$1.99 (\$121.96-119.97). Our distribution revenues are in the Customer Charge and in the 32.3% of the Energy charge that is not WPC. Therefore, increased sales numbers do not always mean increases in total revenue.

**B. The Credit Card records are available for the Boards review.**

**C. Departments / Sections (full reports are in the Supplemental file)**

1) Accounting and Finance.

- Total YTD revenues are down \$2,571,621 (15.8%) from 2022 and the cost of purchased power is down \$2,2431,198 (23%). This reduces our distribution margin by \$140,423 from YTD Sep 2022. Controllable expenses are down \$496,964 (18.7%).
- YTD Operating margins are (236,276) while total Margins are \$154,081.
- Key Metrics are:
  - Cash Balance - \$7,059,517.
  - General Funds Level – 12.74%
  - Current Ratio – 1.92
  - Cash to Debt Ratio – 20.89%
  - Total debt is down \$2,707,577 (7.2%) from Sep 2022. This has raised our total equity (as a % of Assets) to 39.18%.

**D. Operations Report. (Kasey / Dal)**

1) Maintenance

Change out breakers at Aloysius Ohmes.

Cut down secondary for Lyne Goebel.

Retire connect for Carmin Schmidt Evely lease and Venture laydown yard north of Ness City.

Added fuses to side tap west of Shields elevator.

Rebuilt 3 phase connect for Munsell saltwater disposal.

Opened connect for Magellan pumping station to perform maintenance on their equipment.

Changed out bad crossarm in McCracken.

Changed out bad meter loop at K-2 Farms.

Trimmed trees at Frank Weisenberger's.

Built auto transformer station for Utica back feed project. Waiting on fence builders to complete their job before we can energize it.

2) Pole Change outs

Changed out 1, single phase pole on Cletus Flax tap.

Changed out 1, 3-phase junction pole in McCracken.

Changed out bad lift pole at Denny Schwin's.

Changed out 9, 3-phase poles on the Lane County Feeders line.

Changed out 1, 3 phase pole on the north 4-mile Rd circuit.

Framed the last 14 poles on the Ransom to Utica line. We will set these when we can back feed Utica.

3) New Connects. Built new single phase connect for Carrothers Construction in Ness City.

4) Other. Dal and Kevin assisted KEC with arcing demonstration at the State Fair.

**E. Engineering. (Dal, Ben, and Nate)**

1) Substations. Helped sunflower fix bad connections on the metering structure in the Manning substation.

2) Projects



- PSE WindMil model data collection: In process – Ongoing 90%
- Weskan grain facility Scott Co.: – Re-staked to West side of Taos rd. re-submitted RR Xing data and easements.
- 
- Meter inventory updates and re-programing: In Process – Ongoing 75%
- 2022 FEMA projects: COMPLETED
- 2022 pole testing replacements: In process 90%
- 2023 Pole testing data delivery: Est. start Oct 2023.
- SPCC plan: Completed
- Ness City Pool project: Temp connect built, waiting on scheduling window with boring contractor EST. late OCT 2023.
- CWP Utica Autotransformer station: Completed
- Replacement Gridstream collectors: We have received the installation files and should have units soon.

3) Communications / Member Services Report. (Ann Marie)

- Working on Trustee updated photos and biographies.
- Military Care package program underway.
- Fall Harvest Safety messages to Radio stations.
- Updated our website with an Update Your Contact Information webform so members can make updates online. I will then get an email and will change in IVue.

4) Retail Services / Warehouse Report. (Scott)

- Retail Non-operating margins = \$4,775.07 (Sep) and \$64,542.94 YTD.
- Generac. We installed two units in September and ordered another two.
- Electrician / HVAC services.
  - YTD – Electricians: \$89,280.06; HVAC: (\$24,737.12)
  - Electrician demand remains high, and Lane County Feeders continues to keep us busy.

Respectfully submitted,

Richard McLeon, MBA  
General Manager / CEO

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	BORROWER DESIGNATION KS0042
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	PERIOD ENDED September 2023
	BORROWER NAME The Lane-Scott Electric Cooperative, Inc.
INSTRUCTIONS - See help in the online application.	

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

CERTIFICATION	
We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.	
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.	
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII (check one of the following)	
<input type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.	<input type="checkbox"/> 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.
<div>_____</div> <div>_____</div> <div>DATE</div>	

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	16,242,181	13,670,559	17,042,616	1,731,445
2. Power Production Expense				
3. Cost of Purchased Power	10,563,163	8,131,965	10,732,239	980,543
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	641,232	738,918	804,285	97,290
7. Distribution Expense - Maintenance	899,237	839,101	1,047,843	94,522
8. Customer Accounts Expense	181,292	193,600	204,093	18,360
9. Customer Service and Informational Expense	44,093	51,768	47,223	7,931
10. Sales Expense	48,676	77,302	53,694	6,610
11. Administrative and General Expense	1,200,650	1,471,035	1,275,903	148,697
12. Total Operation & Maintenance Expense (2 thru 11)	13,578,343	11,503,689	14,165,280	1,353,953
13. Depreciation and Amortization Expense	1,408,146	1,460,823	1,622,556	163,927
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	957,818	915,812	938,844	103,279
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	206	4,075	261	437
19. Other Deductions	13,724	22,436	19,899	1,736
20. Total Cost of Electric Service (12 thru 19)	15,958,237	13,906,835	16,746,840	1,623,332
21. Patronage Capital & Operating Margins (1 minus 20)	283,944	(236,276)	295,776	108,113
22. Non Operating Margins - Interest	57,903	294,480	52,497	41,605
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	118,752	67,570	48,753	6,007
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	44,306	28,307	50,000	19,497
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	504,905	154,081	447,026	175,222

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  September 2023		
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	59	17	5. Miles Transmission		
2. Services Retired	52	36	6. Miles Distribution – Overhead	2,038.73	2,038.10
3. Total Services in Place	6,061	6,054	7. Miles Distribution - Underground	7.66	8.73
4. Idle Services (Exclude Seasonals)	268	290	8. Total Miles Energized (5 + 6 + 7)	2,046.39	2,046.83
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	61,745,969		30. Memberships	0	
2. Construction Work in Progress	1,600,949		31. Patronage Capital	23,794,200	
3. Total Utility Plant (1 + 2)	63,346,918		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	21,759,818		33. Operating Margins - Current Year	(236,276)	
5. Net Utility Plant (3 - 4)	41,587,100		34. Non-Operating Margins	1,862,125	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	275,996	
7. Investments in Subsidiary Companies	248,755		36. Total Margins & Equities (30 thru 35)	25,696,045	
8. Invest. in Assoc. Org. - Patronage Capital	12,284,966		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	31,329,256	
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)	4,078,304	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	558,744	
14. Total Other Property & Investments (6 thru 13)	13,206,641		43. Total Long-Term Debt (37 thru 41 - 42)	34,848,816	
15. Cash - General Funds	88,961		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	100		45. Accumulated Operating Provisions and Asset Retirement Obligations	0	
17. Special Deposits	25		46. Total Other Noncurrent Liabilities (44 + 45)	0	
18. Temporary Investments	6,970,431		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	1,064,665	
20. Accounts Receivable - Sales of Energy (Net)	1,517,582		49. Consumers Deposits	108,993	
21. Accounts Receivable - Other (Net)	252,425				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	2,248,807	
23. Materials and Supplies - Electric & Other	722,959		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	35,893		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	93,654		53. Other Current and Accrued Liabilities	1,616,128	
26. Total Current and Accrued Assets (15 thru 25)	9,682,030		54. Total Current & Accrued Liabilities (47 thru 53)	5,038,593	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	1,107,683		56. Other Deferred Credits	0	
29. Total Assets and Other Debits (5+14+26 thru 28)	65,583,454		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	65,583,454	

**10. a. Safety Presentation**

Veteran Linemen Chris Terhune (LSEC Safety Coordinator) and Leighon Ayers (LSEC Safety Council President) will give the Board a presentation on the Lane-Scott Electric Safety Program.

There are no on-line presentation materials available.

#### **10. b. Bank Board Resolutions**

The August 2023 Bank Board Resolutions omitted Carrie Borell from the signature cards at First National Bank of Dighton and First State Bank of Healy. These resolutions remedy that oversight.

## **SAFETY PROGRAM**

### **SAFETY PROJECTS COMPLETED** AS OF September 2023

- Rubber gloves changed out.
- Kevin and Dal conducted demos at Kansas State Fair.
- Ben, Myron, Chris attended KEC Safety Summit.
- KEC Commitment to Zero 2.0 completed.
- Ann Jennings's submitted report:
  - KCL Magazine: Dellon Shelton receives his Merchant Job Training Certificate.
  - Social Media: Storm Preparedness Month, Farm Safety and Health Week-fall harvest, Storm Ready -weather radios.
  - Website: Make Time for Safety-fall harvest.
- Diana Kuhlman submitted reports:
  - KEC Loss Control, Safety and Compliance System Monthly Statistical Report.
  - Compliance One drug and alcohol monthly roster report.
- In house safety meeting: Tabletop exercise of what to do in case of oil spill in Alexander Substation.

### **SAFETY PROJECTS IN PROGRESS** AS OF September 2023

1. SDS Program products updates and documentation improvements.
2. SafetyAmp software inspection form templates being tested.
3. FCC radios are installed and testing for dead zones will begin in future months.
4. Demo trailer hardware in process of being installed. Transformer sent to Solomon Corp. for repair. Calling and emailing for updates weekly. Should receive soon.
5. RESAP Onsite Observation
  - Nate Burns completed arc flash study.
  - Nate Burns Completed SPCC tabletop exercise.
  - Circuits are being identified.
  - The switching procedure for Twin Springs Sub. is in progress.
  - URD cables being identified and labeled.
  - Pad mount and switch cabinet signage in progress of being updated.
  - Written Traffic Control Plan in Process.
  - Working on completing a legal document for James Bergen to sign for legal responsibility for grain bin by overhead power lines. Signage will be added to grain bin to designate "NON-LOADING SIDE" of grain bin.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SAFETY MEETING

September 19th, 2023

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

**Minutes were read:** Dal Hawkinson made a motion to approve the July 12th minutes and Leighton Ayers seconded. Minutes were read and approved as printed.

**Present:** Ben Mann, Dal Hawkinson, Chad Rupp, Chris Terhune, Myron Seib, Kevin Bradstreet, Leighton Ayers, Blake McVicker, Taylor Cable, Nate Burns, Scott Briand, Micheal Pollock, Carrie Borell, Ann Marie Jennings, Diana Kuhlman, Katie Riffle, and Jocelyn Walker

**Absent:** Richard McLeon, Kasey Jenkinson, Dellon Shelton, Kalo Mann, Mark McCulloch, Kathy Lewis

**Guest:** None

**Truck report of inspections:**

105	Taylor Cable	OK
110	Blake McVicker	OK
112	Leighton Ayers	OK
117	Chris Terhune	OK
123	Micheal Pollock	OK
132	Taylor Cable	OK
135	Nate Burns	OK
136	Kevin Bradstreet	OK
143	Scott Briand	OK
144	Micheal Pollock	OK
145	Chris Terhune	OK
150	Kasey Jenkinson	OK
173	Chad Rupp	OK
191	Michael Pollock	OK
193	Myron Seib	OK
200	Ben Mann	OK
201	Dal Hawkinson	OK
304	Myron Seib	OK
305	Myron Seib	OK

**Trailer and Equipment report of inspections:**

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

**Warehouse, building, and pole yard inspections:**

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

Pole Yard & Transformer Dock  
Office

Scott Briand      OK  
Diana Kuhlman      OK

**Personal Tools:** All Passed

**Gloves Monthly Test Results:** All Passed

**Line Hoses Annual Test Results:** N/A

**Sleeves Quarterly Test Results:** N/A

**Substation and Regulator Report:**

- ♦ Ben Mann: Big batteries are changed out in Beeler Substation. Hotspots have been fixed on C.T.'s in Manning Substation. Ness 115 Substation breaker is fixed. Will be sending old reclosures from Alexander substation to Solomon Corp. for scrap. Waiting on cooler temps for Ness Substation for repairs.
- ♦ **PCB Report:** None to Report

**Line Clearance:** Utica, Tatum Lee Hahn residence, K-2 farms, Brad Kerr.

**Accident and Near Misses:** While installing propane line at Jaque Streve's residence the trencher hit a water line. Water line was repaired.

**Old Business:**

- ♦ Chris Terhune: Still waiting for transformers to return from being reworked at Solomon Corp.

**New Business:**

- ♦ Nate Burns: Discussed SPCC Plan and a scenario of what to do in the event of a hole in the Alexander Substation Transformer, concerns and ideas were discussed, if any doubt contact Shane Mcfarrin at Hazmat Response Inc. for there assistance in cleaning up a large spill.
- ♦ Nate Burns: Discussed the Arc Flash study and how we can change switch curves to maintain our clothing calorie. At this time our clothing will remain at a category of level 2.
- ♦ Nate Burns: 115 K.V. line that is owned by Midwest Energy will be rebuilt from Heizer to Ness City. The renewal of the SPCC plan has spurred this along. Nate is working with Engineers from Midwest online design.
- ♦ Carrie Borell: Working on Microsoft InTunes, working on KnowBe4 training for email security and integrating with Office 365, it will help catch malicious emails. Everyone should use Phish Alert as much as possible on unknown emails.
- ♦ Ann Marie Jennings: Promoting in October power Outages through SmartHub member application by texts or emails.
- ♦ Rebecca Campbell: Working through work management.
- ♦ Diana Kuhlman: One on One phone calls with Bruce Tulgan will begin at the end of the month. Electronic evaluations are done. Rainmaker lesson 16-25 are underway and do by the end of the month.
- ♦ Ben Mann: Discussed Wheatland having trouble with Solomon regulator rebuilds.
- ♦ Myron Seib: Cement work is completed at Ness City Warehouse on approach and floor in shop. Extra dirt being hauled to Utica Autotransformer pad.
- ♦ Dal Hawkinson: Construction Work Plan is being developed, please share your thoughts on system improvements by the end of the month for budget.
- ♦ Chris Terhune: Commit to Zero 2.0 was discussed. Proper use of rubber coverup and amount was discussed, changes to safety manual was presented to Safety Council Members for review. KEC state us in the top percent in state for safety work practices.
- ♦ Chris Terhune: Fire and Tornado Drill were conducted; discussion was held for suggestions and improvements.

Meeting adjourned.

---

Chris Terhune  
Safety Coordinator

---

Carrie Borell  
Safety Administrator