



To: **Board of Trustees and Attorney**

A meeting of the Board of Trustees has been scheduled for November 27, 2023, 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. Financial Forecast and 2024 Budget
 - b. Capital Credit Estate Retirement
 - c. IRS Form 990
 - d. 2024 Scholarships
 - e. Christmas Bonus
11. Safety Program Report
12. Executive Session (is requested)
13. Adjourn

Upcoming Events:

KEC Board Meeting	Wichita	Dec. 6-7
Sunflower Board Meeting	KC, MO	Dec 14-15
LSEC Board of Trustees meeting	Dighton	Dec. 18
Office Closed Christmas		Dec. 25

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**MINUTES OF THE REGULAR OCTOBER 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, October 23, 2023, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. Vice-President Craig Ramsey called the meeting to order at 6:58 p.m. In addition to Vice-President Craig Ramsey, the other trustees in attendance were: Rad Roehl, Harold Hoss, Randy Evans, Susan Nuss, Chad Griffith and James Jordan. Also present Richard McLeon IV, Chris Terhune, Leighton Ayers and Joseph D. Gasper, Attorney. Eric Doll and Richard Jennison were absent.

SAFETY PROGRAM

Chris Terhune, safety coordinator and Leighton Ayers, safety council president presented an update on the Safety Program. Highlights of the presentation are as follows:

- The safety council regularly reviews OSHA, KEC and Federated advisories for discussion as well as reviewing any accidents.
- The council discusses policy recommendations or amendments, and any suggested changes are discussed with Manager McLeon. Any change proposals can then be presented to the board of trustees for action.
- Lane-Scott participates in the commitment to zero 2.0 program through KEC. This program reviews procedures and discussions with safety and procedures with the linemen.
- The demo trailer is close to being completed. The transformer is at Solomon waiting to be modified. Once the transformer is back the trailer should be ready.
- The linemen would like new blankets that are a different style to allow for more efficiency and safety. This request will likely be included in a future budget.
- The cover up policy has been reviewed and discussed and will not have any recommendations to change the policy.
- There are upcoming demonstrations in Dighton and Ness City for first responders. These meetings are held in the evenings to allow for more attendance. Vice-President Ramsey requested that pad mount transformers be discussed at these demonstrations.
- A safety demonstration was held at the Farm Bureau Day in Dighton.

- The linemen body harnesses will need to be replaced in the future and will be included in a future budget.
- The emergency action plan is being further developed at this time.
- The transition to digital forms has been implemented and kinks are being worked out.

Chris and Leighton left the meeting after their presentation.

MINUTES OF PRIOR MEETING

Vice-President Ramsey called for action on the corrected minutes of the prior meeting held on August 7, 2023. *A motion to approve the corrected minutes was made, duly seconded and carried.*

Vice-President Ramsey called for action on the minutes of the prior meeting held on September 25, 2023. *A motion to approve the minutes as printed was made, duly seconded and carried.*

CASH DISBURSEMENTS

Vice-President Ramsey called for questions regarding the check list for the month.

There were no questions regarding the checks.

PRESIDENT'S REPORT

There were no current items to report.

ATTORNEY'S REPORT

Attorney Gasper had no current items to report.

REPORT OF SUNFLOWER DELEGATE

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

Manager McLeon added the following to the Sunflower Report:

- With more solar and wind online there have been more calls on the natural gas units. 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.

- The coal pile expansion is expected to have an 89% cost increase from the original proposal. This is still a cost recovery of 1-2 years and the board approved moving forward with the coal pile expansion.
- The PURPA requires Sunflower and its 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.
- SPP estimates that by 2030 there will be 9 GW of renewables in Sunflower territory. There will be many changes coming with regards to dispatchable energy with this increase in renewables.
- A new Winter Season tariff revision RAR will be implemented beginning with
- the 2023/2024 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.

KEC REPORT

Craig Ramsey, KEC representative, reported the following items:

- The district meeting will be November 2, in Hays.
- Leslie Kaufman gave a presentation on board fiduciary duties that was very good information.

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 13.68 cents.
- The year-to-date outage statistics remain 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 70% of revenue. A chart showing the revenue and usage by rate class from the Form 7 was included in the packet.
- A review of the Strategic Plan was discussed:
 - Radios have been installed and the training is complete. The evaluation of coverage area is being done and identification of problem areas and towers to address the coverage are being analyzed. Trustee Nuss added that KDOT has towers that LSEC may be able to utilize.
 - Leadership has progressed by about 8% to 82% complete.
 - Cybersecurity is 36% complete. The wiring transfer procedure is in place which requires Richard's approval on each wire transfer. The advanced audit is expected to be conducted next year.
 - The rate evaluation is 18% complete. This is expected to be worked on in the upcoming year.
 - Succession planning is 77% complete. All job descriptions have been updated. Employee training continues along with the Rain Maker training.
 - Technology changes continue to be made. The IPAD documentation is working well. Digitalization of purchase orders is being analyzed.
 - Overall, the strategic plan is 50% complete.
- Manager McLeon reviewed the ECA discussion on how increased sales could result in lower revenue. The answer is two-part. First, selling more kWh does increase LSEC distribution revenue. Second, if wholesale power costs decrease more than kWh sales increase, LSEC will generally see TOTAL revenue collected decrease. An example showing the numbers was included in the packet and discussed with the board.
- Manager McLeon drives part of the system with Kasey monthly to discuss the system and various other issues.
- Ben has taken over staking issues while Dal is performing more operations manager activities.
- 2022 FEMA projects are complete.
- 90% of the rejected poles have been replaced.
- Pole testing should begin in November.
- The Ness City Pool project will have underground line bored.
- The Utica auto transformer has been completed.
- Work continues to identify back feed options on the system.
- The military care package program is underway.
- The fall harvest safety messages are playing on the radio.
- The retail non-operating margins were \$4,775.07 for September and \$64,542.94 YTD.
- Two Generac units were installed and two more were ordered.
- The YTD margins were \$89,280.06 for the electricians and a loss of \$24,737.12 for HVAC.

- A follow up question on the pole change out in Ness City was raised. Manager McLeon answered that contractors were unavailable for a reasonable cost so the linemen were likely to do the change outs.
- Manager McLeon and Sunflower have met with the City of Dighton for discussions on the wholesale power contract. They will meet again in November for further discussion.

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. FIRST NATIONAL BANK OF DIGHTON

- *A motion to approve the resolution naming Richard A. McLeon IV, Katherine E. Lewis, Carrie Borell, 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.*

2. FIRST STATE BANK OF HEALY

- *A motion to approve the resolution naming Richard A. McLeon IV, Katherine E. Lewis, Carrie Borell, 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.*

EXECUTIVE SESSION

A motion to enter executive session to discuss personnel matters was made, duly seconded and carried at 9:17 p.m. The board came out of executive session at 9:34 p.m.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 9:34 p.m., on Monday, October 23, 2023.

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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
3139 10/06/2023	WIRE	468	U.S. BANK	Monthly invoice	18,978.70
3155 10/06/2023	WIRE	1224	NRECA RETIREMENT & SECURITY	Group Insurance	56,550.85
3156 10/06/2023	WIRE	62	NRECA GROUP BENEFITS TRUST	October Group Insurance	2,909.79
3157 10/06/2023	WIRE	180	NRECA	Admin Fee- October Group Ins	249.38
50726 10/09/2023	CHK	5	CHOLLA PRODUCTION LLC	Check Rewrite	320.75
50727 10/09/2023	CHK	5	LABAN MOON	Check Rewrite	8.57
50728 10/09/2023	CHK	5	ROYCE ROEMER	Check Rewrite	139.20
50729 10/09/2023	CHK	5	GINA TYLER	Check Rewrite	19.05
50730 10/09/2023	CHK	5	JAMES KREHBIEL	Check Rewrite	48.59
50731 10/09/2023	CHK	5	LAWRENCE KREHBIEL	Check Rewrite	48.60
50732 10/09/2023	CHK	5	RICK L KREHBIEL	Check Rewrite	48.60
50733 10/09/2023	CHK	5	RANDY ROEMER	Check Rewrite	1,269.71
50734 10/09/2023	CHK	5	RICK ROEMER	Check Rewrite	139.21
50735 10/09/2023	CHK	5	ROGER ROEMER	Check Rewrite	139.21
50736 10/09/2023	CHK	5	PAMELA S SCHNUELLE	Check Rewrite	48.60
3138 10/10/2023	WIRE	168	ONLINE INFORMATION SERVICES, INC	Utility exchange, Skip trace, report	101.02
3140 10/10/2023	WIRE	1267	AFLAC	Monthly invoice	1,072.78
3141 10/10/2023	WIRE	18	CITY OF DIGHTON	Monthly invoice	2,201.56
3142 10/11/2023	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly phone and internet	869.75
3151 10/11/2023	WIRE	265	HASLER - POSTAGE ACH	Monthly invoice postage	250.00
3143 10/12/2023	WIRE	124	GOLDEN BELT TELEPHONE	Monthly phone and internet	303.86
50737 10/16/2023	CHK	1	NC BBQ	Donation for Fall Fest	50.00
50738 10/16/2023	CHK	20	BASIN ELECTRIC POWER COOP	Monitoring fees for Sept 2023	2,126.49
50739 10/16/2023	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll transfer	58,500.00
50740 10/16/2023	CHK	40	KANSAS ELECTRIC COOPERATIVES	KEC/ LCS dues	7,616.07
50741 10/16/2023	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly invoices	516.97

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
50742 10/16/2023	CHK	104	HOME OIL CO	Monthly invoice	743.36
50743 10/16/2023	CHK	105	CITY OF NESS CITY	Franchise Fee	6,157.97
50744 10/16/2023	CHK	107	CINTAS CORPORATION #449	Monthly invoice	80.58
50745 10/16/2023	CHK	135	CITY OF BAZINE	Franchise Fee	1,985.75
50746 10/16/2023	CHK	151	KNIGHTS OF COLUMBUS	Tootsie Roll Drive	100.00
50747 10/16/2023	CHK	220	LANDIS+GYR TECHNOLOGY, INC	Monthly flat fee- Sept	922.61
50748 10/16/2023	CHK	238	ILLINOIS MUTUAL	Monthly ins policy	153.20
50749 10/16/2023	CHK	242	KINNEY GLASS INC	Window in garage door replaced	401.45
50750 10/16/2023	CHK	272	LEWIS AUTOMOTIVE GROUP INC	parts for trucks 117 & 193	2,252.45
50751 10/16/2023	CHK	304	STECKLINE COMMUNICATIONS INC	Monthly invoice advertising	200.00
50752 10/16/2023	CHK	306	BORDER STATES INDUSTRIES INC	Monthly invoice	5,110.79
50753 10/16/2023	CHK	359	WEBBER-GROSS WELDING, LLC	Brake work on truck 193	715.92
50754 10/16/2023	CHK	380	GRAINGER	Stretch wrap cast	30.08
50755 10/16/2023	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly invoice	61.28
50756 10/16/2023	CHK	406	RICHARD MCLEON	KEC board meeting- Wichita	272.50
50757 10/16/2023	CHK	427	DIGHTON HERALD LLC	Advertising	80.00
50758 10/16/2023	CHK	469	BOJACK ROUSTABOUT, LLC	Rock for Work Order 5792	1,975.31
50759 10/16/2023	CHK	493	SCOTT CITY ACE HARDWARE	Monthly invoice- equ. to wash trucks	58.82
50760 10/16/2023	CHK	554	KELLER ELECTRIC LLC	Monthly invoice	518.00
50761 10/16/2023	CHK	574	HESS SERVICES	Concrete for yard approch in Ness	2,705.99
50762 10/16/2023	CHK	773	BRETZ, INC.	Monthly invoice	1,073.98
50763 10/16/2023	CHK	790	SUNBELT SOLOMON	Monthly invoice	101,279.33
50764 10/16/2023	CHK	903	NISC	August 2023 MISC	24,457.15
50765 10/16/2023	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate fee	50.40
50766 10/16/2023	CHK	1215	POWER SYSTEM ENGINEERING, INC.	Invoice # 9049667 & 9049668	6,952.50
50767 10/16/2023	CHK	1228	BENJAMIN L MANN	Cooper Regulator Training	288.00

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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
50768 10/16/2023	CHK	1248	COMPLIANCE ONE	Monthly charge- Sept 1	394.80
50769 10/16/2023	CHK	1251	TECHLINE, LTD	Monthly invoices	5,897.83
50770 10/16/2023	CHK	1285	TIFCO INDUSTRIES	Monthly invoice	198.84
50771 10/16/2023	CHK	1293	DAL HAWKINSON	Cooper Regulator Training	288.00
50772 10/16/2023	CHK	1303	LANE COUNTY IMPLEMENT, INC	Monthly invoice	145.36
50773 10/16/2023	CHK	9999	JOHN JOHNSTON	INACTIVE REFUND	137.75
50774 10/16/2023	CHK	9999	DONNA L MICHEL	INACTIVE REFUND	226.87
50775 10/16/2023	CHK	9999	SCOTT MAYS	INACTIVE REFUND	15.50
3144 10/18/2023	WIRE	1229	SCHABEN SANITATION	Monthly invoice	673.73
3146 10/24/2023	WIRE	101	ATMOS ENERGY	Monthly natural gas invoice	91.36
3152 10/25/2023	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales tax October	22,850.93
50776 10/25/2023	CHK	5	LYNN L CONINE	Check Rewrite	37.26
50777 10/25/2023	CHK	5	PEGGY D CONINE	Check Rewrite	37.26
50778 10/25/2023	CHK	5	JANIS CONINE ESTATE	Check Rewrite	37.26
50779 10/25/2023	CHK	5	BARBARA SLAGLE	Check Rewrite	37.26
3147 10/26/2023	WIRE	1290	WEX BANK	Monthly fuel invoice	315.69
50780 10/26/2023	CHK	1	DIGHTON HIGH SCHOOL	Yearbook Ad	110.00
50781 10/26/2023	CHK	30	HAROLD HOSS	October Board Meeting	389.30
50782 10/26/2023	CHK	79	POSTMASTER	Postage- Newsletters	119.56
50783 10/26/2023	CHK	105	CITY OF NESS CITY	Monthly invoice	46.89
50784 10/26/2023	CHK	117	NESS CITY FARM & FEED	Monthly invoice	363.06
50785 10/26/2023	CHK	122	MYRON SEIB	Headlight for truck #193	456.00
50786 10/26/2023	CHK	160	SHULL OIL COMPANY	Monthly fuel	9,302.72
50787 10/26/2023	CHK	172	TYNDALE COMPANY, INC.	Dellon- clothing allowance	939.17
50788 10/26/2023	CHK	179	RAD ROEHL	October Board Meeting	361.79
50789 10/26/2023	CHK	202	CHAD GRIFFITH	October Board Meeting	399.13

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
50790 10/26/2023	CHK	218	SPENCER PEST CONTROL	Structural and rodent control	110.67
50791 10/26/2023	CHK	226	KANSAS CORPORATION COMMISSION	Quarterly Assessment	247.79
50792 10/26/2023	CHK	311	ELDRIDGE FENCING INC	Utica Autotransformer Job	8,501.90
50793 10/26/2023	CHK	359	WEBBER-GROSS WELDING, LLC	Ness 115 Sub Station	22.71
50794 10/26/2023	CHK	387	WESTERN FUEL & SUPPLY	Pallet of water and monthly fuel	1,370.57
50795 10/26/2023	CHK	417	SUNFLOWER ELECTRIC POWER COOP	Sub station maintenance	514.40
50796 10/26/2023	CHK	450	RANDALL G EVANS	October Board Meeting	350.66
50797 10/26/2023	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly gas invoice	6.52
50798 10/26/2023	CHK	552	HIGH POINT NETWORKS, LLC	Windows defender/ Intune implem softwear	7,750.00
50799 10/26/2023	CHK	563	JOCELYN WALKER	Clothing Allowance	176.38
50800 10/26/2023	CHK	568	SUSAN NUSS	October Board Meeting	424.67
50801 10/26/2023	CHK	570	JAMES W JORDAN	October Board Meeting	391.92
50802 10/26/2023	CHK	575	AMERINE UTILITIES CONSTRUCTION I	Boring for two projects	13,286.43
50803 10/26/2023	CHK	576	NESS COUNTY REGISTER OF DEEDS	Easement filing	80.00
50804 10/26/2023	CHK	903	NISC	Monthly invoice	13,111.67
50805 10/26/2023	CHK	1225	CINTAS CORPORATION	Monthly invoice- first aid cabinet	255.58
50806 10/26/2023	CHK	1299	DEANNE DECHANT	Cookies for October Board Meeting	72.00
50807 10/26/2023	CHK	1300	CRAIG RAMSEY	October Board Meeting	1,644.45
3145 10/27/2023	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly drinking water	143.77
3149 10/30/2023	WIRE	183	HIBU INC	Monthly invoice advertisment	10.00
3148 10/31/2023	WIRE	1187	MIDWEST ENERGY	Monthly gas invoice	60.32
3150 10/31/2023	WIRE	225	KANSAS STATE TREASURER	2022 unclaimed property	515.47
50809 10/31/2023	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll transfer	64,500.00
50810 10/31/2023	CHK	40	KANSAS ELECTRIC COOPERATIVES	KCL subscriptions	2,730.00
50811 10/31/2023	CHK	107	CINTAS CORPORATION #449	Monthly invoice	404.03
50812 10/31/2023	CHK	220	LANDIS+GYR TECHNOLOGY, INC	Monthly flat fee- Oct 2023	922.61

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
50813 10/31/2023	CHK	279	IT1 SOURCE LLC	Adobe Market place auto renew	2,655.04
50814 10/31/2023	CHK	361	ANN M JENNINGS	Candy for trunk or treat	99.94
50815 10/31/2023	CHK	406	RICHARD MCLEON	SEPC Board meeting	111.25
50816 10/31/2023	CHK	498	BLAKE MCVICKER	Clothing Allowence	789.29
50817 10/31/2023	CHK	503	RWW RESTORATION LLC	Hot sticks	1,437.15
50818 10/31/2023	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Printer contract	65.40
50819 10/31/2023	CHK	563	JOCELYN WALKER	Candy for trunk or treat	60.61
50820 10/31/2023	CHK	1225	CINTAS CORPORATION	Monthly invoice- first aid cabinets	228.64
3154 11/01/2023	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly phone invoice	1,038.64
50808 11/01/2023	CHK	392	TRUCK CENTER COMPANIES	Parts and Repairs on Truck #150	8,563.73
3153 11/02/2023	WIRE	530	SNAP-ON CREDIT LLC	Softwear subscription	50.72
Total Payments for Bank Account - 2 :					(115) 489,732.98
Total Voids for Bank Account - 2 :					(0) 0.00
Total for Bank Account - 2 :					(115) 489,732.98
Grand Total for Payments :					(115) 489,732.98
Grand Total for Voids :					(0) 0.00
Grand Total :					(115) 489,732.98



... energy done right

SUNFLOWER ELECTRIC POWER CORPORATION BOARD MEETING SUMMARY OCTOBER 18, 2023

The Board seated Mike Brewer as a director and Jeff Moyer as alternate director for Pioneer Electric Cooperative.

CURRENT ACTIVITIES

Interim Energy and Utilities Meetings

On Oct. 16–17, members of the Kansas House and Senate met with representatives from Kansas electric utilities to discuss transmission challenges and needs, along with generation resource planning. Al Tamimi spoke about transmission line builds, infrastructure, and cost allocation. Corey Linville joined a panel discussion focused on resource adequacy. Sunflower's primary concerns are that our Members' members are unfairly cost burdened when we export renewable energy to those who need it outside of our zone and renewable energy is being added at a pace faster than traditional resource retirements are occurring, which causes grid reliability challenges. Sunflower's concerns are in concert with the concern of the other utilities. The committee members asked good questions and were appreciative of the information shared by utilities.

Sunflower Strategy Retreat

The next Sunflower strategy retreat is scheduled for Nov. 8–9 in Great Bend at Wheatland's office. The retreat will begin at 1 p.m. on Nov. 8 and conclude after lunch on Nov. 9. The agenda will include a look back; look forward (what will Sunflower look like in 10 years); and the impact on Sunflower's service offering, cost structure, and communications.

November Sunflower Board Meeting

The original date for the November Sunflower Board meeting conflicts with another meeting Sunflower Members need to attend.

Board action: The Sunflower Board approved rescheduling the November Board meeting to the morning of Nov. 8 in Great Bend.

Sunflower EV Market Forecast

1898 & Co. presented an update on the adoption of electric vehicles (EVs) in central and western Kansas. The previous study conducted by 1898 analyzed each zip code in the service territory of Sunflower and Midwest Energy, and the current study separated the Sunflower zip codes from Midwest Energy zip codes. The update focused on where and when EV adoption is likely to occur, how to accommodate demand from increased adoption, and the potential energy requirements and demand.

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PRESIDENT'S REPORT

Generation, Power Supply, and Market Affairs

S2 began a planned maintenance outage and will undergo the first turbine open-clean-close inspection since the early 1980s; FD4 experienced a tube leak in the superheater outlet, which required a forced outage to repair; the gas-fired steam units experienced 45 Reliability Unit Commitments (RUCs) from early May through early October; and BNSF experienced a train derailment just north of Pueblo which damaged track and a bridge (train delivery schedules haven't been impacted as BNSF is able to bypass the damaged area).

Sunflower has a 200 MW energy block to cover the spring Holcomb outage. ACES evaluated adding additional hedge products, but the evaluated products did not have good performance metrics.

Project Updates:

- **Russell Solar Project:**
The EPC has been executed, and engineering and material procurement is underway. Construction is expected to start in early 2024 with the facility coming online at end of 2024.
- **Fort Dodge Solar Project:**
Staff are finalizing the Power Purchase Agreement (PPA) and developing a Project Coordination Agreement that will replace the Shared Facilities Agreement. The permit application will be submitted to Ford County in late October.
- **FD4 Synchronous Condenser:** The project remains on track to achieve commercial operation by June 1, 2025.

High Load Factor Rider Request

A commercial entity in Prairie Land's service territory is expanding its load by approximately 13.5 MW and requested to take service under the High Load Factor (HLF) Rider and Economic Development (EcoDevo) Rider simultaneously.

Board action: The Sunflower Board approved service for the requesting entity under the HLF Rider and EcoDevo Rider simultaneously.

Transmission Planning and Policy

2025 Integrated Transmission Planning (ITP)

In addition to standard reliability Notices to Construct (NTC), the Southwest Power Pool (SPP) is considering adding three scenarios when evaluating the need for future NTCs: extreme weather conditions, extreme winter conditions, and expedited load growth.

SPP Transmission Planning for Load Growth

The SPP Transmission Working Group (TWG) is studying delivery point modifications to determine whether to add or modify delivery points. The host transmission owner will determine load connection facilities, and SPP will determine network upgrades needed for transmission customers to serve the

load with their network resources. Sunflower staff will work with the TWG to review the Attachment AQ process and make necessary recommendations.

Resource Adequacy

The 2023 summer peak load was 5.5% higher than the previous 2022 peak, and the 2022/23 winter peak was 8% higher than the previous winter peak. These trends, as well as Storm Uri in 2021, led SPP to develop 14 resource adequacy targets, four of which are expected to be implemented by year's end.

Accreditation of Renewable Resources

Effective Load Carrying Capability (ELCC), the amount of incremental load a resource can dependably and reliably serve during peak hours, will be used to assign accreditation values to wind, solar, and energy storage. The ELCC has a two-tiered structure: Tier 1, firm transmission service, and Tier 2, non-firm transmission service. Performance Based Accreditation (PBA) and ELCC will be implemented in 2023 and performed every year for winter and summer seasons. FERC rejected the ELCC, and SPP is working with members to refile the ELCC with FERC.

SPP Holistic Integrated Tariff Team (HITT) Program Update

In November 2022, Sunflower submitted an application for a waiver of the Base Plan allocation methodology for upgrades between 100 kV and 300 kV, requesting four specific Byway upgrades be allocated on a prospective basis, 100% to the entire SPP region based on the regional usage of the facilities. The application must be refiled, and SPP staff plan to meet in person with FERC staff to discuss Sunflower's application.

SPP is conducting the Capacity Resource Interconnection Service (CRIS) transition study to determine the size and scope of CRIS deliverability areas and grant CRIS deliverability to existing resources with firm interconnections. SPP's TWG is studying various options for deliverability areas in the SPP footprint.

Corporate Services

Safety Culture Initiative Update

In 2021, Sunflower adopted the Caterpillar Global Service's (CAT) Zero Incident Prevention (ZIP) Program to assess and improve Sunflower's safety culture. After two years, Sunflower has identified challenges to the program that resulted in benefits not commensurate with cost and time requirements of the program. Sunflower staff recommended to end the ZIP Program and investigate less resource intensive methods of monitoring safety culture; the Board agreed.

Financial Services

September Financials

Overall Member loads were down 1.67% from budget for the month and down 2.06% from budget year to date. The September Member rate was \$11/MWh, favorable to budget; the year-to-date Member rate was \$14/MWh, favorable to budget. Large industrial loads were down 6.91% from budget for the month and down 0.63% from budget year to date. O&M expenses were down 2.82% from budget for the month and down 4.65% from budget year to date. Sunflower's average Member rate has moved into the lowest quartile for wholesale rates compared to similar G&Ts. Of the 20 G&Ts in the comparison, Sunflower's wholesale rate ranks second lowest behind Associated.

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2023 Audit Proposal

Forvis, LLP, submitted a proposal for 2023 audit services with a 6% increase over last year's fees.

Board action: The Sunflower Board approved the audit proposal from Forvis, LLP, as presented.

WHM-24

The Sunflower Board approved the WHM-24 tariff at the September meeting, and a 90-day notice letter was sent to WKIEC following the September Board meeting. At the WKIEC meeting on September 26, WKIEC representative Jeff Pollock requested an opportunity to speak to the Sunflower Board at the November Board meeting. The consensus of the Board was to allow Jeff to present in November.

Kansas Electric Cooperatives

Lee Tafarielli reported Farm Bureau is in support of a transmission user fee introduced by Midwest Energy at the interim Energy and Utilities Committee meetings. Lee encouraged robust messaging regarding electric industry challenges during the 2024 legislative session and Co-ops Vote events.

Richard McLeon

From: Teresa Miller, President <cdorr@kec.org>
Sent: Thursday, November 9, 2023 3:27 PM
To: Richard McLeon
Subject: December KEC Board of Trustees Meeting and Committee Meeting Information

Follow Up Flag: Follow up
Flag Status: Flagged



KEC Board and Committee Meetings Dec. 6-7, 2023 Wichita Marriott Hotel 9100 Corporate Hills Drive, Wichita

Meeting materials will be posted to BoardPaq

TO: Member Cooperative Managers/CEOs, KEC Trustees and Alternate Trustees

KEC will be offering a breakfast buffet, on Thursday, Dec. 7, from 7-8:30 a.m. in the Atrium. The breakfast buffet is open to all co-op managers, KEC trustees, KEC alternate trustees, cooperative employees, spouses, and KEC staff.

COMMITTEE MEETINGS

Documents and reports will be posted on BoardPaq

Wednesday, Dec. 6, 2023 - (Salons E-F)

2:30 p.m. – Regulatory, Review & Tax Committee - **Please note new time**
Legislative Committee - **will start ten minutes after the Regulatory, Review & Tax Committee (start time expected around 3:15 to 3:30 p.m.) - please note new time**

BOARD OF TRUSTEES MEETING

Documents and reports will be posted on BoardPaq

Thursday, Dec. 7, 2023

7 a.m. – Breakfast Buffet (Atrium)
7:30 a.m. – Executive Committee Breakfast Meeting (Topeka Room)
9 a.m. – KEC Meeting of the Members (Articles of Incorporation and Bylaws updates)
(Salons E-F)
9:30 a.m. – KEC Board Meeting (Salons E-F)
Lunch on your own.

HOTEL RESERVATIONS

- To make a hotel reservation, KEC has a room block set up for the night of Dec. 6. You can make your reservation using the [hotel reservation link](#).
- Group Rate: \$124
- **Reservation Cut-Off Date: 11/14/23**



Kansas Electric Cooperatives, Inc. | PO Box 4267, Topeka, KS 66604

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2024 CONFERENCES AND MEETINGS

9/7/23 (subject to change)



JANUARY

- 7-9** CEO Close-Up
Phoenix, Ariz.
- 29-31** NEXT Conference
Indian Wells, Calif.
- 31-Feb. 2**
New Director Orientation
Arlington, Va.

MARCH

- 1-6** PowerXchange and TechAdvantage®
San Antonio, Texas
- 19-21** New Co-op Communicators Orientation
Arlington, Va.
- 20-22** New CEO Orientation
Arlington, Va.

APRIL

- 6-9** Directors Conference
Nashville, Tenn.
- 16-18** New CFO Orientation
Dulles, Va.
- 21-24** Legislative Conference
Washington, D.C.
- 30-May 3**
Safety Leadership Summit
Kansas City, Mo.

MAY

- 7-9** Connect Conference
Baltimore, Md.
- 20-22** Legal Seminar 64
Stowe, Vt.

JUNE

- TBD** Broadband Leadership Summit
Washington, D.C.
- TBD** Co-op Cyber Tech
Washington, D.C.
- 15-22** Youth Tour
Washington, D.C.

JULY

- 15-17** Interact Conference
Nashville, Tenn.
- 15-17** Legal Seminar 64
Traverse, Mich.
- 19-23** Summer School for Directors
Branson, Mo.
- 28-31** TFACC - Collaboration Among Communities
Orlando, Fla.

AUGUST

- 12-14** Interact Conference
Boston, Mass.

SEPTEMBER

- 4-6** Regions 1&4 Meeting
Grand Rapids, Mich.
- 16-18** Regions 5&6 Meeting
Minneapolis, Minn.
- 24-26** Regions 7&9 Meeting
Sacramento, Calif.
- 24-26** New Co-op Communicators Orientation
Arlington, Va.

OCTOBER

- 7-9** Regions 2&3 Meeting
Columbia, S.C.
- 21-23** Regions 8&10 Meeting
Kansas City, Mo.
- 28-Nov. 1**
Cooperative University
New Orleans, La.

NOVEMBER

- 7-8** G&T Legal Seminar
Hilton Head Island, S.C.

DECEMBER

- 13-17** Winter School for Directors
Nashville, Tenn.

For more information about upcoming programs, visit www.cooperative.com/learning or contact
Angie Hylton (703) 907-5656 | angie.hylton@nreca.coop

Richard McLeon

From: Kansas Touchstone Energy Executive Council <sread@kec.org>
Sent: Wednesday, November 8, 2023 3:13 PM
To: Richard McLeon
Subject: Touchstone Energy Membership Annual Meeting minutes - Virtual reviews planned for Nov. 20 and Nov. 28

Touchstone Energy Annual Membership Meeting Recap Tuesday, Nov. 7

Wheatland Electric Cooperative, 200 10th St, Great Bend, KS 67530



The Kansas Touchstone Energy Executive Council held its annual business meeting and elections on Tuesday, Nov. 7 at the Wheatland office in Great Bend.

In official business, the attendees:

- Re-elected Chris Parr, FreeState, and Kevin Heptig, Bluestem, to the executive council. The trustee position remains vacant.
- Re-elected the officers: Bruce Mueller, President; Chris Parr, Vice President; and Travis Griffin, Secretary/Treasurer.
- Approved the 2024 proposed budget and a \$.10/meter statewide assessment.

The group heard a national review and a program titled *Insights on Member Engagement, Loyalty, and the Service Industry* from Josh McGhee. They heard a statewide program update from Shana Read. Lastly, they promoted the candidacy of Chris Parr to the national Touchstone Energy Board, reminding the group to attend the virtual meeting and election on Nov. 29. [Read the full minutes.](#)

If you are interested in nominating a Trustee for the vacant council position and your cooperative doesn't currently have anyone already serving on the council, please contact [Bruce Mueller](#), chairperson of the Touchstone Energy Executive Council.



Upcoming Virtual Meetings

- **Nov. 20** - Branded Prepaid Credit Card Membership Benefit: Learn How It Works with Choice Digital (link below)
- **Nov. 28** - Virtual Recap of *Insights on Member Engagement, Loyalty, and the Service Industry* with Josh McGhee (link below)
- **Nov. 29** - 2023 Touchstone Energy Virtual Business & Election Meeting (must pre-register)

Branded Prepaid Credit Card Membership Benefit: Learn How It Works with Choice Digital - Nov. 20 at 11:30 a.m.

Did you know that through Touchstone Energy, you have a member benefit with a branded, prepaid credit card program? There was discussion about how these cards can be used to earn volume rebates on things like capital credit retirements. Join us on Monday, Nov. 20 at 11:30 a.m. to learn how this program works.

We will review the following benefits:

- **Flexibility and branding.** The ability to receive and distribute branded prepaid cards seamlessly makes the program ideal for use at **co-op annual meetings**, member appreciation events, holiday gifts, youth programs, **returning capital credits**, and more.
- **Increasing member engagement.** Every time your member-owners use this card, they will be reminded that the funds come directly from their local co-op.
- **Earning rebates through a premium payment service.** Support your members as their co-op earns volume rebates on all funds disbursed through this program. You can channel these funds back to your member-owners and communities in the ways you determine best serve them.

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 252 313 873 433

Passcode: wuuYWF

[Download Teams](#) | [Join on the web](#)

Or call in (audio only)

+1 785-289-2892, 474720236#

Phone Conference ID: 474 720 236#

Recap of *Insights on Member Engagement, Loyalty, and the Service Industry* with Josh McGhee - Nov. 28 at 11 a.m.

Josh McGhee, Touchstone Energy's Director of Member Marketing & Engagement, has offered to host a virtual review of his presentation ***Insights on Member Engagement, Loyalty, and the Service Industry***. If you were unable to attend the meeting in person, you can join the virtual meeting on Tuesday, Nov. 28, at 11 a.m.

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 223 781 361 690

Passcode: 8zMPdN

[Download Teams](#) | [Join on the web](#)

Or call in (audio only)

+1 571-447-9155, 266086719# United States, Arlington

Phone Conference ID: 266 086 719#

Kansas Electric Cooperatives | PO Box 4267, Topeka, KS 66604

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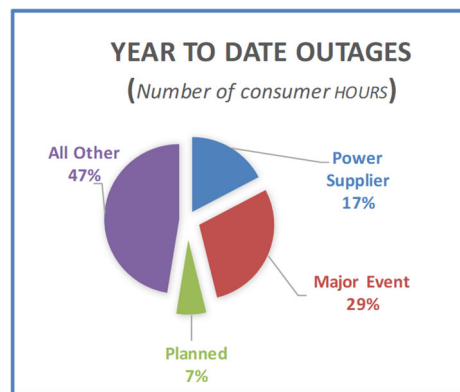
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9. General Manager's Report

A. Rates and Reliability Dashboard

Rate Summary - Oct	current month (\$/kWh)	ytd average (\$/kWh)	ytd avg dist rev. /kWh	demand charge	monthly charge
Residential	0.1503	0.1369	0.067	-	28.00
Residential - Seasonal	0.2626	0.2519	0.182	-	28.00
Irrigation	0.0961	0.0944	0.025	hp charge	-
C&I 1000kVa or less	0.1211	0.1185	0.049	-	28.00
C&I over 1000 kVa	0.1011	0.1009	0.031	12.80-13.00	65-100
Public Street and Lighting	0.1637	0.1577	0.088	-	varies
Other Sales to Public Authorities	0.1670	0.1483	0.079	-	-
Sales for Resale - Other	0.0682	0.0702	0.000	2.80	150.00
average	0.1413	0.1348	0.0651		



Form 7 Part O. Oct-23

		kWh	\$s
1 Residential Sales	2,227	1,464,783	220,107
2 Residential Seasonal	1,118	163,846	43,031
3 Irrigation Sales	337	375,874	36,135
4 C&I 1000 kVa or less	1,843	4,043,827	489,725
5 C&I over 1000 kVa	179	6,559,823	663,464
6 Public Street and Lighting	13	31,954	5,231
7 Other Sales to Public Authorities	48	24,798	4,141
8 Sales for Resale - RUS Borrowers	0	0	0
9 Sales for Resale - Other	1	662,988	45,201
	5,766	13,327,893	1,507,035

Oct-23	meters	kWh	\$s	ratio
<i>Residential Sales</i>	38.6%	11.0%	14.6%	1.33
<i>Residential Seasonal</i>	19.4%	1.2%	2.9%	2.32
<i>Irrigation Sales</i>	5.8%	2.8%	2.4%	0.85
<i>C&I 1000 kVa or less</i>	32.0%	30.3%	32.5%	1.07
<i>C&I over 1000 kVa</i>	3.1%	49.2%	44.0%	0.89
<i>Public Street and Lighting</i>	0.2%	0.2%	0.3%	1.45
<i>Other Sales to Public Authorities</i>	0.8%	0.2%	0.3%	1.48
<i>Sales for Resale - RUS Borrowers</i>	0.0%	0.0%	0.0%	
<i>Sales for Resale - Other</i>	0.0%	5.0%	3.0%	0.60

B. City of Dighton. Sunflower and I have had two meetings with the City of Dighton regarding the wholesale power agreement. We are told that the city is sending out a Request for Proposal, but we have not yet received one.

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

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

1) Accounting and Finance.

- Total YTD revenues are down \$3,064,802 (16.8%) from 2022 and the cost of purchased power is down \$2,447,375 (21.6%). This reduces the distribution margin by \$617,425 (-8.9%) from YTD Oct 2022.
- YTD Operating margins increased to (\$ 150,560) while total Margins increased to \$275,849.
- Key Metrics are:
 - Low revenues and higher inflation have driven our Financial Metrics low.
 - TIER – 1.27
 - OPTIER – 0.85
 - DSC – 0.98
 - ODSC – 0.85
 - MDSC – 0.95
 - However, our financial strength remains very good.
 - Equity as a % of Assets – 39.38%
 - Equity as a % of Capitalization – 42.55%
 - Cash Balance - \$7,089,794
 - General Funds Level – 12.78%
 - Current Ratio – 1.97
 - Cash to Debt Ratio – 20.98%

E. Operations Report. (Kasey / Dal)

1) Maintenance

Changed out breaker in the Ness City 115 substation.
Built new OCR pole for Lane Co Feeders back feed.
Retired 2 miles of 3 phase line northwest of McCracken.
Retired 1 mile of 3 phase line south of Utica.
Retired connects for Golden Belt, Jerry Reiman and Jody Clark.
Replace broken anchor at Beaver Ridge Cattle Company.
Finished Utica back feed station.

2) New Connects

Built new single-phase connect for James Flax's new shed.
Built new single-phase connect for Taylor Ostmeyer.
Built 8 spans of new 3-phase in the Dighton Industrial Park.
Built new single-phase connect for Beeler fire station.
Built new single-phase line to Verizon cell tower east of Ness City.

- 3) Pole Change Outs
 - Changed out 3, 3-phase poles in Bazine.
 - Changed out 1, 3-phase pole by Hineman's south of Dighton.
 - Changed out bad lift pole at Frank Wisenberger's.
 - Changed out the last 14 poles on the Ransom to Utica line.
 - Changed out 2 single phase poles for clearance in Finney Co.
- 4) Other
 - DOT inspections and dielectric testing.
 - Dal and Nate attended Landis & Gyr Users Group meeting.
 - Dal and Ben attended Cooper Regulator and Tap Changer School.
 - Rainmaker zoom meeting.

F. Engineering. (Dal, Ben, and Nate)

- 1) Pole Testing.
 - 2022 pole testing replacements: In process 95% Ness City 34.5kv and alley projects being re-staked for in-house replacements.
 - 2023 Pole testing data delivery: 1st report received, 1767 tested 16 red tagged .905% reject rate. Red Tagged poles spotted and staking sheets built – 40%
- 2) Substations. Helped sunflower fix bad connections on the metering structure in the Manning substation.
- 3) Metering.
 - Changed out bad meters.
 - Updated meter programs and firmware.
 - Started updating collectors with the new gateways.
 - Meter inventory updates and re-programing: In Process – Ongoing 85%, <100 in stock meters left to update.
 - New meters placed into CC and NISC inventory: Completed.
 - AMI system optimization: Ongoing – 85%, Firmware and DCWs updates for collectors and routers.
 - Replacement Gridstream collectors: Ongoing 20%, Have received all units, imported units into inventory, commissioning process completed on 3 units, Dighton collector installed and operational.
- 4) Projects
 - Weskan grain facility Scott Co.: On hold until after Fall harvest.
 - Conine Farms gas reclamation project: Ongoing 50%, Contracts and easements being prepared.
 - Ness City Pool project: Met with onsite foreman and boring contractor foreman, tentative schedule for late Nov.
 - 1st quarter CIAC updated pricing: In process 10% requests for updated item quotes sent.
 - PSE WindMil model data collection: In process – Ongoing 95%, awaiting findings.
- 5) Construction Work Plan
 - Utica Autotransformer station: Completed.
- 6) Staking
 - Lesser Prairie Chicken habitat check added to all staking projects: Ongoing, datasets added to staking system, checks being made for all new connects/projects.

- Easement filings: Ongoing working with Ness County, updating signing instruction sheet.

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

- Youth Tour 2024. We were able to secure our 2 youth Tour and 2 Leadership Camp spots.
- First Responder Training December 11 (Dighton) and 12 (Ness City)
- SmartHub outage campaign. The member survey identified that members would like to be notified by text of outages. AMJ added that capability to SmartHub and started an enrollment campaign. Response has been very good.
- “Pay Ahead Power”. AMJ is starting a Prepaid Billing campaign to increase awareness and participation.
- Christmas Gift Certificates. We will begin this campaign after Thanksgiving.

H. Retail Services / Warehouse Report. (Scott)

- Retail Non-operating margins = \$4,208.16 (Oct) and \$68,823.10 YTD.
- Generac. We installed three more units October and have five additional quotes out.
- Electrician / HVAC services.
 - YTD – Electricians: \$96,776.28; HVAC: (\$27,953.18)
 - Electrician demand remains high, and Lane County Feeders continues to keep us busy.
- Materials. We are over stocked. It appears that the supply chain is working, and orders were received early. This puts s in good shape going into winter.

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 FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION <div style="text-align: right;">KS0042</div>
	PERIOD ENDED October 2023
INSTRUCTIONS - See help in the online application.	BORROWER NAME <div style="text-align: right;">The Lane-Scott Electric Cooperative, Inc.</div>

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

CERTIFICATION

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

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

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

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

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

Richard McLeon

11/14/2023
 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	18,252,870	15,188,068	18,936,240	1,517,509
2. Power Production Expense				
3. Cost of Purchased Power	11,329,928	8,882,553	11,924,710	750,588
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	684,993	838,906	893,650	99,988
7. Distribution Expense - Maintenance	995,232	931,822	1,164,270	92,721
8. Customer Accounts Expense	202,852	215,904	226,770	22,303
9. Customer Service and Informational Expense	48,666	58,805	52,470	7,037
10. Sales Expense	54,791	85,492	59,660	8,190
11. Administrative and General Expense	1,333,235	1,658,041	1,417,670	187,005
12. Total Operation & Maintenance Expense (2 thru 11)	14,649,697	12,671,523	15,739,200	1,167,832
13. Depreciation and Amortization Expense	1,566,930	1,623,402	1,802,840	162,580
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,066,267	1,016,424	1,043,160	100,612
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	227	4,513	290	438
19. Other Deductions	15,874	22,766	22,110	330
20. Total Cost of Electric Service (12 thru 19)	17,298,995	15,338,628	18,607,600	1,431,792
21. Patronage Capital & Operating Margins (1 minus 20)	953,875	(150,560)	328,640	85,717
22. Non Operating Margins - Interest	72,122	325,931	58,330	31,450
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	138,298	72,171	54,170	4,601
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	44,306	28,307	61,269	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	1,208,601	275,849	502,409	121,768

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION KS0042		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED October 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	64	23	5. Miles Transmission		
2. Services Retired	52	55	6. Miles Distribution – Overhead	2,038.73	2,038.10
3. Total Services in Place	6,066	6,041	7. Miles Distribution - Underground	7.66	8.73
4. Idle Services (Exclude Seasonals)	268	275	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	62,056,211		30. Memberships		0
2. Construction Work in Progress	1,336,630		31. Patronage Capital		23,794,200
3. Total Utility Plant (1 + 2)	63,392,841		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	21,696,491		33. Operating Margins - Current Year		(150,559)
5. Net Utility Plant (3 - 4)	41,696,350		34. Non-Operating Margins		1,898,176
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		273,296
7. Investments in Subsidiary Companies	248,755		36. Total Margins & Equities (30 thru 35)		25,815,113
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		31,329,257
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)		34,848,817
15. Cash - General Funds	168,200		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	6,921,469		47. Notes Payable		0
19. Notes Receivable (Net)	0		48. Accounts Payable		820,124
20. Accounts Receivable - Sales of Energy (Net)	1,485,799		49. Consumers Deposits		108,762
21. Accounts Receivable - Other (Net)	241,783		50. Current Maturities Long-Term Debt		2,176,475
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		0
23. Materials and Supplies - Electric & Other	706,896		52. Current Maturities Capital Leases		0
24. Prepayments	26,290		53. Other Current and Accrued Liabilities		1,788,304
25. Other Current and Accrued Assets	83,760		54. Total Current & Accrued Liabilities (47 thru 53)		4,893,665
26. Total Current and Accrued Assets (15 thru 25)	9,634,322		55. Regulatory Liabilities		0
27. Regulatory Assets	0		56. Other Deferred Credits		0
28. Other Deferred Debits	1,020,282		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		65,557,595
29. Total Assets and Other Debits (5+14+26 thru 28)	65,557,595				

2024 Financial, Donation, Capital, and CWP Budgets

and

Financial Forecast

presented to the Board of Trustees

November 27, 2023



prepared by: Richard McLeon, MBA
General Manager / CEO

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Executive Summary

This Budget was prepared using data from the Load Forecast Study and assumes that the Cooperative will adjust revenue requirements to meet inflationary cost increases and continue operating in generally the same manner as in previous years. This budget is conservative and focuses on the safety, succession planning, operations and maintenance, and Information Technology.

Background

The Cooperative completed its annual Load Forecast Study in September 2023. This Study projected an overall increase in KWH sales of 1.50%. Additionally, current rates were implemented in March 2022 using 2020 as a test year. That study recommended a 6.466% increase (\pm \$1,050,000) to the previous 2016 rates.

Inflation

According to the U.S. Bureau of Labor Statistics Consumer Price Index Calculator (www.bls.gov/data/inflation_calculator.htm), \$100 in January 2021 has the same buying power as \$117.62 in October 2023. The Cooperative has seen the impact of the 17.6% inflationary rise in materials and benefits costs since January 2020. This has substantially eroded margins. Many economists are predicting inflation to remain at around 2.5 to 3.0% per year for several years. That exceeds our projected growth rates and will create many challenges for Lane-Scott management.

Financial Forecast

The Financial Forecast is based on historical costs from 2012 to 2022, and projected costs for 2023 to 2032. It is unusual to include 21 years in calculating a Financial Forecast, but because of recent market and inflationary instability, I reached back that far to better "normalize" the data. This is a management analysis and did not reach the level of detail that professional Financial Forecast would warrant.

Statement of Operations

Calculating the Statement of Operations using current rates, costs, and revenue trends produced uniformly negative Operating Margins, financial metrics (OTIER, DSC, and ODSC), and rates of return on total electric rate base. To offset this inflationary pressure, we calculated three scenarios using 1. Current Rates, 2. a 3.0% across the board rate increase, and 3. a 5.0% across the board rate increase.

The 3.0% increase produced positive operating margins through 2032, positive financial metrics through 2028, and positive rates of return through 2029. The metrics and rates of return were extremely thin and could be easily offset by mild weather conditions. Also, while operating margins were positive, they were well below \$500,000 which is the capital credit retirement benchmark.

The 5.0% increase produced positive operating margins, financial metrics, and positive rates of return through 2032. The calculated rate of return drops below 3.0% in 2027 and becomes thin enough that it could be offset by mild weather conditions. This is the scenario selected for the Financial Forecast.

All scenarios are included in Appendix A with Rate of Return Calculations in Appendix C.

Balance Sheet

The Balance Sheet was prepared using historical trends for 2018 to 2022 and projections for 2023 through 2032. Like the Statement of Operations, many costs were projected using standard linear regressions and/or weighted averages.

Capital expenditures such as vehicle purchases and work plan projects along with long-term debt requirements were factored into the forecasted Balance Sheet.

Alike the Statement of Operations, the years 2020 (Winter Storm Uri) and 2023 (inflationary pressure) stand out as challenging financial years.

Financial Budget - 2024

The first year of the Financial Forecast is the proposed 2024 Budget. It assumes a 5.0% across the board rate increase and is summarized as follows:

Statement of Operations			<u>amount</u>	<u>change</u>
	Distribution Revenue		\$ 8,293,085	11.00%
	Operating Margins		582,201	260.45%
	Patronage Margin		1,740,808	122.77%
Balance Sheet			\$ 65,526,937	1.00%
			<i>min.</i>	
Financial Ratios	TIER	1.25	2.48	
	OTIER	1.10	1.50	
	DSC	1.25	1.35	
	ODSC	1.10	1.22	
	MDSC		5.15	
Equity Ratios	% Assets		40.29%	
	Distribution Equity		24.99%	
	% Capitalization		44.37%	
	Current Ratio		1.40	
	General Funds Level		10.30%	
	Cash to Debt		16.62%	

<u>Capital Budget</u>	\$	708,750	-14.6%
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Notable items include:

1	Safety Demo Trailer Build-out	\$	12,000
2	Cost of Service Study		40,000
3	Long Range Plan		75,000
4	2024 Bucket Truck replacements 117 & 193		420,000
5	Conversion to 3-phase to Wheatland		65,000
6	Security Camera and Access Control - Ness Office		30,000

Construction Work Plan Budget

\$ 787,143 -58.2%

Donation Budget

\$ 5,785 -3.74%

Cash Flow Summary

This Budget increases Cash to \$7,297,542 due to loan pay-offs. This is above our minimum General Funds balance of \$3,671,499.

Staff Involved in the creation of this Budget are:

Scott Briand

Diana Kuhlman

Carrie Borrell

Dal Hawkinson

Nate Burns

Kathy Lewis

Kasey Jenkinson

Chris Turhune

Ann Marie Jennings

Jocelyn Walker

With other input from:

Davis Rooney, Sunflower Electric Power Corporation

Justin Proctor, Guernsey

2024-2032 Financial Forecast Assumptions

The Forecast was assembled using the following assumptions:

- 1 Foundation documents:
 - a The 2024 Load Forecast Study
 - b The 2024 Wage and Salary Plan
- 2 The Board of Trustees will adjust rates to meet the additional revenue requirement identified in the COSS. A minimum 5.0% increase was factored into 2024 revenues.
- 3 The Cooperative will conduct a Cost-of-Service-Study with Guernsey immediately after the beginning of the year.
- 4 The Budget was prepared assuming that the weather and Cooperative operations will continue in essentially same manner as in previous years.
- 5 Sunflower Capital Credit allocations and distributions were provided by Sunflower.
- 6 Employee staffing and expenses are consistent with those presented in the Wage and Salary Plan.
- 7 Inflation continues to be an unknown factor (assumed at 3.0%) and will continue impact costs.
- 8 No new debt is assumed throughout the Financial Forecast.

Donations

Donations are primarily spread between Lanes, Scott, Ness, Finney, and Hodgeman counties on a load ratio share type equation. Donors are selected based on prior donations, Member and Trustee requests, and compatibility with the image and goals of the Cooperative along with community needs.

Capital Budget items.

Capital budget items are conditional expenditures based on cash flow and availability. All capital expenditures have to be approved by me prior to being ordered.

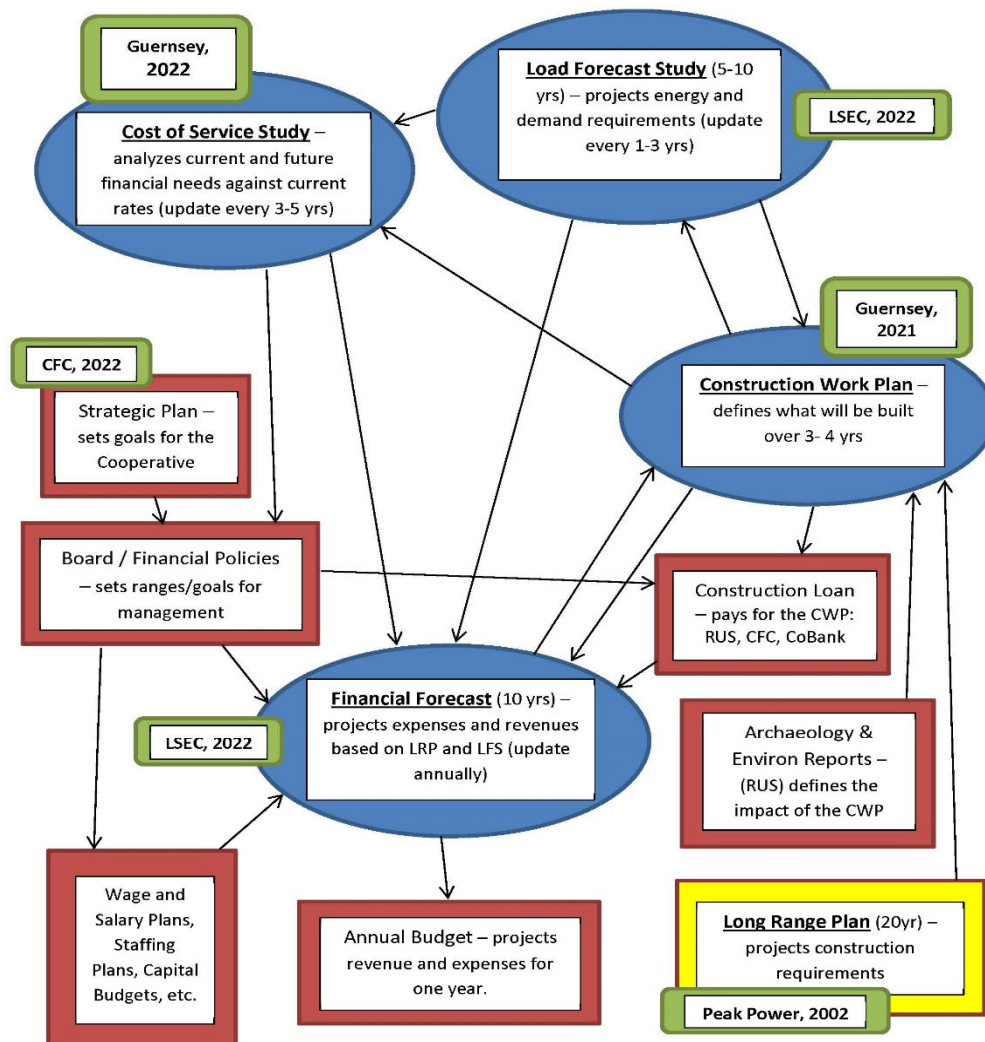
Work Plan Budget.

The Work Plan Budget is extracted from the Construction Work Plan and includes previous jobs not completed.

Forecasting and Planning

This graphic represents the four major planning and forecasting tools (blue) we use as electric cooperatives. The green boxes show when LSEC last completed the necessary study. The red boxes identify the critical components of completing each.

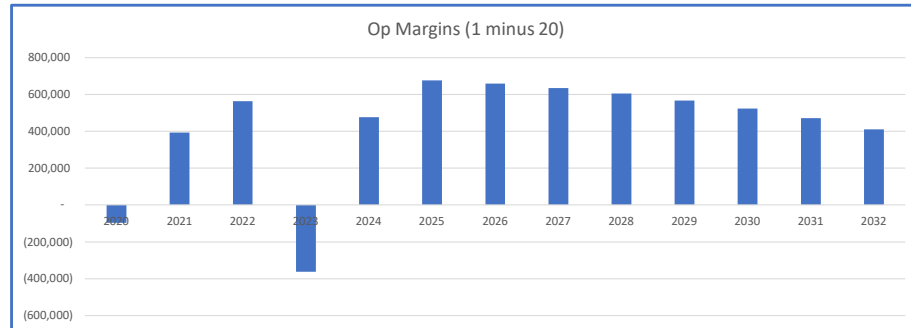
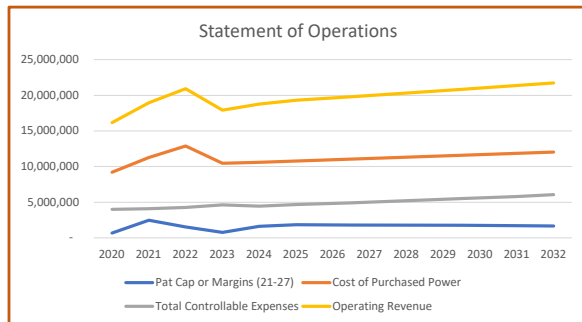
Electric Cooperative Forecasting and Planning Tools



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Financial Forecast
Statement of Operations

5.00% Increase		actual			projected	estimated									
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
1	Operating Revenue	16,167,734	18,976,716	20,914,246	17,938,955	18,086,402	18,393,871	18,706,567	19,024,579	19,347,997	19,676,913	20,011,420	20,351,614	20,697,592	
	rate adjustment					678,240	919,694	935,328	951,229	967,400	983,846	1,000,571	1,017,581	1,034,880	
	net	16,167,734	18,976,716	20,914,246	17,938,955	18,764,643	19,313,565	19,641,895	19,975,808	20,315,396	20,660,758	21,011,991	21,369,195	21,732,471	
3	Cost of Purchased Power	9,219,251	11,294,293	12,903,008	10,467,500	10,622,175	10,792,130	10,964,804	11,140,241	11,318,485	11,499,581	11,683,574	11,870,511	12,060,439	
4	Transmission Exp	2,134	1	-	-	-	-	-	-	-	-	-	-	-	
4a	Distribution Margin	6,946,350	7,682,422	8,011,238	7,471,455	8,142,467	8,521,435	8,677,091	8,835,567	8,996,912	9,161,178	9,328,417	9,498,684	9,672,032	
4b	ratio	43.0%	40.5%	38.3%	41.6%	45.0%	46.3%	46.4%	46.4%	46.5%	46.6%	46.6%	46.7%	46.7%	
6	DE - Operations	1,474,903	1,018,863	1,095,418	1,060,396	1,080,874	1,124,109	1,169,074	1,215,837	1,264,470	1,315,049	1,367,651	1,422,357	1,479,251	
7	DE - Maintenance	931,974	1,245,835	1,133,983	1,125,226	1,171,762	1,218,632	1,267,378	1,318,073	1,370,796	1,425,627	1,482,652	1,541,959	1,603,637	
8	Customer Exp Accounts	211,571	225,551	256,928	268,415	277,387	283,767	290,294	296,970	303,801	310,788	317,936	325,249	332,729	
9	CS and Info exp	47,090	67,612	59,232	71,586	70,253	70,956	71,665	72,382	73,106	73,837	74,575	75,321	76,074	
10	Sales Expense	61,442	71,976	74,714	104,627	104,194	104,923	105,657	106,397	107,142	107,892	108,647	109,408	110,173	
11	A & G	1,286,153	1,453,813	1,640,675	1,998,062	1,766,698	1,855,033	1,929,234	2,006,403	2,086,659	2,170,126	2,256,931	2,347,208	2,441,096	
12	Total O&M (3-11)	13,234,517	15,377,945	17,163,957	15,095,811	15,093,342	15,449,549	15,798,105	16,156,302	16,524,458	16,902,899	17,291,966	17,692,011	18,103,400	
12a	Total Controllable Expenses	4,013,132	4,083,651	4,260,950	4,628,311	4,471,167	4,657,419	4,833,301	5,016,061	5,205,973	5,403,318	5,608,392	5,821,500	6,042,961	
12b	Dist Margin less Controllable Expenses	2,933,218	3,598,771	3,750,289	2,843,144	3,671,300	3,864,015	3,843,790	3,819,505	3,790,939	3,757,859	3,720,025	3,677,184	3,629,071	
13	Dep / Amort Exp	1,650,031	1,844,094	1,888,035	1,948,336	1,986,826	2,026,563	2,067,094	2,108,436	2,150,605	2,193,617	2,237,489	2,282,239	2,327,884	
14	Tax Expense - Property & Gross Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	Int on LT Debt	1,337,470	1,338,204	1,282,652	1,224,242	1,178,417	1,131,280	1,086,029	1,042,588	1,000,884	960,849	922,415	885,518	850,098	
18	Int exp other	1,970	145	269	5,215	5,195	5,299	5,405	5,513	5,624	5,736	5,851	5,968	6,087	
19	Other Deducts	40,820	23,031	16,024	28,215	23,809	25,003	26,197	27,391	28,584	29,778	30,972	32,166	33,360	
20	TL Cost of El. Svc (12-19)	16,264,808	18,583,419	20,350,938	18,301,819	18,287,590	18,637,695	18,982,830	19,340,230	19,710,155	20,092,879	20,488,693	20,897,903	21,320,829	
21	Op Margins (1 minus 20)	(97,073)	393,297	563,308	(362,864)	477,052	675,870	659,065	635,578	605,242	567,879	523,298	471,292	411,643	
22	Non-Op Margins - Int	240,314	160,696	132,044	403,326	388,827	398,548	408,512	418,725	429,193	439,922	450,921	462,194	473,748	
24	Income (Loss) from Equity Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	
25	Non-Op Margins - Other	(65,312)	(122,095)	140,732	65,869	72,289	74,458	76,692	78,992	81,362	83,803	86,317	88,907	91,574	
26	G&T Cap Credits	-	1,361,936	670,085	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
27	Other Cap Credits & Pat Divs	586,498	57,380	50,306	75,101	78,566	80,923	83,350	85,851	88,426	91,079	93,812	96,626	99,525	
28	Extraordinary Items	-	619,088	-	-	-	-	-	-	-	-	-	-	-	
29	Pat Cap or Margins (21-27)	664,427	2,470,303	1,556,474	781,431	1,616,735	1,829,799	1,827,619	1,819,145	1,804,223	1,782,684	1,754,347	1,719,019	1,676,490	
RUS	TIER - 1.25	1.497	2.846	2.213	1.638	2.372	2.617	2.683	2.745	2.803	2.855	2.902	2.941	2.972	
RUS	OTIER - 1.10	0.927	1.294	1.439	0.704	1.405	1.597	1.607	1.610	1.605	1.591	1.567	1.532	1.484	
RUS	DSC - 1.25	1.312	1.595	1.323	1.098	1.317	1.362	1.350	1.336	1.322	1.307	1.291	1.274	1.256	
RUS	ODSC - 1.10	1.249	1.409	1.247	0.967	1.190	1.233	1.218	1.202	1.186	1.168	1.150	1.130	1.109	
CFC	MDSC = 1.35	5.363	4.940	4.845	4.771	5.117	5.287	5.398	5.506	5.611	5.713	5.813	5.909	6.003	
Prin. & Int. Pymts - N, d Total		2,784,205	3,543,940	3,573,232	3,602,524	3,631,816	3,661,108	3,690,400	3,719,692	3,748,984	3,778,276	3,807,568	3,836,860	3,866,152	
Patronage Capital - C8		11,214,826	12,349,958	12,724,382	13,300,999	13,872,810	14,444,620	15,016,431	15,588,241	16,160,052	16,731,863	17,303,673	17,875,484	18,447,294	



Balance Sheet

		actual			projected	estimated								
Assets and Other Debits		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
1	Total Utility Plant in Service	58,108,127	58,926,015	60,549,494	62,247,187	62,869,659	63,498,355	64,133,339	64,774,672	65,422,419	66,076,643	66,737,410	67,404,784	67,741,808
2	Construction Work in Progress	284,441	1,004,116	1,368,011	1,637,796	1,392,127	1,364,284	1,336,999	1,310,259	1,284,054	1,258,372	1,233,205	1,208,541	1,184,370
3	Total Utility Plant (1 + 2)	58,392,568	59,930,131	61,917,505	63,884,983	64,261,786	64,862,640	65,470,338	66,084,931	66,706,473	67,335,016	67,970,615	68,613,325	68,926,178
4	Accum. Provision for Depreciation and Amort.	17,927,950	19,410,940	20,781,478	22,035,363	23,417,895	24,769,579	26,121,262	27,472,946	28,824,629	30,176,313	31,527,996	32,879,679	34,231,363
5	Net Utility Plant (3 - 4)	40,464,618	40,519,191	41,136,027	41,849,620	40,843,891	40,093,061	39,349,076	38,611,985	37,881,844	37,158,703	36,442,619	35,733,645	34,694,815
6	Non-Utility Property (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Investments in Subsidiary Companies	255,405	230,144	239,416	244,812	244,082	245,059	246,036	247,013	247,990	248,967	249,944	250,921	251,898
8	Invest. in Assoc. Org. - Patronage Capital	11,214,826	12,306,357	12,709,826	13,308,647	13,359,161	14,609,935	15,110,710	15,611,484	16,112,259	16,613,033	17,113,808	17,614,582	18,115,357
9	Invest. in Assoc. Org. - Other - General Funds	445,462	445,461	445,461	445,461	445,461	586,474	646,909	707,343	767,777	828,211	888,645	949,080	1,069,948
10	Invest. in Assoc. Org. - Other - Nongeneral Funds	221,958	221,958	221,958	221,958	221,858	221,815	221,772	221,729	221,686	221,643	221,600	221,557	221,514
11	Investments in Economic Development Projects	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Other Investments	5,501	5,501	5,501	5,501	5,501	5,501	5,500	5,500	5,500	5,500	5,500	5,500	5,500
13	Special Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Total Other Property & Investments(6 thru 13)	12,143,152	13,209,421	13,622,162	14,226,379	14,417,076	15,729,218	16,291,361	16,853,503	17,415,646	17,977,789	18,539,931	19,102,074	19,664,216
15	Cash - General Funds	115,401	135,302	29,835	68,276	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
16	Cash - Construction Funds - Trustee	100	100	100	100	100	100	100	100	100	100	100	100	100
17	Special Deposits	25	25	25	25	25	25	25	25	25	25	25	25	25
18	Temporary Investments	5,974,610	5,599,781	5,167,156	7,568,947	5,025,781	5,538,477	5,845,218	6,252,521	6,560,551	6,542,163	6,208,455	5,769,200	5,938,595
19	Notes Receivable (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Accounts Receivable - Sales of Energy (Net)	1,183,826	1,398,249	1,676,409	1,670,150	1,692,138	1,626,550	1,666,997	2,107,444	1,747,891	1,788,338	1,828,786	1,869,233	1,909,680
21	Accounts Receivable - Other (Net)	236,953	212,610	281,023	222,276	295,350	323,342	351,334	379,326	407,318	435,310	463,302	491,295	519,287
22	Renewable Energy Credits	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Materials and Supplies - Electric & Other	328,131	473,727	508,040	682,850	625,000	600,000	575,000	550,000	550,000	550,000	550,000	550,000	550,000
24	Prepayments	(1,093)	42,428	(1,289)	12,464	15,231	16,568	17,905	19,242	20,579	21,917	23,254	24,591	25,928
25	Other Current and Accrued Assets	259,737	178,091	956,793	98,564	515,972	570,710	625,448	680,186	734,924	789,662	844,401	899,139	953,877
26	Total Current and Accrued Assets (15 thru 25)	8,097,689	8,040,313	8,618,091	10,323,652	8,419,597	8,925,772	9,332,027	10,238,844	10,271,389	10,377,516	10,168,323	9,853,582	10,147,491
27	Regulatory Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Other Deferred Debits	578,382	2,878,839	1,931,548	838,091	1,846,373	1,995,138	2,143,902	2,292,667	2,441,432	2,590,196	2,738,961	2,887,726	3,036,490
29	Total Assets and Other Debits (5+14+26 thru 28)	61,283,841	64,647,764	65,307,829	67,237,742	65,526,936	66,743,189	67,116,366	67,997,000	68,010,310	68,104,204	67,889,833	67,577,026	67,543,013
Liabilities and Other Credits														
30	Memberships	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Patronage Capital	21,480,183	21,272,283	22,604,930	23,789,840	24,618,721	25,855,434	27,140,394	29,401,231	30,662,068	31,922,905	33,183,741	34,444,578	35,705,415
32	Operating Margins - Prior Years	-	-	-	563,308	(362,864)	477,052	675,870	659,065	635,578	605,242	567,879	523,298	471,292
33	Operating Margins - Current Year	(127,566)	393,295	1,183,976	(362,864)	477,052	675,870	659,065	635,578	605,242	567,879	523,298	471,292	411,643
34	Non-Operating Margins	912,308	2,618,307	2,192,158	1,456,115	1,353,217	1,588,319	1,823,421	2,058,523	2,293,625	2,528,727	2,763,829	2,998,931	3,234,033
35	Other Margins and Equities	136,614	208,376	274,536	276,053	311,896	345,110	378,325	411,540	444,755	477,970	511,184	544,399	577,614
36	Total Margins & Equities(30 thru 35)	22,401,539	24,492,261	26,255,600	25,722,452	26,398,022	28,941,786	30,677,076	33,165,937	34,641,267	36,102,722	37,549,932	38,982,498	40,399,996
37	Long-Term Debt - RUS (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Long-Term Debt - FFB - RUS Guaranteed	34,749,518	33,234,898	32,295,559	31,244,195	30,017,216	28,871,685	27,726,155	26,580,624	25,435,093	24,289,563	23,144,032	21,998,501	20,852,971
39	Long-Term Debt - Other - RUS Guaranteed	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Long-Term Debt Other (Net)	6,345,436	6,389,766	5,032,402	4,903,672	3,830,399	3,280,399	2,730,399	2,180,399	1,630,399	1,080,399	530,399	-	-
41	Long-Term Debt - RUS - Econ. Devel. (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Payments - Unapplied	4,210,034	4,338,233	2,476,366	197,034	750,000	937,500	1,171,875	1,464,844	1,831,055	2,288,818	2,861,023	3,576,279	4,470,348
43	Total Long-Term Debt (37 thru 41 - 42)	36,884,919	35,286,431	34,851,595	35,950,833	33,097,615	31,214,584	29,284,678	27,296,179	25,234,437	23,081,143	20,813,408	18,422,223	16,382,622
44	Obligations Under Capital Leases - Noncurrent	310,413	-	-	-	-	-	-	-	-	-	-	-	-
45	Accumulated Op Provisions & Asset Retirement Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Total Other Noncurrent Liabilities(44 + 45)	310,413	-	-	-	-	-	-	-	-	-	-	-	-
47	Notes Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Accounts Payable	830,964	1,209,779	887,369	1,346,589	1,200,971	1,080,874	972,787	875,508	787,957	709,162	638,245	574,421	516,979
49	Consumers Deposits	121,550	112,956	113,757	106,245	105,289	110,554	116,081	121,885	127,980	134,379	141,097	148,152	155,560
50	Current Maturities Long-Term Debt	-	2,306,570	2,319,758	1,953,801	2,797,851	3,219,933	3,642,014	4,064,095	4,486,176	4,908,258	5,330,339	5,752,420	6,174,501
51	Current Maturities Long-Term Debt - Economic Development	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Current Maturities Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Other Current and Accrued Liabilities	734,456	1,239,767	879,750	2,157,822	1,927,188	2,175,459	2,423,730	2,473,396	2,732,493	3,168,542	3,416,813	3,697,312	3,913,354
54	Total Current & Accrued Liabilities(47 thru 53)	1,686,970	4,869,072	4,200,634	5,564,457	6,031,300	6,586,819	7,154,611	7,534,885	8,134,606	8,920,340	9,526,494	10,172,306	10,760,394
55	Regulatory Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Other Deferred Credits	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	61,283,841	64,647,764	65,307,829	67,237,742	65,526,936	66,743,189	67,116,366	67,997,000	68,010,310	68,104,204	67,889,834	67,577,027	67,543,013

Financial Ratios

Equity		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
As a Percent of Assets		36.6%	37.9%	40.2%	38.3%	40.3%	43.4%	45.7%	48.8%	50.9%	53.0%	55.3%	57.7%	59.8%
Distribution Equity		22.3%	23.3%	25.8%	23.0%	25.0%	27.5%	29.9%	33.5%	35.7%	37.9%	40.2%	42.8%	45.1%
As a Percent of Capitalization		37.8%	41.0%	43.0%	41.7%	44.4%	48.1%	51.2%	54.9%	57.9%	61.0%	64.3%	67.9%	71.1%
Current Ratio		4.80	1.65	2.05	1.86	1.40	1.36	1.30	1.36	1.26	1.16	1.07	0.97	0.94
Cash to Debt		17.2%	17.0%	15.6%	21.9%	16.7%	19.3%	21.7%	24.7%	28.0%	30.5%	32.2%	34.0%	39.3%

Donations Budget

2024 County Breakout: Ness 27%, Lane 35%, Scott 17%, Hodgeman 4%, and Rush 7%

	2023	2024
Bazine American Legion	100.00	150.00
Coop Cares Golf Tournament - Wheatland Electric	550.00	550.00
Dighton Eco Devo Summer Kickoff Sponsorship	150.00	-
Dighton Electrathon Team	500.00	500.00
Dighton FFA	100.00	-
Dighton Kid Wind Program	250.00	250.00
Dighton Post Prom	50.00	50.00
Dighton Kickoff to Summer Sponsorship & Car Show Prize	-	100.00
District Honor Guard - SW KS Military Funeral Services	-	200.00
Healy Booster Club	50.00	-
Hodgeman County Livestock Auction	250.00	150.00
KCRE Golf Tournament Hole Sponsor	175.00	175.00
Knights of Columbus - Tootsie Roll Drive	100.00	100.00
Lane Co. 4-H Council (awards)	100.00	100.00
Lane Co. Lions Club Flag Donation	350.00	-
Lane County Amusement Association / Annual Mtg Don.	100.00	100.00
Lane County Historical Society	25.00	25.00
Lane County Livestock Auction	150.00	150.00
Lane County Rodeo Sponsor	100.00	100.00
McCracken Park Christmas Lighting Sponsor	25.00	25.00
McCracken Rodeo Sponsor	260.00	260.00
Memorial Donations	300.00	300.00
Ness City After Prom	50.00	50.00
Ness City Fall Festival Donation + electricity	-	50.00
Ness City Elementary School - Carnival Fundraiser	100.00	-
Ness City Fun Run	100.00	100.00
Ness Co. Fair Sponsorship (Banner)	100.00	150.00
Ness County Livestock Auction	200.00	200.00
NRECA International Foundation	1,000.00	1,000.00
Octoberfest Prize Donation - Ransom	50.00	50.00
Sacred Heart PTO Softball Sponsor	25.00	-
Sacred Heart School Fall Festival Donation	100.00	100.00
SCAAC: Scott County Indoor Arena Signage	200.00	200.00
Utica Christmas Sponsorship	-	200.00
Utica May Day Sponsor	250.00	250.00
Western Plain After Prom	50.00	50.00
Wild west Catbackers	100.00	100.00
TOTAL:	\$ 6,010.00	\$ 5,785.00

Capital Budget items - 2024

These are extraordinary expenses that will be capitalized and depreciated.

	carry-over	Budget
1 Admin / General		
a Safety Demo Trailer Build-out	partial	12,000
b Cost of Service Study	yes	40,000
c Long Range Plan	yes	75,000
2 Technology		
Security Camera and Access Control - Ness Office		30,000
3 Financial and Human Resources		
no items		-
4 Member Services		
Annual Meeting Tent		8,000
5 Operations		
a 2024 Bucket Truck replacements 117 & 193	yes	420,000
b Truck Tools and Equipment	yes	25,000
6 Engineering		
a Conversion to 3-phase to Wheatland		65,000
b Ness City Sub 115KV Relays		10,000
c Router Replacement		18,750
d Fiber to collectors		5,000
		\$ 708,750

Construction Work Plan Budget items

These items are scheduled for 2024.

<i>WO number</i>	<i>location</i>	<i>description</i>	<i>number</i>	<i>estimated total installed cost</i>
101	Dighton	Underground		21,000
102		Overhead		122,500
500		Substation Upgrades (labor only)		25,000
601		transformers and meters		83,300
603		Electronic reclosers		76,000
		arrestors		950
		Fuse Cutouts		2,560
605		Capacitors		-
606		Pole Replacements		327,750
607		misc. Hardware		10,000
606		Conductor replacement - Copper weld		-
615		Digital Radio system		-
702		Security Lights		3,083
1104		Pole Replacements - transmission		65,000
1300-01		Server Room construction		-
1300-02		Offices and facilities		50,000

Total

\$ 787,143

PART A. STATEMENT OF OPERATIONS						
Item	2021	2022	2023 pro-rata	2024	% change	avg past change
1 Operating Revenue and Patronage Capital	18,976,716	20,914,246	17,938,955	18,928,065	5.51%	-2.2%
3 Cost of Purchased Power	11,294,294	12,903,008	10,467,500	10,634,980	1.60%	-4.1%
4 Transmission Expense	-	-	-	-		
Distribution revenue:	7,682,422	8,011,238	7,471,455	8,293,085	11.00%	1.2%
6 Distribution Expense - Operation	1,018,864	1,095,418	1,060,396	1,100,691	3.80%	5.6%
7 Distribution Expense - Maintenance	1,245,835	1,133,983	1,125,226	1,167,984	3.80%	-8.5%
8 Customer Accounts Expense	225,551	256,928	268,415	274,588	2.30%	19.1%
9 Customer Service and Informational Expense	67,611	59,232	71,586	72,302	1.00%	8.8%
10 Sales Expense	71,976	74,714	104,627	105,359	0.70%	44.1%
11 Administrative and General Expense	1,453,814	1,640,675	1,998,062	1,798,256	-10.00%	31.3%
total controllable expenses:	4,083,651	4,260,950	4,628,311	4,519,180	-2.36%	12.2%
12 Total Operation & Maintenance Expense (2 thru 11)	15,377,945	17,163,957	15,095,811	15,154,160	0	-0.3%
13 Depreciation and Amortization Expense	1,844,094	1,888,035	1,948,336	1,987,303	2.00%	6.2%
14 Tax Expense - Property & Gross Receipts	-	-	-	-	-	-
16 Interest on Long-Term Debt	1,338,205	1,282,652	1,224,242	1,175,272	-4.00%	-10.0%
18 Interest Expense - Other	146	269	5,215	5,319	2.00%	1924.0%
19 Other Deductions	23,031	16,024	28,215	23,809	-15.62%	40.4%
20 Total Cost of Electric Service (12 thru 19)	18,583,421	20,350,938	18,301,819	18,345,864	0.24%	-0.5%
21 Patronage Capital & Operating Margins (1 minus 20)	393,295	563,308	(362,864)	582,201	-260.45%	-208.0%
22 Non Operating Margins - Interest	160,696	132,044	403,326	413,409	2.50%	188.5%
24 Income (Loss) from Equity Investments	-	-	-	-		
25 Non Operating Margins - Other	(122,093)	140,732	65,869	67,845	3.00%	-267.5%
26 Generation and Transmission Capital Credits	1,405,537	670,085	600,000	600,000	0.00%	-62.8%
27 Other Capital Credits and Patronage Dividends	57,380	50,306	75,101	77,354	3.00%	38.0%
28 Extraordinary Items	619,088	-	-	-		
29 Patronage Capital or Margins (21 thru 28)	2,513,903	1,556,474	781,431	1,740,808	122.77%	-47.0%

RUS Form 7 PART C. BALANCE SHEET

Projected Year End 2024

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1 Total Utility Plant in Service	62,869,659	30 Memberships	-
2 Construction Work in Progress	1,392,127	31 Patronage Capital	24,618,721
3 Total Utility Plant (1 + 2)	64,261,786	32 Operating Margins - Prior Years	(362,864)
4 Accum. Provision for Depreciation and Amort.	23,417,895	33 Operating Margins - Current Year	477,052
5 Net Utility Plant (3 - 4)	40,843,891	34 Non-Operating Margins	1,353,217
6 Non-Utility Property (Net)	-	35 Other Margins and Equities	311,896
7 Investments in Subsidiary Companies	244,082	36 Total Margins & Equities (30 thru 35)	26,398,022
8 Invest. in Assoc. Org. - Patronage Capital	13,359,161	37 Long-Term Debt - RUS (Net)	-
9 Invest. in Assoc. Org. - Other - General Funds	586,474	38 Long-Term Debt - FFB - RUS Guaranteed	30,017,216
10 Invest. in Assoc. Org. - Other - Nongeneral Funds	221,858	39 Long-Term Debt - Other - RUS Guaranteed	-
11 Investments in Economic Development Projects	-	40 Long-Term Debt Other (Net)	3,830,399
12 Other Investments	5,501	41 Long-Term Debt - RUS - Econ. Devel. (Net)	-
13 Special Funds	-	42 Payments – Unapplied	750,000
14 Total Other Property & Investments (6 thru 13)	14,417,076	43 Total Long-Term Debt (37 thru 41 - 42)	33,097,615
15 Cash - General Funds	250,000	44 Obligations Under Capital Leases - Noncurrent	-
16 Cash - Construction Funds - Trustee	100	45 Accumulated Operating Provisions and Asset Retirement Obligations	-
17 Special Deposits	25	46 Total Other Noncurrent Liabilities (44 + 45)	-
18 Temporary Investments	5,025,781	47 Notes Payable	-
19 Notes Receivable (Net)	-	48 Accounts Payable	1,200,971
20 Accounts Receivable - Sales of Energy (Net)	1,692,138	49 Consumers Deposits	105,289
21 Accounts Receivable - Other (Net)	295,350	50 Current Maturities Long-Term Debt	2,797,851
22 Renewable Energy Credits	-	51 Current Maturities Long-Term Debt - Economic Development	-
23 Materials and Supplies - Electric & Other	625,000	52 Current Maturities Capital Leases	-
24 Prepayments	15,231	53 Other Current and Accrued Liabilities	1,927,188
25 Other Current and Accrued Assets	515,972	54 Total Current & Accrued Liabilities (47 thru 53)	6,031,299
26 Total Current and Accrued Assets (15 thru 25)	8,419,597	55 Regulatory Liabilities	-
27 Regulatory Assets	-	56 Other Deferred Credits	-
28 Other Deferred Debits	1,846,373	57 Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	65,526,937
29 Total Assets and Other Debits (5+14+26 thru 28)	65,526,937		

Financial Ratios - 2024 (projected)

Strength / Equity Ratios

Equity - % of Assets	40.29%	General Funds Level	10.30%
Margin + Equities - C36	26,398,022	Non Utility Property - C6	-
Total Assets - C29	65,526,937	Invest in Assoc, Other GF - C9	586,474
		Other Invest. - C12	5,501
Distribution Equity	24.99%	Special Funds - C13	-
Margin + Equities - C36	26,398,022	Cash Gen. Funds - C15	250,000
Total Assets - C29	65,526,937	Temporary Investments - C18	5,025,781
Patronage Capital - C8	13,359,161	Prepayments Unapplied - C42	750,000
		Total Utility Plant - C3	64,261,786
Equity - % of Capitalization	44.37%	Cash to Debt	16.62%
Current Equity - C36	26,398,022	Cash Gen. Funds - C15	250,000
Current LT Debt - C43	33,097,615	Temporary Investments - C18	5,025,781
		CFC CTC's - Stat Report	225,000
Current Ratio	1.40	Current LT Debt - C43	33,097,615
TI. C & A Assets - C26	8,419,597		
TI C & A Liabilities - C54	6,031,299		

Operating Ratios

TIER	RUS = 1.25	2.48	Operating TIER	RUS = 1.1	1.50
Net Income - A29	1,740,808		Operating Income - A21	582,201	
Interest on LT Debt- A16	1,175,272		Interest on LT Debt- A16	1,175,272	
DSC	RUS = 1.25	1.35	Operating DSC	RUS = 1.1	1.22
Depreciation - A13	1,987,303		Operating Income - A21	582,201	
Interest on LT Debt- A16	1,175,272		Depreciation - A13	1,987,303	
Pat. Cap. or Margins - A29	1,740,808		Interest on LT Debt- A16	1,175,272	
Prin. & Int. Pymts - N, d Total	3,631,816		Patron. Refund from G&T, other - A26+A27	600,000	
				77,354	
			Prin. & Int. Pymts - N, d Total	3,631,816	

2024 Cash Budget and Work plan Summary

Accrual Basis

item	2021	2022	YE 2023 (estimated)	2024 Budget
1 Operating Revenue	18,976,716	20,914,246	17,938,955	18,928,065
less Operating Expenses				
3 Cost of Power	11,294,294	12,903,008	10,467,500	10,634,980
Transmission Expense	-	-	-	-
6 Operations	1,018,864	1,095,418	1,060,396	1,100,691
7 Maintenance	1,245,835	1,133,982	1,125,226	1,167,984
8 Consumer Accounting	225,551	256,927	268,415	274,588
9 Customer Service & Information	67,611	59,232	71,586	72,302
10 Sales Expense	71,976	74,714	104,627	105,359
11 Administration & General	1,453,814	1,640,676	1,998,062	1,798,256
13 Depreciation	1,844,094	1,888,036	1,948,336	1,987,303
16 Long-TermDebt Interest Expense	1,338,205	1,282,652	1,224,242	1,175,272
18 Other Interest Expense	146	269	5,215	5,319
19 Other Deductions	23,031	16,024	28,215	23,809
20 Total Operating Expense	18,583,421	20,350,938	18,301,819	18,345,864
Controllable Expenses	4,083,651	4,260,949	4,628,311	4,519,180
21 Operating Margins	393,295	563,308	(362,864)	582,201
Adds:				
22 Non-Operating Margins - Interest Income	160,696	132,043	403,326	388,827
25 Non-Operating Margins - Other	(122,093)	140,733	65,869	72,289
26 G&T Capital Credits	1,405,537	684,641	600,000	600,000
27 Other Capital Credits & Patronage Dividends	57,380	50,306	75,101	78,566
29 Net Margins	1,894,815	1,571,031	781,431	1,721,883
ADD: Depreciation	1,844,094	1,888,036	1,948,336	1,987,303
Cash Investments on Hand January 1st	6,278,570	5,735,208	5,197,116	7,266,539
7,I, 2, Capital Credits paid to LSEC	226,081	340,507	325,000	325,000
LESS: Capital Credit Allocations from G&T, etc.	(1,405,537)	(684,641)	(600,000)	(600,000)
F7, N Principal Payments on Long-term debt	(2,474,131)	(2,283,515)	(2,035,968)	(1,407,290)
F7,I LSEC Patronage Capital Retirements	(451,140)	(524,046)	(451,588)	(500,000)
Net Cash Available before Distribution Plant	5,912,752	6,042,580	5,164,327	8,793,435
Less: Capital and Work Plan Budget	-	782,000	421,304	1,495,893
Add: Cash advance from Loans, FEMA, etc.	-	-	-	-
Net Cash Available After Plant Additions	5,912,752	5,260,580	4,743,023	7,297,542
Additional Cash Required from LT Loans for min. General Fund Balance of \$3.671 MM	-	-	-	-
Estimated Rate of Return on Rate Base:	2.07%	2.69%	-2.02%	3.08%

Training, Meetings, and Travel budget - 2024

G/L account # 930.32		Expense
ENG	NISC Meter Data Management	3,500
	Heartland meterman conference	500
	NISC mapping - Dal and Rebecca	5,000
	Landis & Gyr Metering School	2,500
	Dal Tech Advantage	3,500
		15,000
FIN	NISC MIC Conference - Rebecca	2,500
	Kansas Accountants Association Meeting - Kathy, Jocelyn & Diana	1,650
	Nisc iVue Training Workshops - Katie	2,000
	Miscellaneous Training	5,000
		11,150
GM and Board	KEC Meetings / training	
	Legislative visits (Topeka and Washington)	
	NRECA and Touchstone Energy Meetings / training	
	Sunflower Meetings	
		45,000
HR	Interact-HR	2,500
	Misc Training	1,500
	SHRM Meetings	240
		4,240
IT	NRECA Tech Advantage	3,500
	KEC IT Summit	1,000
	NISC MIC Conference	3,000
	NRECA Cyber Tech Conferences	3,000
	Miscellaneous Cybersecurity Summit and Classes	2,000
		12,500
MGMT	General Training	7,500
MS	Employee Meetings & Travel	3,200
	Touchstone Energy Meetings	500
	Employee Training (2 NRECA courses towards CCEP certificate)	1,160
		4,860
OPNS	Meetings, Training, and Education	1,000
Retail	Misc Trade training	1,500
	Generac Training	2,500
		4,000
Safety	KEC Leadership Down the Lines	7,800
	KEC Hotline School, URD, and Transformer and Metering training	3,700
	Dennis Merchant Apprentice Program	605
	Mesa Hot Line School	650
		12,755

Total:

118,005

Engineering DEPARTMENT 2024 BUDGET

DESCRIPTION	AMOUNT
Pole Inspections (7,000) poles	108,150
Engineering Studies (misc)	15,000
Sectionalizing Study	75,000
NISC Stake-out Software	10,000

Training & Education	
NISC MDM	3,500.00
Heartland meterman confrence	500.00
Dal Tech Advantage	3,500.00
NISC Mapping Training	2,500.00
NISC Metering Training	2,500.00

TOTAL FOR 2024:	\$220,650.00
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2024 BUDGET

IT-CYBERSECURITY DEPARTMENT

PRIORITY	DESCRIPTION	QUANTITY	COST
	Equipment / Other		
4	Billing Bill Print	1	8,000
5	iVue Enhancements and Upgrades (includes Boardpaq)	1	9,000
6	Computers/Laptops	9	14,000
7	Trustee iPads/Laptops	3	3,000
8	Training Room Project Replacement	1	6,000
14	Miscellaneous Expenses	1	5,000
	Consulting		
1	Cybersecurity Analysis & Remediations	1	50,000
2	External Penetration Testing	1	5,000
	Capital Expenses		
3	Security Camera and Access Control - Ness Office	1	30,000
	Training / Meetings		
9	NRECA Tech Advantage	1	3,500
10	KEC IT Summit	1	1,000
11	NISC MIC Conference	1	3,000
12	NRECA Cyber Tech Conferences	1	3,000
13	Miscellaneous Cybersecurity Summit and Classes	1	2,000
GRAND TOTAL			142,500

<p align="center">2024 BUDGET</p> <p align="center">HUMAN RESOURCES</p>

Materials	cost
Birthdays Supplies 24 employees	550
Quarterly Treats for employees	800
Wellness newsletter	1,500
Lineman Appreciation Day	400
Christmas Party - misc	500
	3,750

Consultants / Services	cost
MDFHR	2,500
Employee Evaluation software	1,500
NRECA Salary Survey	3,500
Employee Handbook and Legal Services	5,000
	12,500

Equipment	cost
No equipment requested	-

Training & Education	cost
NRECA Interact-HR	2,500
Misc Training	1,500
SHRM Meetings	240
	4,240
TOTAL	20,490

2024 CAPITAL BUDGET FINANCE & BILLING
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Furniture & Equipment	Cost
	\$ -

-

Education & Training	
NISC MIC Conference - Rebecca	2,500
NISC Mapping School - Rebecca	2,500
Kansas Accountants Association Meeting - Kathy, Jocelyn & Diana	1,650
Nisc iVue Training Workshops - Katie	2,000
Miscellaneous Training	5,000
	13,650

Miscellaneous	
Miscellaneous	5,000
	5,000

Total	\$ 18,650
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2024 Communications / Member Services Budget

		Communications Budget	Other Budget
Core Services	30.9%		
Safety Education Events		2,250	
Annual Meeting & Nominating Committee <i>(excludes annual meeting advertising, that's included in advertising budget)</i>			25,495
Third-Party Election Management Service			3,000
Election Voting: Energy Credit Drawings			750
Annual Meeting 40' x 80' canvas tent- 1/2 with Lane County			8,000
Resale Dept., HVAC & Electrician Advertising			2,745
Generac Generator Advertising			1,070
Lineman Appreciation			250
Member Engagement & Community Involvement	21.0%		
New Member Brochures		950	
SmartHub Brochures - Professional Printing Service		200	
SmartHub New User Sign-up Bill Credits		1,500	
Community Events & Food Drive/School Contest		2,160	
Scholarships (six at \$1500.00ea)		9,000	
Youth Tour, Leadership Camp & Promotional Items		11,070	
Social Media Contests			610
Military Care Packages		600	
New Member Paperless Billing Bill Credits		150	
Sharing Success Grant (LSEC portion)		2,000	
Christmas Cards		250	
CO-Op Month / Fall Festival Event			1,100
Advertising	39.0%		
Includes KCL magazine, print, newspaper, radio, hand- out items, Chamber memberships & school yearbooks		55,020	
Other Budget Items	8.8%		
Canvas and Survey Monkey Annual Subscription		590	
Memberships & Dues (Includes Touchstone & KMSDA)		6,300	
Touchstone Energy Meetings		500	
Employee Meetings & Travel		3,200	
Employee Training (2 NRECA courses towards CCEP certificate)		1,160	
Promotional Items (LSEC Pop-up Tent & pens or other items)		1,100	
TOTAL 2023 BUDGET:		98,000	43,020

**OPERATIONS DEPARTMENT
2024 BUDGET**

amount

Equipment

2024 Bucket Truck replacement 117&193	410,000
Truck Tools and Equipment	25,000

Facilities / Miscellaneous

Tree Trimming based on Solida 3 year average	102,000
Rock for the north yard & Ness City yard	10,000
Contractors / Mutual Aid	50,000

Training and Education

Meetings, Training, and Education	1,000

TOTAL FOR 2024:	\$598,000.00
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2024 Safety and Tools Budget Items

SAFETY ITEMS LISTING					
Description		Qty	Cost	tax	Total
Demo Trailer and build out		1			12,000.00
3 phase Hot arms Cleaning and testing		3	3,215.00	819.83	10,464.83
Harness's & Lanyard's		13	995.95	1,100.52	14,047.87
Propell water for hydration		24	14.99	30.58	390.34
Safety ItemsTOTAL					36,903
SAFETY TOOLS ITEMS LISTING					
Description		Qty	Cost	tax	Total
Replace Greenly Hydraulic Crimpers		5	1,901	808	10,313
Personal Voltage Detectors		15	425	542	6,917
Safety Tools TOTAL					17,230
Training and Schools					
Description		Qty	Cost	tax	Total
KEC Leadership Down the Lines		12	650		7,800
KEC Hotline School - Pratt		2	410		820
KEC URD Training		4	420		1,680
KEC Transformer & Metering School		2	600		1,200
Dennis Merchant Apprentice Program		1	605		605
Mesa Hot Line School		2	325		650
Training TOTAL					12,755

Net GRAND TOTAL

\$66,887.82

2024 BUDGET

FR CLOTHING SAFETY BUDGET

Description	Qty	Average Cost	Average Cost Per Employee	Total Employees	Total
Jeans	3	92.02	276.06	13	3,588.78
Shirts	3	92.88	278.64	13	3,622.32
Sweatshirt	1	226.93	226.93	13	2,950.09
Bib Coveralls	1	219.69	219.69	13	2,855.97
Gloves	1	300.00	20.00	15	4,500.00
Rain Jacket	1	259.49	259.49	14	3,632.86

1,280.81

21,150.02

tax @ 8.25%

1,744.88

Total

22,894.90

Statement of Operations**Current Rates**

		actual										projected	estimated									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
1	Operating Revenue	15,223,187	16,371,982	18,005,805	16,605,232	16,432,932	16,786,658	17,802,551	17,896,695	16,167,734	18,976,716	20,914,246	17,938,955	18,243,918	18,554,064	18,869,483	19,190,265	19,516,499	19,848,280	20,185,700	20,528,857	20,877,848
3	Cost of Purchased Power	9,876,011	10,588,846	11,679,640	10,241,264	10,004,331	9,715,189	10,698,586	10,632,698	9,219,251	11,294,294	12,903,008	10,467,500	10,634,980	10,805,140	10,978,022	11,153,670	11,332,129	11,513,443	11,697,658	11,884,821	12,074,978
4	Transmission Exp	12,807	4,550	9,153	5,526	10,347	11,182	7,585	5,953	2,134	-	-	-	-	-	-	-	-	-	-	-	-
4a	Distribution Margin	5,334,369	5,778,586	6,317,012	6,358,442	6,418,254	7,060,287	7,096,381	7,258,044	6,946,350	7,682,422	8,011,238	7,471,455	7,608,938	7,748,924	7,891,461	8,036,594	8,184,370	8,334,836	8,488,042	8,644,036	8,802,870
4b	ratio	35.0%	35.3%	35.1%	38.3%	39.1%	42.1%	39.9%	40.6%	43.0%	40.5%	38.3%	41.6%	41.7%	41.8%	41.8%	41.9%	41.9%	42.0%	42.0%	42.1%	42.2%
6	DE - Operations	921,789	849,454	826,557	1,299,071	929,301	1,318,251	1,335,653	1,320,558	1,474,903	1,018,864	1,095,418	1,060,396	1,100,691	1,144,719	1,190,508	1,238,128	1,287,653	1,339,159	1,392,726	1,448,435	1,506,372
7	DE - Maintenance	478,658	461,990	624,238	581,193	585,696	626,504	747,443	714,936	931,974	1,245,835	1,133,983	1,125,226	1,167,984	1,214,704	1,263,292	1,313,823	1,366,376	1,421,031	1,477,873	1,536,988	1,598,467
8	Customer Exp Accounts	428,123	384,298	272,627	230,195	235,458	214,121	205,978	219,509	211,571	225,551	256,928	268,415	274,588	280,904	287,365	293,974	300,736	307,652	314,728	321,967	329,372
9	CS and Info exp	26,781	28,698	32,286	31,962	32,955	27,438	33,715	32,146	47,090	67,611	59,232	71,586	72,302	73,025	73,755	74,493	75,238	75,990	76,750	77,517	78,292
10	Sales Expense	123,792	128,823	138,418	139,117	135,599	137,314	81,169	49,468	61,442	71,976	74,714	104,627	105,359	106,097	106,839	107,587	108,340	109,099	109,862	110,631	111,406
11	A & G	1,089,961	1,214,461	1,152,859	1,204,841	1,173,019	1,237,887	1,270,909	1,389,186	1,286,153	1,453,814	1,640,675	1,998,062	1,798,256	1,888,168	1,963,695	2,042,243	2,123,933	2,208,890	2,297,245	2,389,135	2,484,701
12	Total O&M (3-11)	12,957,922	13,661,120	14,735,778	13,733,169	13,106,706	13,287,886	14,381,037	14,364,454	13,234,517	15,377,945	17,163,957	15,095,811	15,154,161	15,512,756	15,863,476	16,223,919	16,594,405	16,975,265	17,366,843	17,769,494	18,183,589
	Dist Margin less Contollable																					
12a	Expenses	2,265,265	2,710,862	3,270,027	2,872,063	3,326,226	3,498,772	3,421,513	3,532,241	2,933,218	3,598,771	3,750,289	2,843,144	3,089,757	3,041,308	3,006,008	2,966,346	2,922,094	2,873,015	2,818,858	2,759,363	2,694,259
13	Dep / Amort Exp	1,113,616	1,196,964	1,373,926	1,439,473	1,472,626	1,496,428	1,517,331	1,597,669	1,650,031	1,844,094	1,888,035	1,948,336	1,987,303	2,027,049	2,067,590	2,108,942	2,151,120	2,194,143	2,238,026	2,282,786	2,328,442
	Tax Expense - Property & Gross																					
14	Reciepts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Int on LT Debt	744,884	734,378	1,164,567	1,179,794	1,198,993	1,167,132	1,211,649	1,262,612	1,337,470	1,338,205	1,282,652	1,224,242	1,175,272	1,128,261	1,083,131	1,039,806	998,213	958,285	919,954	883,155	847,829
18	Int exp other	158,468	229,349	6,997	1,583	645	954	2,165	3,405	1,970	146	269	5,215	5,319	5,426	5,534	5,645	5,758	5,873	5,990	6,110	6,232
19	Other Deducts	14,058	11,019	21,858	8,090	11,774	8,707	10,930	16,793	40,820	23,031	16,024	28,215	23,809	25,003	26,197	27,391	28,584	29,778	30,972	32,166	33,360
20	TL Cost of El. Svc (12-19)	14,988,948	15,832,830	17,303,126	16,362,109	15,790,744	15,961,107	17,123,113	17,244,933	16,264,808	18,583,421	20,350,938	18,301,819	18,345,864	18,698,495	19,045,927	19,405,702	19,778,081	20,163,344	20,561,785	20,973,712	21,399,452
21	Op Margins (1 minus 20)	234,239	539,152	702,679	243,123	642,188	825,551	679,438	651,762	(97,073)	393,295	563,308	(362,864)	(101,946)	(144,431)	(176,444)	(215,437)	(261,582)	(315,064)	(376,084)	(444,855)	(521,604)
22	Non-Op Margins - Int	22,375	21,526	15,191	17,446	23,052	39,029	195,135	304,374	240,314	160,696	132,044	403,326	413,409	423,744	434,338	445,196	456,326	467,734	479,428	491,413	503,699
	Income (Loss) from Equity																					
24	Investments	392,901	(1,505,140)	53,580	(768)	(65,443)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Non-Op Margins - Other	95,071	84,380	50,803	743,150	1,503	21,511	17,999	33,606	(65,312)	(122,093)	140,732	65,869	67,845	69,880	71,976	74,136	76,360	78,651	81,010	83,440	85,944
26	G&T Cap Credits	1,389,059	1,912,676	1,961,719	863,967	1,288,219	1,050,246	294,779	1,042,977	-	1,405,537	670,085	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
27	Other Cap Credits & Pat Divs	48,850	78,292	121,249	90,039	103,587	65,031	69,687	70,269	586,498	57,380	50,306	75,101	77,354	79,674	82,064	84,526	87,062	89,674	92,364	95,135	97,989
28	Extraordinary Items	-	-	-	-	-	-	-	-	-	619,088	-	-	-	-	-	-	-	-	-	-	-
29	Pat Cap or Margins (21-27)	2,182,495	1,130,886	2,905,221	1,956,957	1,993,106	2,001,368	1,257,038	2,102,988	664,427	2,513,903	1,556,474	781,431	1,056,661	1,028,868	1,011,935	988,421	958,166	920,995	876,718	825,134	766,027
RUS	TIER - 1.25	3.930	2.540	3.495	2.659	2.662	2.715	2.037	2.666	1.497	2.879	2.213	1.638	1.899	1.912	1.934	1.951	1.960	1.961	1.953	1.934	1.904
RUS	OTIER - 1.10	1.314	1.734	1.603	1.206	1.536	1.707	1.561	1.516	0.927	1.294	1.439	0.704	0.913	0.872	0.837	0.793	0.738	0.671	0.591	0.496	0.385
RUS	DSC - 1.25	0.401	2.412	2.248	1.706	2.015	2.043	1.648	1.931	1.312	1.607	1.323	1.098	1.162	1.143	1.128	1.112	1.096	1.078	1.060	1.040	1.020
RUS	ODSC - 1.10	0.350	3.515	2.198	1.423	2.032	2.016	1.560	1.799	1.249	1.422	1.247	0.967	1.029	1.008	0.991	0.973	0.954	0.934	0.912	0.890	0.867
CFC	MDSC = 1.35	0.368	3.668	5.251	4.450	6.049	6.363	5.741	6.273	5.363	4.952	4.845	4.771	4.963	5.069	5.178	5.283	5.386	5.486	5.583	5.677	5.769
	Prin. & Int. Pymts - N, d Total	10,077,459	1,269,380	2,421,853	2,682,323	2,315,276	2,283,481	2,418,556	2,570,606	2,784,205	3,543,940	3,573,232	3,602,524	3,631,816	3,661,108	3,690,400	3,719,692	3,748,984	3,778,276	3,807,568	3,836,860	3,866,152
	Patronage Capital - C8	152,802	172,877	7,377,227	8,102,232	9,276,762	9,886,798	9,915,857	11,196,724	11,214,826	12,349,958	12,724,382	13,300,999	13,872,810	14,444,620	15,016,431	15,588,241	16,160,052	16,731,863	17,303,673	17,875,484	18,447,294

75% applied

3.00% Increase		actual										projected	estimated									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
1	Operating Revenue	15,223,187	16,371,982	18,005,805	16,605,232	16,432,932	16,786,658	17,802,551	17,896,695	16,167,734	18,976,716	20,914,246	17,938,955	18,243,918	18,554,064	18,869,483	19,190,265	19,516,499	19,848,280	20,185,700	20,528,857	20,877,848
	rate adjustment													410,488	556,622	566,085	575,708	585,495	595,448	605,571	615,866	626,335
3	Cost of Purchased Power	9,876,011	10,588,846	11,679,640	10,241,264	10,004,331	9,715,189	10,698,586	10,632,698	9,219,251	11,294,294	12,903,008	10,467,500	10,634,980	10,805,140	10,978,022	11,153,670	11,332,129	11,513,443	11,697,658	11,884,821	12,074,978
4	Transmission Exp	12,807	4,550	9,153	5,526	10,347	11,182	7,585	5,953	2,134	-	-	-	-	-	-	-	-	-	-	-	-
4a	Distribution Margin	5,334,369	5,778,586	6,317,012	6,358,442	6,418,254	7,060,287	7,096,381	7,258,044	6,946,350	7,682,422	8,011,238	7,471,455	8,019,426	8,305,546	8,457,546	8,612,302	8,769,865	8,930,285	9,093,613	9,259,902	9,429,205
4b	ratio	35.0%	35.3%	35.1%	38.3%	39.1%	42.1%	39.9%	40.6%	43.0%	40.5%	38.3%	41.6%	44.0%	44.8%	44.8%	44.9%	44.9%	45.0%	45.0%	45.1%	45.2%
6	DE - Operations	921,789	849,454	826,557	1,299,071	929,301	1,318,251	1,335,653	1,320,558	1,474,903	1,018,864	1,095,418	1,060,396	1,100,691	1,144,719	1,190,508	1,238,128	1,287,653	1,339,159	1,392,726	1,448,435	1,506,372
7	DE - Maintenance	478,658	461,990	624,238	581,193	585,696	626,504	747,443	714,936	931,974	1,245,835	1,133,983	1,125,226	1,167,984	1,214,704	1,263,292	1,313,823	1,366,376	1,421,031	1,477,873	1,536,988	1,598,467
8	Customer Exp Accounts	428,123	384,298	272,627	230,195	235,458	214,121	205,978	219,509	211,571	225,551	256,928	268,415	274,588	280,904	287,365	293,974	300,736	307,652	314,728	321,967	329,372
9	CS and Info exp	26,781	28,698	32,286	31,962	32,955	27,438	33,715	32,146	47,090	67,611	59,232	71,586	72,302	73,025	73,755	74,493	75,238	75,990	76,750	77,517	78,292
10	Sales Expense	123,792	128,823	138,418	139,117	135,599	137,314	81,169	49,468	61,442	71,976	74,714	104,627	105,359	106,097	106,839	107,587	108,340	109,099	109,862	110,631	111,406
11	A & G	1,089,961	1,214,461	1,152,859	1,204,841	1,173,019	1,237,887	1,270,909	1,389,186	1,286,153	1,453,814	1,640,675	1,998,062	1,798,256	1,888,168	1,963,695	2,042,243	2,123,933	2,208,890	2,297,245	2,389,135	2,484,701
12	Total O&M (3-11)	12,957,922	13,661,120	14,735,778	13,733,169	13,106,706	13,287,886	14,381,037	14,364,454	13,234,517	15,377,945	17,163,957	15,095,811	15,154,161	15,512,756	15,863,476	16,223,919	16,594,405	16,975,265	17,366,843	17,769,494	18,183,589
	Dist Margin less Contollable																					
12a	Expenses	2,265,265	2,710,862	3,270,027	2,872,063	3,326,226	3,498,772	3,421,513	3,532,241	2,933,218	3,598,771	3,750,289	2,843,144	3,500,245	3,597,930	3,572,092	3,542,054	3,507,589	3,468,463	3,424,429	3,375,229	3,320,595
13	Dep / Amort Exp	1,113,616	1,196,964	1,373,926	1,439,473	1,472,626	1,496,428	1,517,331	1,597,669	1,650,031	1,844,094	1,888,035	1,948,336	1,987,303	2,027,049	2,067,590	2,108,942	2,151,120	2,194,143	2,238,026	2,282,786	2,328,442
	Tax Expense - Property & Gross																					
14	Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Int on LT Debt	744,884	734,378	1,164,567	1,179,794	1,198,993	1,167,132	1,211,649	1,262,612	1,337,470	1,338,205	1,282,652	1,224,242	1,175,272	1,128,261	1,083,131	1,039,806	998,213	958,285	919,954	883,155	847,829
18	Int exp other	158,468	229,349	6,997	1,583	645	954	2,165	3,405	1,970	146	269	5,215	5,319	5,426	5,534	5,645	5,758	5,873	5,990	6,110	6,232
19	Other Deducts	14,058	11,019	21,858	8,090	11,774	8,707	10,930	16,793	40,820	23,031	16,024	28,215	23,809	25,003	26,197	27,391	28,584	29,778	30,972	32,166	33,360
20	TL Cost of El. Svc (12-19)	14,988,948	15,832,830	17,303,126	16,362,109	15,790,744	15,961,107	17,123,113	17,244,933	16,264,808	18,583,421	20,350,938	18,301,819	18,345,864	18,698,495	19,045,927	19,405,702	19,778,081	20,163,344	20,561,785	20,973,712	21,399,452
21	Op Margins (1 minus 20)	234,239	539,152	702,679	243,123	642,188	825,551	679,438	651,762	(97,073)	393,295	563,308	(362,864)	308,542	412,191	389,640	360,271	323,913	280,384	229,487	171,011	104,731
22	Non-Op Margins - Int	22,375	21,526	15,191	17,446	23,052	39,029	195,135	304,374	240,314	160,696	132,044	403,326	413,409	423,744	434,338	445,196	456,326	467,734	479,428	491,413	503,699
	Income (Loss) from Equity																					
24	Investments	392,901	(1,505,140)	53,580	(768)	(65,443)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Non-Op Margins - Other	95,071	84,380	50,803	743,150	1,503	21,511	17,999	33,606	(65,312)	(122,093)	140,732	65,869	67,845	69,880	71,976	74,136	76,360	78,651	81,010	83,440	85,944
26	G&T Cap Credits	1,389,059	1,912,676	1,961,719	863,967	1,288,219	1,050,246	294,779	1,042,977	-	1,405,537	670,085	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
27	Other Cap Credits & Pat Divs	48,850	78,292	121,249	90,039	103,587	65,031	69,687	70,269	586,498	57,380	50,306	75,101	77,354	79,674	82,064	84,526	87,062	89,674	92,364	95,135	97,989
28	Extraordinary Items	-	-	-	-	-	-	-	-	-	619,088	-	-	-	-	-	-	-	-	-	-	-
29	Pat Cap or Margins (21-27)	2,182,495	1,130,886	2,905,221	1,956,957	1,993,106	2,001,368	1,257,038	2,102,988	664,427	2,513,903	1,556,474	781,431	1,467,149	1,585,490	1,578,019	1,564,129	1,543,661	1,516,443	1,482,289	1,441,000	1,392,363
RUS	TIER - 1.25	3.930	2.540	3.495	2.659	2.662	2.715	2.037	2.666	1.497	2.879	2.213	1.638	2.248	2.405	2.457	2.504	2.546	2.582	2.611	2.632	2.642
RUS	OTIER - 1.10	1.314	1.734	1.603	1.206	1.536	1.707	1.561	1.516	0.927	1.294	1.439	0.704	1.263	1.365	1.360	1.346	1.324	1.293	1.249	1.194	1.124
RUS	DSC - 1.25	0.401	2.412	2.248	1.706	2.015	2.043	1.648	1.931	1.312	1.607	1.323	1.098	1.275	1.295	1.281	1.267	1.252	1.236	1.219	1.201	1.182
RUS	ODSC - 1.10	0.350	3.515	2.198	1.423	2.032	2.016	1.560	1.799	1.249	1.422	1.247	0.967	1.142	1.160	1.144	1.127	1.110	1.091	1.072	1.051	1.029
CFC	MDSC = 1.35	0.368	3.668	5.251	4.450	6.049	6.363	5.741	6.273	5.363	4.952	4.845	4.771	5.076	5.221	5.331	5.438	5.542	5.643	5.742	5.838	5.931
	Prin. & Int. Pymts - N. d Total	10,077,459	1,269,380	2,421,853	2,682,323	2,315,276	2,283,481	2,418,556	2,570,606	2,784,205	3,543,940	3,573,232	3,602,524	3,631,816	3,661,108	3,690,400	3,719,692	3,748,984	3,778,276	3,807,568	3,836,860	3,866,152
	Patronage Capital - C8	152,802	172,877	7,377,227	8,102,232	9,276,762	9,886,798	9,915,857	11,196,724	11,214,826	12,349,958	12,724,382	13,300,999	13,872,810	14,444,620	15,016,431	15,588,241	16,160,052	16,731,863	17,303,673	17,875,484	18,447,294

Statement of Operations

75% applied

5.00% Increase		actual										projected	estimated									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
1	Operating Revenue	15,223,187	16,371,982	18,005,805	16,605,232	16,432,932	16,786,658	17,802,551	17,896,695	16,167,734	18,976,716	20,914,246	17,938,955	18,243,918	18,554,064	18,869,483	19,190,265	19,516,499	19,848,280	20,185,700	20,528,857	20,877,848
	rate adjustment													684,147	927,703	943,474	959,513	975,825	992,414	1,009,285	1,026,443	1,043,892
3	Cost of Purchased Power	9,876,011	10,588,846	11,679,640	10,241,264	10,004,331	9,715,189	10,698,586	10,632,698	9,219,251	11,294,294	12,903,008	10,467,500	10,634,980	10,805,140	10,978,022	11,153,670	11,332,129	11,513,443	11,697,658	11,884,821	12,074,978
4	Transmission Exp	12,807	4,550	9,153	5,526	10,347	11,182	7,585	5,953	2,134	-	-	-	-	-	-	-	-	-	-	-	-
4a	Distribution Margin	5,334,369	5,778,586	6,317,012	6,358,442	6,418,254	7,060,287	7,096,381	7,258,044	6,946,350	7,682,422	8,011,238	7,471,455	8,293,084	8,676,628	8,834,935	8,996,107	9,160,195	9,327,250	9,497,327	9,670,479	9,846,762
4b	ratio	35.0%	35.3%	35.1%	38.3%	39.1%	42.1%	39.9%	40.6%	43.0%	40.5%	38.3%	41.6%	45.5%	46.8%	46.8%	46.9%	46.9%	47.0%	47.0%	47.1%	47.2%
6	DE - Operations	921,789	849,454	826,557	1,299,071	929,301	1,318,251	1,335,653	1,320,558	1,474,903	1,018,864	1,095,418	1,060,396	1,100,691	1,144,719	1,190,508	1,238,128	1,287,653	1,339,159	1,392,726	1,448,435	1,506,372
7	DE - Maintenance	478,658	461,990	624,238	581,193	585,696	626,504	747,443	714,936	931,974	1,245,835	1,133,983	1,125,226	1,167,984	1,214,704	1,263,292	1,313,823	1,366,376	1,421,031	1,477,873	1,536,988	1,598,467
8	Customer Exp Accounts	428,123	384,298	272,627	230,195	235,458	214,121	205,978	219,509	211,571	225,551	256,928	268,415	274,588	280,904	287,365	293,974	300,736	307,652	314,728	321,967	329,372
9	CS and Info exp	26,781	28,698	32,286	31,962	32,955	27,438	33,715	32,146	47,090	67,611	59,232	71,586	72,302	73,025	73,755	74,493	75,238	75,990	76,750	77,517	78,292
10	Sales Expense	123,792	128,823	138,418	139,117	135,599	137,314	81,169	49,468	61,442	71,976	74,714	104,627	105,359	106,097	106,839	107,587	108,340	109,099	109,862	110,631	111,406
11	A & G	1,089,961	1,214,461	1,152,859	1,204,841	1,173,019	1,237,887	1,270,909	1,389,186	1,286,153	1,453,814	1,640,675	1,998,062	1,798,256	1,888,168	1,963,695	2,042,243	2,123,933	2,208,890	2,297,245	2,389,135	2,484,701
12	Total O&M (3-11)	12,957,922	13,661,120	14,735,778	13,733,169	13,106,706	13,287,886	14,381,037	14,364,454	13,234,517	15,377,945	17,163,957	15,095,811	15,154,161	15,512,756	15,863,476	16,223,919	16,594,405	16,975,265	17,366,843	17,769,494	18,183,589
	Dist Margin less Contollable																					
12a	Expenses	2,265,265	2,710,862	3,270,027	2,872,063	3,326,226	3,498,772	3,421,513	3,532,241	2,933,218	3,598,771	3,750,289	2,843,144	3,773,904	3,969,011	3,949,482	3,925,859	3,897,919	3,865,429	3,828,143	3,785,806	3,738,152
13	Dep / Amort Exp	1,113,616	1,196,964	1,373,926	1,439,473	1,472,626	1,496,428	1,517,331	1,597,669	1,650,031	1,844,094	1,888,035	1,948,336	1,987,303	2,027,049	2,067,590	2,108,942	2,151,120	2,194,143	2,238,026	2,282,786	2,328,442
	Tax Expense - Property & Gross																					
14	Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Int on LT Debt	744,884	734,378	1,164,567	1,179,794	1,198,993	1,167,132	1,211,649	1,262,612	1,337,470	1,338,205	1,282,652	1,224,242	1,175,272	1,128,261	1,083,131	1,039,806	998,213	958,285	919,954	883,155	847,829
18	Int exp other	158,468	229,349	6,997	1,583	645	954	2,165	3,405	1,970	146	269	5,215	5,319	5,426	5,534	5,645	5,758	5,873	5,990	6,110	6,232
19	Other Deducts	14,058	11,019	21,858	8,090	11,774	8,707	10,930	16,793	40,820	23,031	16,024	28,215	23,809	25,003	26,197	27,391	28,584	29,778	30,972	32,166	33,360
20	TL Cost of El. Svc (12-19)	14,988,948	15,832,830	17,303,126	16,362,109	15,790,744	15,961,107	17,123,113	17,244,933	16,264,808	18,583,421	20,350,938	18,301,819	18,345,864	18,698,495	19,045,927	19,405,702	19,778,081	20,163,344	20,561,785	20,973,712	21,399,452
21	Op Margins (1 minus 20)	234,239	539,152	702,679	243,123	642,188	825,551	679,438	651,762	(97,073)	393,295	563,308	(362,864)	582,201	783,273	767,030	744,076	714,243	677,350	633,201	581,588	522,288
22	Non-Op Margins - Int	22,375	21,526	15,191	17,446	23,052	39,029	195,135	304,374	240,314	160,696	132,044	403,326	413,409	423,744	434,338	445,196	456,326	467,734	479,428	491,413	503,699
	Income (Loss) from Equity																					
24	Investments	392,901	(1,505,140)	53,580	(768)	(65,443)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Non-Op Margins - Other	95,071	84,380	50,803	743,150	1,503	21,511	17,999	33,606	(65,312)	(122,093)	140,732	65,869	67,845	69,880	71,976	74,136	76,360	78,651	81,010	83,440	85,944
26	G&T Cap Credits	1,389,059	1,912,676	1,961,719	863,967	1,288,219	1,050,246	294,779	1,042,977	-	1,405,537	670,085	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
27	Other Cap Credits & Pat Divs	48,850	78,292	121,249	90,039	103,587	65,031	69,687	70,269	586,498	57,380	50,306	75,101	77,354	79,674	82,064	84,526	87,062	89,674	92,364	95,135	97,989
28	Extraordinary Items	-	-	-	-	-	-	-	-	-	619,088	-	-	-	-	-	-	-	-	-	-	-
29	Pat Cap or Margins (21-27)	2,182,495	1,130,886	2,905,221	1,956,957	1,993,106	2,001,368	1,257,038	2,102,988	664,427	2,513,903	1,556,474	781,431	1,740,808	1,956,571	1,955,409	1,947,935	1,933,991	1,913,409	1,886,003	1,851,577	1,809,920
RUS	TIER - 1.25	3.930	2.540	3.495	2.659	2.662	2.715	2.037	2.666	1.497	2.879	2.213	1.638	2.481	2.734	2.805	2.873	2.937	2.997	3.050	3.097	3.135
RUS	OTIER - 1.10	1.314	1.734	1.603	1.206	1.536	1.707	1.561	1.516	0.927	1.294	1.439	0.704	1.495	1.694	1.708	1.716	1.716	1.707	1.688	1.659	1.616
RUS	DSC - 1.25	0.401	2.412	2.248	1.706	2.015	2.043	1.648	1.931	1.312	1.607	1.323	1.098	1.350	1.396	1.384	1.370	1.356	1.341	1.325	1.308	1.290
RUS	ODSC - 1.10	0.350	3.515	2.198	1.423	2.032	2.016	1.560	1.799	1.249	1.422	1.247	0.967	1.218	1.261	1.246	1.231	1.214	1.196	1.178	1.158	1.137
CFC	MDSC = 1.35	0.368	3.668	5.251	4.450	6.049	6.363	5.741	6.273	5.363	4.952	4.845	4.771	5.151	5.323	5.433	5.541	5.646	5.748	5.848	5.945	6.039
	Prin. & Int. Pymts - N. d Total	10,077,459	1,269,380	2,421,853	2,682,323	2,315,276	2,283,481	2,418,556	2,570,606	2,784,205	3,543,940	3,573,232	3,602,524	3,631,816	3,661,108	3,690,400	3,719,692	3,748,984	3,778,276	3,807,568	3,836,860	3,866,152
	Patronage Capital - C8	152,802	172,877	7,377,227	8,102,232	9,276,762	9,886,798	9,915,857	11,196,724	11,214,826	12,349,958	12,724,382	13,300,999	13,872,810	14,444,620	15,016,431	15,588,241	16,160,052	16,731,863	17,303,673	17,875,484	18,447,294

Appendix B.

Balance Sheet (year end)

Balance Sheet (year end)	actual					projected	estimated								
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
1. Total Utility Plant in Service	52,119,499	54,002,874	58,108,127	58,926,015	60,549,494	62,247,187	62,869,659	63,498,355	64,133,339	64,774,672	65,422,419	66,076,643	66,737,410	67,404,784	67,741,808
2. Construction Work in Progress	355,770	2,924,100	284,441	1,004,116	1,368,011	1,637,796	1,392,127	1,364,284	1,336,999	1,310,259	1,284,054	1,258,372	1,233,205	1,208,541	1,184,370
3. Total Utility Plant (1 + 2)	52,475,269	56,926,974	58,392,568	59,930,131	61,917,505	63,884,983	64,261,786	64,862,640	65,470,338	66,084,931	66,706,473	67,335,016	67,970,615	68,613,325	68,926,178
4. Accum. Provision for Depreciation and Amort	15,398,228	16,568,059	17,927,950	19,410,940	20,781,478	22,035,363	23,417,895	24,769,579	26,121,262	27,472,946	28,824,629	30,176,313	31,527,996	32,879,679	34,231,363
5. Net Utility Plant (3 - 4)	37,077,041	40,358,915	40,464,618	40,519,191	41,136,027	41,849,620	40,843,891	40,093,061	39,349,076	38,611,985	37,881,844	37,158,703	36,442,619	35,733,645	34,694,815
6. Non-Utility Property (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Investments in Subsidiary Companies	230,130	244,067	255,405	230,144	239,416	244,812	244,082	245,059	246,036	247,013	247,990	248,967	249,944	250,921	251,898
8. Invest. in Assoc. Org. - Patronage Capital	9,915,857	11,196,724	11,214,826	12,306,357	12,709,826	13,308,647	13,359,161	14,609,935	15,110,710	15,611,484	16,112,259	16,613,033	17,113,808	17,614,582	18,115,357
9. Invest. in Assoc. Org. - Other - General Funds	22,422	445,461	445,462	445,461	445,461	445,461	586,474	646,909	707,343	767,777	828,211	888,645	949,080	1,009,514	1,069,948
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	222,259	221,958	221,958	221,958	221,958	221,958	221,858	221,815	221,772	221,729	221,686	221,643	221,600	221,557	221,514
11. Investments in Economic Development Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12. Other Investments	5,501	5,501	5,501	5,501	5,501	5,501	5,501	5,501	5,500	5,500	5,500	5,500	5,500	5,500	5,500
13. Special Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14. Total Other Property & Investments (6 thru 13)	10,396,169	12,113,711	12,143,152	13,209,421	13,622,162	14,226,379	14,417,076	15,729,218	16,291,361	16,853,503	17,415,646	17,977,789	18,539,931	19,102,074	19,664,216
15. Cash - General Funds	320,432	330,624	115,401	135,302	29,835	68,276	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
16. Cash - Construction Funds - Trustee	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
17. Special Deposits	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
18. Temporary Investments	974,573	2,672,836	5,974,610	5,599,781	5,167,156	7,568,947	5,025,781	5,538,477	5,845,218	6,252,521	6,560,551	6,542,163	6,208,455	5,769,200	5,938,595
19. Notes Receivable (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20. Accounts Receivable - Sales of Energy (Net)	1,557,344	1,287,283	1,183,826	1,398,249	1,676,409	1,670,150	1,692,138	1,626,550	1,666,997	2,107,444	1,747,891	1,788,338	1,828,786	1,869,233	1,909,680
21. Accounts Receivable - Other (Net)	128,086	103,317	236,953	212,610	281,023	222,276	295,350	323,342	351,334	379,326	407,318	435,310	463,302	491,295	519,287
22. Renewable Energy Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23. Materials and Supplies - Electric & Other	374,002	341,360	328,131	473,727	508,040	682,850	625,000	600,000	575,000	550,000	550,000	550,000	550,000	550,000	550,000
24. Prepayments	11,388	(588)	(1,093)	42,428	(1,289)	12,464	15,231	16,568	17,905	19,242	20,579	21,917	23,254	24,591	25,928
25. Other Current and Accrued Assets	3,141	450,005	259,737	178,091	956,793	98,564	515,972	570,710	625,448	680,186	734,924	789,662	844,401	899,139	953,877
26. Total Current and Accrued Assets (15 thru 25)	3,369,091	5,184,962	8,097,689	8,040,313	8,618,091	10,323,652	8,419,597	8,925,772	9,332,027	10,238,844	10,271,389	10,377,516	10,168,323	9,853,582	10,147,491
27. Regulatory Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28. Other Deferred Debits	948,413	778,909	578,382	2,878,839	1,931,548	838,091	1,846,373	1,995,138	2,143,902	2,292,667	2,441,432	2,590,196	2,738,961	2,887,726	3,036,490
29. Total Assets and Other Debits (5+14+26 thru 28)	51,790,714	58,436,497	61,283,841	64,647,764	65,307,829	67,237,742	65,526,936	66,743,189	67,116,366	67,997,000	68,010,310	68,104,204	67,889,833	67,577,026	67,543,013
30. Memberships	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31. Patronage Capital	17,582,418	19,630,028	21,480,183	21,272,283	22,604,930	23,789,840	24,618,721	25,855,434	27,140,394	29,401,231	30,662,068	31,922,905	33,183,741	34,444,578	35,705,415
32. Operating Margins - Prior Years	-	278,230	-	-	-	563,308	(362,864)	477,052	675,870	659,065	635,578	605,242	567,879	523,298	471,292
33. Operating Margins - Current Year	679,436	704,198	(127,566)	393,295	1,183,976	(362,864)	477,052	675,870	659,065	635,578	605,242	567,879	523,298	471,292	411,643
34. Non-Operating Margins	662,335	1,340,935	912,308	2,618,307	2,192,158	1,456,115	1,353,217	1,588,319	1,823,421	2,058,523	2,293,625	2,528,727	2,763,829	2,998,931	3,234,033
35. Other Margins and Equities	139,132	139,152	136,614	208,376	274,536	276,053	311,896	345,110	378,325	411,540	444,755	477,970	511,184	544,399	577,614
36. Total Margins & Equities (30 thru 35)	19,063,321	22,092,543	22,401,539	24,492,261	26,255,600	25,722,452	26,398,022	28,941,786	30,677,076	33,165,937	34,641,267	36,102,722	37,549,932	38,982,498	40,399,996
37. Long-Term Debt - RUS (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38. Long-Term Debt - FFB - RUS Guaranteed	26,166,528	30,261,045	34,749,518	33,234,898	32,295,559	31,244,195	30,017,216	28,871,685	27,726,155	26,580,624	25,435,093	24,289,563	23,144,032	21,998,501	20,852,971
39. Long-Term Debt - Other - RUS Guaranteed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40. Long-Term Debt Other (Net)	6,879,191	6,345,436	6,345,436	6,389,766	5,032,402	4,903,672	3,830,399	3,280,399	2,730,399	2,180,399	1,630,399	1,080,399	530,399	-	-
41. Long-Term Debt - RUS - Econ. Devel. (Net)	150,400	150,400	-	-	-	-	-	-	-	-	-	-	-	-	-
42. Payments - Unapplied	3,821,245	4,015,919	4,210,034	4,338,233	2,476,366	197,034	750,000	937,500	1,171,875	1,464,844	1,831,055	2,288,818	2,861,023	3,576,279	4,470,348
43. Total Long-Term Debt (37 thru 41 - 42)	29,374,874	32,740,962	36,884,919	35,286,431	34,851,595	35,950,833	33,097,615	31,214,584	29,284,678	27,296,179	25,234,437	23,081,143	20,813,408	18,422,223	16,382,622
44. Obligations Under Capital Leases - Noncurrent	180,427	338,939	310,413	-	-	-	-	-	-	-	-	-	-	-	-
45. Accumulated Operating Provisions and Asset Retirement Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46. Total Other Noncurrent Liabilities (44 + 45)	180,427	338,939	310,413	-	-	-	-	-	-	-	-	-	-	-	-
47. Notes Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48. Accounts Payable	1,176,985	1,081,433	830,964	1,209,779	887,369	1,346,589	1,200,971	1,080,874	972,787	875,508	787,957	709,162	638,245	574,421	516,979
49. Consumers Deposits	125,592	112,413	121,550	112,956	113,757	106,245	105,289	110,554	116,081	121,885	127,980	134,379	141,097	148,152	155,560
50. Current Maturities Long-Term Debt	116,092	1,227,181	-	2,306,570	2,319,758	1,953,801	2,797,851	3,219,933	3,642,014	4,064,095	4,486,176	4,908,258	5,330,339	5,752,420	6,174,501
51. Current Maturities Long-Term Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52. Current Maturities Capital Leases	137,796	121,006	-	-	-	-	-	-	-	-	-	-	-	-	-
53. Other Current and Accrued Liabilities	615,627	722,020	734,456	1,239,767	879,750	2,157,822	1,927,188	2,175,459	2,423,730	2,473,396	2,732,493	3,168,542	3,416,813	3,697,312	3,913,354
54. Total Current & Accrued Liabilities (47 thru 53)	2,172,092	3,264,053	1,686,970	4,869,072	4,200,634	5,564,457	6,031,300	6,586,819	7,154,611	7,534,885	8,134,606	8,920,340	9,526,494	10,172,306	10,760,394
55. Regulatory Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56. Other Deferred Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	50,790,714	58,436,497	61,283,841	64,647,764	65,307,829	67,237,742	65,526,936	66,743,189	67,116,366	67,997,000	68,010,310	68,104,204	67,889,834	67,577,027	67,543,013

Rate of Return on Rate Base

Current Rates		actual											projected	estimated									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Balance Sheet																							
C1	Plant in Service	40,207,193	43,342,298	45,624,764	47,348,381	48,459,368	49,365,927	52,119,499	54,002,874	58,108,127	58,926,015	60,549,494	62,247,187	62,869,659	63,498,355	64,133,339	64,774,672	65,422,419	66,076,643	66,737,410	67,404,784	67,741,808	
C2	CWIP	560,991	380,320	383,172	107,943	615,243	281,204	355,770	2,924,100	284,441	1,004,116	1,368,011	1,637,796	1,392,127	1,364,284	1,336,999	1,310,259	1,284,054	1,258,372	1,233,205	1,208,541	1,184,370	
C3	Total Utility Plant	40,768,184	43,722,618	46,007,936	47,456,324	49,074,611	49,647,131	52,475,269	56,926,974	58,392,568	59,930,131	61,917,505	63,884,983	64,261,786	64,862,640	65,470,338	66,084,931	66,706,473	67,335,016	67,970,615	68,613,325	68,926,178	
C4	Accumulated Depreciation	13,524,603	13,255,949	13,243,579	13,613,629	13,643,025	14,524,412	15,398,228	16,568,059	17,927,950	19,410,940	20,781,478	22,035,363	23,417,895	24,769,579	26,121,262	27,472,946	28,824,629	30,176,313	31,527,996	32,879,679	34,231,363	
C5	Net Utility Plant	27,243,581	30,466,657	32,764,357	33,842,695	35,431,586	35,122,719	37,077,041	40,358,915	40,464,618	40,519,191	41,136,027	41,849,620	40,843,891	40,093,061	39,349,076	38,611,985	37,881,844	37,158,703	36,442,619	35,733,645	34,694,815	
C23	Materials and Supplies	487,854	509,781	418,952	378,830	353,377	393,723	374,002	341,360	328,131	473,727	508,040	682,850	625,000	600,000	575,000	550,000	550,000	550,000	550,000	550,000	550,000	
C24	Prepayments	-	4,507	8,517	-	3,675	-	11,388	(588)	(1,093)	42,428	(1,289)	12,464	15,231	16,568	17,905	19,242	20,579	21,917	23,254	24,591	25,928	
C15	Cash Working Capital	201,688	264,147	293,931	307,463	299,594	346,937	320,432	330,624	115,401	135,302	29,835	68,276	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	
C49	Consumer Deposits	108,389	103,904	107,268	102,588	116,713	118,512	125,592	112,413	121,550	112,956	113,757	106,245	105,289	110,554	116,081	121,885	127,980	134,379	141,097	148,152	155,560	
Total Rate Base		28,041,512	31,349,008	33,593,025	34,631,576	36,204,945	35,981,891	37,908,455	41,142,724	41,028,607	41,283,603	41,786,371	42,719,455	41,839,411	41,070,183	40,308,062	39,553,113	38,830,403	38,114,998	37,406,970	36,706,388	35,676,302	
Electric Revenues																							
A1	Operating Revenue	15,223,187	16,371,982	18,005,805	16,605,232	16,432,932	16,786,658	17,802,551	17,896,695	16,167,734	18,976,716	20,914,246	17,938,955	18,243,918	18,554,064	18,869,483	19,190,265	19,516,499	19,848,280	20,185,700	20,528,857	20,877,848	
A21	Op Margins (1 minus 20)	234,239	539,152	702,679	243,123	642,188	825,551	679,438	651,762	(97,073)	393,297	563,308	(362,864)	(101,946)	(144,431)	(176,444)	(215,437)	(261,582)	(315,064)	(376,084)	(444,855)	(521,604)	
A29	Pat Cap or Margins (21-27)	2,182,496	1,130,886	2,905,221	1,956,957	1,993,106	2,001,368	1,257,038	2,102,988	664,427	2,470,303	1,556,474	781,431	1,056,661	1,028,868	1,011,935	988,421	958,166	920,995	876,718	825,134	766,027	
O14	Other Electric Revenue	27,429	26,106	-	-	-	-	-	-	4,103	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenues		13,302,359	15,806,354	15,803,263	14,891,398	15,082,014	15,610,841	17,224,951	16,445,469	15,406,234	16,903,813	19,921,080	16,794,660	17,085,310	17,380,766	17,681,105	17,986,406	18,296,751	18,612,221	18,932,898	19,258,868	19,590,216	
Electric Expenses																							
3	Cost of Purchased Power	9,876,011	10,588,846	11,679,640	10,241,264	10,004,331	9,715,189	10,698,586	10,632,698	9,219,251	11,294,294	12,903,008	10,467,500	10,634,980	10,805,140	10,978,022	11,153,670	11,332,129	11,513,443	11,697,658	11,884,821	12,074,978	
4	Transmission Exp	12,807	4,550	9,153	5,526	10,347	11,182	7,585	5,953	2,134	-	-	-	-	-	-	-	-	-	-	-	-	
6	DE - Operations	921,789	849,454	826,557	1,299,071	929,301	1,318,251	1,335,653	1,320,558	1,474,903	1,018,864	1,095,418	1,060,396	1,100,691	1,144,719	1,190,508	1,238,128	1,287,653	1,339,159	1,392,726	1,448,435	1,506,372	
7	DE - Maintenance	478,658	461,990	624,238	581,193	585,696	626,504	747,443	714,936	931,974	1,245,835	1,133,983	1,125,226	1,167,984	1,214,704	1,263,292	1,313,823	1,366,376	1,421,031	1,477,873	1,536,988	1,598,467	
8	Customer Exp Accounts	428,123	384,298	272,627	230,195	235,458	214,121	205,978	219,509	211,571	225,551	256,928	268,415	274,588	280,904	287,365	293,974	300,736	307,652	314,728	321,967	329,372	
9	CS and Info exp	26,781	28,698	32,286	31,962	32,955	27,438	33,715	32,146	47,090	67,611	59,232	71,586	72,302	73,025	73,755	74,493	75,238	75,990	76,750	77,517	78,292	
10	Sales Expense	123,792	128,823	138,418	139,117	135,599	137,314	81,169	49,468	61,442	71,976	74,714	104,627	105,359	106,097	106,839	107,587	108,340	109,099	109,862	110,631	111,406	
11	A & G	1,089,961	1,214,461	1,152,859	1,204,841	1,173,019	1,237,887	1,270,909	1,389,186	1,286,153	1,453,814	1,640,675	1,998,062	1,798,256	1,888,168	1,963,695	2,042,243	2,123,933	2,208,890	2,297,245	2,389,135	2,484,701	
13	Dep / Amort Exp	1,113,616	1,196,964	1,373,926	1,439,473	1,472,626	1,496,428	1,517,331	1,597,669	1,650,031	1,844,094	1,888,035	1,948,336	1,987,303	2,027,049	2,067,590	2,108,942	2,151,120	2,194,143	2,238,026	2,282,786	2,328,442	
14	Tax Expense - Property & Gross Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenses		14,071,538	14,858,084	16,109,704	15,172,642	14,579,332	14,784,314	15,898,368	15,962,123	14,884,548	17,222,039	19,051,993	17,044,147	17,141,463	17,539,805	17,931,066	18,332,860	18,745,525	19,169,408	19,604,869	20,052,281	20,512,031	
Total Return		(769,179)	948,270	(306,441)	(281,244)	502,682	826,527	1,326,583	483,346	521,686	(318,226)	869,088	(249,487)	(56,153)	(159,039)	(249,961)	(346,454)	(448,774)	(557,187)	(671,970)	(793,412)	(921,814)	
Rate of Return																							
Total Electric Revenues		-5.78%	6.00%	-1.94%	-1.89%	3.33%	5.29%	7.70%	2.94%	3.39%	-1.88%	4.36%	-1.49%	-0.33%	-0.92%	-1.41%	-1.93%	-2.45%	-2.99%	-3.55%	-4.12%	-4.71%	
Total Rate Base		-2.74%	3.02%	-0.91%	-0.81%	1.39%	2.30%	3.50%	1.17%	1.27%	-0.77%	2.08%	-0.58%	-0.13%	-0.39%	-0.62%	-0.88%	-1.16%	-1.46%	-1.80%	-2.16%	-2.58%	

3.00% rate increase		actual										projected	estimated									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Balance Sheet																						
C1	Plant in Service	40,207,193	43,342,298	45,624,764	47,348,381	48,459,368	49,365,927	52,119,499	54,002,874	58,108,127	58,926,015	60,549,494	62,047,237	64,434,117	66,397,043	68,359,969	70,322,895	72,285,821	74,248,747	76,211,673	78,174,599	80,137,525
C2	CWIP	560,991	380,320	383,172	107,943	615,243	281,204	355,770	2,924,100	284,441	1,004,116	1,368,011	1,770,969	1,042,860	1,060,029	1,091,367	1,122,705	1,154,043	1,185,381	1,216,719	1,248,057	1,279,396
C3	Total Utility Plant	40,768,184	43,722,618	46,007,936	47,456,324	49,074,611	49,647,131	52,475,269	56,926,974	58,392,568	59,930,131	61,917,505	63,818,206	65,476,977	67,457,072	69,451,336	71,445,600	73,439,864	75,434,128	77,428,392	79,422,656	81,416,920
C4	Accumulated Depreciation	13,524,603	13,255,949	13,243,579	13,613,629	13,643,025	14,524,412	15,398,228	16,568,059	17,927,950	19,410,940	20,781,478	22,056,850	21,525,495	22,350,587	23,175,680	24,000,773	24,825,866	25,650,959	26,476,051	27,301,144	28,126,237
C5	Net Utility Plant	27,243,581	30,466,669	32,764,357	33,842,695	35,431,586	35,122,719	37,077,041	40,358,915	40,464,618	40,519,191	41,136,027	41,761,356	43,951,482	45,106,484	46,275,655	47,444,827	48,613,998	49,783,169	50,952,341	52,121,512	53,290,683
C23	Materials and Supplies	487,854	509,781	418,952	378,830	353,377	393,723	374,002	341,360	328,131	473,727	508,040	804,581	528,208	540,594	552,980	565,366	577,753	590,139	602,525	614,912	627,298
C24	Prepayments	-	4,507	8,517	-	3,675	-	11,388	(588)	(1,093)	(1,289)	-	3,493	10,846	11,604	12,362	13,120	13,878	14,636	15,394	16,152	16,910
C15	Cash Working Capital	201,688	264,147	293,931	307,463	299,594	346,937	320,432	330,624	115,401	135,302	29,835	99,517	101,507	103,537	105,608	107,720	109,875	112,072	114,314	116,600	118,932
C49	Consumer Deposits	108,389	103,904	107,268	102,588	116,713	118,512	125,592	112,413	121,550	112,956	113,757	107,296	117,248	117,966	118,684	119,403	120,121	120,840	121,558	122,276	122,995
	Total Rate Base	28,041,512	31,349,008	33,593,025	34,631,576	36,204,945	35,981,891	37,908,455	41,142,724	41,028,607	41,283,604	41,786,370	42,776,243	44,709,291	45,880,186	47,065,291	48,250,437	49,435,625	50,620,857	51,806,132	52,991,452	54,176,818
Electric Revenues																						
A1	Operating Revenue	15,223,187	16,371,982	18,005,805	16,605,232	16,432,932	16,786,658	17,802,551	17,896,695	16,167,734	18,976,716	20,914,246	17,938,955	18,243,918	18,554,064	18,869,483	19,190,265	19,516,499	19,848,280	20,185,700	20,528,857	20,877,848
	Rate adjustment													410,488	556,622	566,085	575,708	585,495	595,448	605,571	615,866	626,335
A21	Op Margins (1 minus 20)	234,239	539,152	702,679	243,123	642,188	825,551	679,438	651,762	(97,073)	393,297	563,308	(362,864)	308,542	412,191	389,640	360,271	323,913	280,384	229,487	171,011	104,731
A29	Pat Cap or Margins (21-27)	2,182,496	1,130,886	2,905,221	1,956,957	1,993,106	2,001,368	1,257,038	2,102,988	664,427	2,470,303	1,556,474	1,122,904	1,467,149	1,585,490	1,578,019	1,564,129	1,543,661	1,516,443	1,482,289	1,441,000	1,392,363
O14	Other Electric Revenue	27,429	26,106									4,103										
	Total Revenues	13,302,359	15,806,354	15,803,263	14,891,398	15,082,014	15,610,841	17,224,951	16,445,469	15,406,234	16,903,813	19,921,080	16,453,187	17,495,799	17,937,388	18,247,189	18,562,114	18,882,246	19,207,669	19,538,469	19,874,734	20,216,552
Electric Expenses																						
3	Cost of Purchased Power	9,876,011	10,588,846	11,679,640	10,241,264	10,004,331	9,715,189	10,698,586	10,632,698	9,219,251	11,294,294	12,903,008	10,467,500	10,634,980	10,805,140	10,978,022	11,153,670	11,332,129	11,513,443	11,697,658	11,884,821	12,074,978
4	Transmission Exp	12,807	4,550	9,153	5,526	10,347	11,182	7,585	5,953	2,134			-									
6	DE - Operations	921,789	849,454	826,557	1,299,071	929,301	1,318,251	1,335,653	1,320,558	1,474,903	1,018,864	1,095,418	1,060,396	1,100,691	1,144,719	1,190,508	1,238,128	1,287,653	1,339,159	1,392,726	1,448,435	1,506,372
7	DE - Maintenance	478,658	461,990	624,238	581,193	585,696	626,504	747,443	714,936	931,974	1,245,835	1,133,983	1,125,226	1,167,984	1,214,704	1,263,292	1,313,823	1,366,376	1,421,031	1,477,873	1,536,988	1,598,467
8	Customer Exp Accounts	428,123	384,298	272,627	230,195	235,458	214,121	205,978	219,509	211,571	225,551	256,928	268,415	274,588	280,904	287,365	293,974	300,736	307,652	314,728	321,967	329,372
9	CS and Info exp	26,781	28,698	32,286	31,962	32,955	27,438	33,715	32,146	47,090	67,611	59,232	71,586	72,302	73,025	73,755	74,493	75,238	75,990	76,750	77,517	78,292
10	Sales Expense	123,792	128,823	138,418	139,117	135,599	137,314	81,169	49,468	61,442	71,976	74,714	104,627	105,359	106,097	106,839	107,587	108,340	109,099	109,862	110,631	111,406
11	A & G	1,089,961	1,214,461	1,152,859	1,204,841	1,173,019	1,237,887	1,270,909	1,389,186	1,286,153	1,453,814	1,640,675	1,998,062	1,798,256	1,888,168	1,963,695	2,042,243	2,123,933	2,208,890	2,297,245	2,389,135	2,484,701
13	Dep / Amort Exp	1,113,616	1,196,964	1,373,926	1,439,473	1,472,626	1,496,428	1,517,331	1,597,669	1,650,031	1,844,094	1,888,035	1,948,336	1,987,303	2,027,049	2,067,590	2,108,942	2,151,120	2,194,143	2,238,026	2,282,786	2,328,442
	Tax Expense - Property & Gross Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenses	14,071,538	14,858,084	16,109,704	15,172,642	14,579,332	14,784,314	15,898,368	15,962,123	14,884,548	17,222,039	19,051,993	17,044,147	17,141,463	17,539,805	17,931,066	18,332,860	18,745,525	19,169,408	19,604,869	20,052,281	20,512,031
	Total Return	(769,179)	948,270	(306,441)	(281,244)	502,682	826,527	1,326,583	483,346	521,686	(318,226)	869,088	(590,960)	354,335	397,583	316,124	229,254	136,721	38,261	(66,399)	(177,547)	(295,479)
	Rate of Return																					
	Total Electric Revenues	-5.78%	6.00%	-1.94%	-1.89%	3.33%	5.29%	7.70%	2.94%	3.39%	-1.88%	4.36%	-3.59%	2.03%	2.22%	1.73%	1.24%	0.72%	0.20%	-0.34%	-0.89%	-1.46%
	Total Rate Base	-2.74%	3.02%	-0.91%	-0.81%	1.39%	2.30%	3.50%	1.17%	1.27%	-0.77%	2.08%	-1.38%	0.79%	0.87%	0.67%	0.48%	0.28%	0.08%	-0.13%	-0.34%	-0.55%

5.00% rate increase		actual										projected	estimated									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Balance Sheet																						
C1	Plant in Service	40,207,193	43,342,298	45,624,764	47,348,381	48,459,368	49,365,927	52,119,499	54,002,874	58,108,127	58,926,015	60,549,494	62,047,237	64,434,117	66,397,043	68,359,969	70,322,895	72,285,821	74,248,747	76,211,673	78,174,599	80,137,525
C2	CWIP	560,991	380,320	383,172	107,943	615,243	281,204	355,770	2,924,100	284,441	1,004,116	1,368,011	1,770,969	1,042,860	1,060,029	1,091,367	1,122,705	1,154,043	1,185,381	1,216,719	1,248,057	1,279,396
C3	Total Utility Plant	40,768,184	43,722,618	46,007,936	47,456,324	49,074,611	49,647,131	52,475,269	56,926,974	58,392,568	59,930,131	61,917,505	63,818,206	65,476,977	67,457,072	69,451,336	71,445,600	73,439,864	75,434,128	77,428,392	79,422,656	81,416,920
C4	Accumulated Depreciation	13,524,603	13,255,949	13,243,579	13,613,629	13,643,025	14,524,412	15,398,228	16,568,059	17,927,950	19,410,940	20,781,478	22,056,850	21,525,495	22,350,587	23,175,680	24,000,773	24,825,866	25,650,959	26,476,051	27,301,144	28,126,237
C5	Net Utility Plant	27,243,581	30,466,669	32,764,357	33,842,695	35,431,586	35,122,719	37,077,041	40,358,915	40,464,618	40,519,191	41,136,027	41,761,356	43,951,482	45,106,484	46,275,655	47,444,827	48,613,998	49,783,169	50,952,341	52,121,512	53,290,683
C23	Materials and Supplies	487,854	509,781	418,952	378,830	353,377	393,723	374,002	341,360	328,131	473,727	508,040	804,581	528,208	540,594	552,980	565,366	577,753	590,139	602,525	614,912	627,298
C24	Prepayments	-	4,507	8,517	-	3,675	-	11,388	(588)	(1,093)	(1,289)	(1,289)	3,493	10,846	11,604	12,362	13,120	13,878	14,636	15,394	16,152	16,910
C15	Cash Working Capital	201,688	264,147	293,931	307,463	299,594	346,937	320,432	330,624	115,401	135,302	29,835	99,517	101,507	103,537	105,608	107,720	109,875	112,072	114,314	116,600	118,932
C49	Consumer Deposits	108,389	103,904	107,268	102,588	116,713	118,512	125,592	112,413	121,550	112,956	113,757	107,296	117,248	117,966	118,684	119,403	120,121	120,840	121,558	122,276	122,995
	Total Rate Base	28,041,512	31,349,008	33,593,025	34,631,576	36,204,945	35,981,891	37,908,455	41,142,724	41,028,607	41,283,604	41,786,370	42,776,243	44,709,291	45,880,186	47,065,291	48,250,437	49,435,625	50,620,857	51,806,132	52,991,452	54,176,818
Electric Revenues																						
A1	Operating Revenue	15,223,187	16,371,982	18,005,805	16,605,232	16,432,932	16,786,658	17,802,551	17,896,695	16,167,734	18,976,716	20,914,246	17,938,955	18,243,918	18,554,064	18,869,483	19,190,265	19,516,499	19,848,280	20,185,700	20,528,857	20,877,848
	Rate adjustment													684,147	927,703	943,474	959,513	975,825	992,414	1,009,285	1,026,443	1,043,892
A21	Op Margins (1 minus 20)	234,239	539,152	702,679	243,123	642,188	825,551	679,438	651,762	(97,073)	393,297	563,308	(362,864)	582,201	783,273	767,030	744,076	714,243	677,350	633,201	581,588	522,288
A29	Pat Cap or Margins (21-27)	2,182,496	1,130,886	2,905,221	1,956,957	1,993,106	2,001,368	1,257,038	2,102,988	664,427	2,470,303	1,556,474	781,431	1,740,808	1,956,571	1,955,409	1,947,935	1,933,991	1,913,409	1,886,003	1,851,577	1,809,920
O14	Other Electric Revenue	27,429	26,106									4,103										
	Total Revenues	13,302,359	15,806,354	15,803,263	14,891,398	15,082,014	15,610,841	17,224,951	16,445,469	15,406,234	16,903,813	19,921,080	16,794,661	17,769,457	18,308,469	18,624,579	18,945,920	19,272,576	19,604,635	19,942,183	20,285,311	20,634,109
Electric Expenses																						
3	Cost of Purchased Power	9,876,011	10,588,846	11,679,640	10,241,264	10,004,331	9,715,189	10,698,586	10,632,698	9,219,251	11,294,294	12,903,008	10,467,500	10,634,980	10,805,140	10,978,022	11,153,670	11,332,129	11,513,443	11,697,658	11,884,821	12,074,978
4	Transmission Exp	12,807	4,550	9,153	5,526	10,347	11,182	7,585	5,953	2,134			-	-	-	-	-	-	-	-	-	-
6	DE - Operations	921,789	849,454	826,557	1,299,071	929,301	1,318,251	1,335,653	1,320,558	1,474,903	1,018,864	1,095,418	1,060,396	1,100,691	1,144,719	1,190,508	1,238,128	1,287,653	1,339,159	1,392,726	1,448,435	1,506,372
7	DE - Maintenance	478,658	461,990	624,238	581,193	585,696	626,504	747,443	714,936	931,974	1,245,835	1,133,983	1,125,226	1,167,984	1,214,704	1,263,292	1,313,823	1,366,376	1,421,031	1,477,873	1,536,988	1,598,467
8	Customer Exp Accounts	428,123	384,298	272,627	230,195	235,458	214,121	205,978	219,509	211,571	225,551	256,928	268,415	274,588	280,904	287,365	293,974	300,736	307,652	314,728	321,967	329,372
9	CS and Info exp	26,781	28,698	32,286	31,962	32,955	27,438	33,715	32,146	47,090	67,611	59,232	71,586	72,302	73,025	73,755	74,493	75,238	75,990	76,750	77,517	78,292
10	Sales Expense	123,792	128,823	138,418	139,117	135,599	137,314	81,169	49,468	61,442	71,976	74,714	104,627	105,359	106,097	106,839	107,587	108,340	109,099	109,862	110,631	111,406
11	A & G	1,089,961	1,214,461	1,152,859	1,204,841	1,173,019	1,237,887	1,270,909	1,389,186	1,286,153	1,453,814	1,640,675	1,998,062	1,798,256	1,888,168	1,963,695	2,042,243	2,123,933	2,208,890	2,297,245	2,389,135	2,484,701
13	Dep / Amort Exp	1,113,616	1,196,964	1,373,926	1,439,473	1,472,626	1,496,428	1,517,331	1,597,669	1,650,031	1,844,094	1,888,035	1,948,336	1,987,303	2,027,049	2,067,590	2,108,942	2,151,120	2,194,143	2,238,026	2,282,786	2,328,442
	Tax Expense - Property & Gross Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenses	14,071,538	14,858,084	16,109,704	15,172,642	14,579,332	14,784,314	15,898,368	15,962,123	14,884,548	17,222,039	19,051,993	17,044,147	17,141,463	17,539,805	17,931,066	18,332,860	18,745,525	19,169,408	19,604,869	20,052,281	20,512,031
	Total Return	(769,179)	948,270	(306,441)	(281,244)	502,682	826,527	1,326,583	483,346	521,686	(318,226)	869,088	(249,487)	627,994	768,664	693,513	613,059	527,051	435,227	337,315	233,031	122,078
	Rate of Return																					
	Total Electric Revenues	-5.78%	6.00%	-1.94%	-1.89%	3.33%	5.29%	7.70%	2.94%	3.39%	-1.88%	4.36%	-1.49%	3.53%	4.20%	3.72%	3.24%	2.73%	2.22%	1.69%	1.15%	0.59%
	Total Rate Base	-2.74%	3.02%	-0.91%	-0.81%	1.39%	2.30%	3.50%	1.17%	1.27%	-0.77%	2.08%	-0.58%	1.40%	1.68%	1.47%	1.27%	1.07%	0.86%	0.65%	0.44%	0.23%

10. b. Capital Credits - Estates

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

CAPITAL CREDIT LIQUIDATION REQUESTS SUBMITTED FOR BOARD APPROVAL JUNE 2023						
Last Name	First Name	Cust No.	ELEC-COOP	Total ELEC Amount	Form W-9	G&T
Baker	Kenneth	20524	\$ 483.16	\$ 483.16	N/A	\$ 382.83
Borell Estate	Elvern	20301	\$ 9,905.74	\$ 9,905.74	W-9	\$ 14,367.69
Christy Trust	Adele W	3289	\$ 92.19	\$ 92.19	N/A	\$ -
France	Leon	60184	\$ 2,657.64	\$ 2,657.64	W-9	\$ 3,924.94
Frick Estate	Daniel	60285	\$ 187.29	\$ 187.29	N/A	\$ 159.38
Garrison	Tad D.	70257	\$ 553.42	\$ 553.42	N/A	\$ 427.28
Kerr	Wayne E.	110113	\$ 166.64	\$ 166.64	N/A	\$ -
Oyler	Ray O.	150024	\$ 167.13	\$ 167.13	N/A	\$ 230.08
Scott	David R.	190803	\$ 440.51	\$ 440.51	N/A	\$ 274.42
Selfridge	Brian P.	191094	\$ 308.79	\$ 308.79	N/A	\$ 1,049.63
Stanley	Max N.	19175	\$ 78.86	\$ 78.86	N/A	\$ -
Wilson Estate	Dean E.	230084	\$ 1,285.72	\$ 1,285.72	W-9	\$ 5,344.01
Witthuhn	Melba I.	230622	\$ 65.44	\$ 65.44	N/A	\$ 428.98
York	Dwight A.	250009	\$ 1,910.90	\$ 1,910.90	N/A	\$ 266.63
Zordel	August	260025	\$ 885.14	\$ 885.14	W-9	\$ 694.32
Total LSEC Coop Pay Outs				\$ 19,188.57		

Staff requests that the Board approve the above Special Retirement of \$19,188.57.

10. c. IRS Form 990

The Lane-Scott EC 2022 IRS Forms 990 and 990-T have been placed on the Trustee website for your information. The two files are a total of 2.516 MB so we thought it best to post them separately.

We received the Form 990 from Bill Miller, CPA at BSGM around November 14 and need a record of Board approval in the Minutes.

Staff requests that the Board of Trustees approved the 2022 IRS Form 990 and the 2022 IRS Form 990-T as prepared by Bolinger, Segar, Gilbert, and Moss, LLC.

10. d. Scholarships

Ann Marie included six \$1,500.00 Scholarships in her Communications and Member Services Budget (page 21) for 2024. This is 2 less than we offered last year in lieu of attending the Youth Tour and Leadership Camp. She adjusted her 2024 Budget, and we made other changes to allow both. The Youth Tour, Leadership Camp, and Scholarships account for over 20% of the annual Communications Budget.

Staff would like your input on the eligibility requirements for scholarship applicants and priorities (especially #5).

Current Eligibility Requirements are:

1. Current seniors, graduates, or students already attending secondary education.
2. You must be enrolled as a full-time student in an accredited university or college, including junior, community, vocational, or technical college.
3. Scholarship merit is based on G.P.A., achievements, extra-curricular activities, community, school involvement, and your goals for the future.
4. Anyone may apply, but priority will be given to those in the Lane-Scott Electric Cooperative, Inc. service territory, students entering an electrical field / trade, or a HVAC trade.
5. Recipients will be eligible for one award. (If you received a Continuing Education Scholarship in previous years, you aren't eligible for another.)

Applications have the applicant's name removed and awardees are selected by an anonymous committee of LSEC employees.

10. e. Christmas Bonus

Lane-Scott EC has presented taxable Christmas Gifts to employees for many years. Last year the Board awarded \$250.00 per full-time employee and \$75.00 for part-time employees. The Cooperative currently has 22 Full time employees (excluding the General Manager) and 1 Part-time employees (Stacy).

Once again, the employees have done a great job under difficult conditions, and I would like to reward them with a Christmas Bonus of \$250.00 for full-time and \$75.00 for part-time employees.

This isn't much considering the inflationary pressures families are facing but every bit helps. The request comes to a total of \$5,325.00 $[(21 \times \$250.00) + 1 \times \$75.00]$.

Emp #	Employee	2018	2019	2020	2021	2022	2023
	Full-time, \$ per employee	100.00	150.00	150.00	150.00	250.00	250.00
	Part-time, \$ per employee	25.00	50.00	50.00	50.00	75.00	75.00
5	Kathy Lewis	100.00	150.00	150.00	150.00	250.00	250.00
17	Dave Howard	100.00	150.00	150.00			
21	Carrie Borrell	100.00	150.00	150.00	150.00	250.00	250.00
22	Rebecca Campbell	100.00	150.00	150.00	150.00	250.00	250.00
34	Kalo Mann*	100.00	150.00	150.00	150.00	250.00	
35	Nate Burns	100.00	150.00	150.00	150.00	250.00	250.00
50	Kasey Jenkinson	100.00	150.00	150.00	150.00	250.00	250.00
55	Ben Mann	100.00	150.00	150.00	150.00	250.00	250.00
74	Dal Hawkinson	100.00	150.00	150.00	150.00	250.00	250.00
81	Dee Shull	100.00	150.00	150.00			
84	Michael Pollock	100.00	150.00	150.00	150.00	250.00	250.00
85	Chad Rupp	100.00	150.00	150.00	150.00	250.00	250.00
89	Chris Terhune	100.00	150.00	150.00	150.00	250.00	250.00
91	Larry Kraft	100.00	150.00	150.00			
93	Myron Seib	100.00	150.00	150.00	150.00	250.00	250.00
99	Kevin Bradstreet	100.00	150.00	150.00	150.00	250.00	250.00
108	Mark McCulloch*	100.00	150.00	150.00	150.00	250.00	
117	Leighton Ayers	100.00	150.00	150.00	150.00	250.00	250.00
130	Ann Marie Jennings		150.00	150.00	150.00	250.00	250.00
131	Diana Kuhlman		150.00	150.00	150.00	250.00	250.00
132	Dellian Shelton		50.00	150.00	150.00	250.00	250.00
134	Scott Briand				150.00	250.00	250.00
135	Blake McVickers				150.00	250.00	250.00
137	Dylan Fehrenbach					250.00	
138	Katie Ripple						250.00
139	Jocelyn Walker						250.00
140	Taylor Cable						250.00
129	Stacey Foos	25.00	50.00	50.00	50.00	75.00	75.00

employees	19	22	22	21	22	22
total Bonus	1,825	3,100	3,200	3,050	5,325	5,325

* These employees are on Disability Leave and do not accrue pay or benefits (Board Policy 505)

The General Manager requests that the Board approve a total Christmas Bonus of \$250.00 to Full-time employees and \$75.00 to part-time employees.

SAFETY PROGRAM

SAFETY PROJECTS COMPLETED AS OF October 2023

- Rubber gloves changed out.
- Protective Equipment Testing conducted Dielectric testing all trucks.
- Deployed digital truck inspections, and daily pre trip inspections.
- Jay Hawkinson completed annual DOT inspections on trucks and trailers.
- Ann Jennings's submitted report:
 - Social Media: Hunting safety, Decorating Safety/Overhead Lines, Meter Care-Ice & Snow.
 - Hunting Safety: Article to local newspaper
 - Energy Spreads Like Ripples on a Pond-Newsletter graphic.
- 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: Reviewed coverup procedures in safety manual, no changes to safety manual at this time.

SAFETY PROJECTS IN PROGRESS AS OF September 2023

1. SDS Program products updates and documentation improvements.
2. SafetyAmp software inspection form templates reviewed, and new forms created.
3. FCC radios: Settings changed in radios to eliminate dead zones, testing underway.
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.
 - 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
October 19th,2023

Chris Terhune called the meeting to order at 9:13am.

Minutes were read: Dal Hawkinson made a motion to approve the September 19th minutes and Dellon Shelton seconded. Minutes were read and approved as printed.

Present: Kasey Jenkinson, Ben Mann, Dal Hawkinson, Chad Rupp, Chris Terhune, Kevin Bradstreet, Nate Burns, Scott Briand, Kathy Lewis, Carrie Borell, Rebecca Campbell, Ann Marie Jennings, Katie Riffle, and Jocelyn Walker

Absent: Richard McLeon, Myron Seib, Leighton Ayers, Dellon Shelton, Blake McVicker, Taylor Cable, Kalo Mann, Micheal Pollock, Mark McCulloch, Diana Kuhlman

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	Scott Briand	OK
Office	Diana Kuhlman	OK

Personal Tools: All Passed

Gloves Monthly Test Results: #74 Rejected for hole.

Line Hoses Annual Test Results: N/A

Sleeves Quarterly Test Results: All passed.

Substation and Regulator Report:

- ♦ Ben Mann: Breaker changed on Ness 34.5 Substation. Alarm on Twin Springs substation for low oil, dial indicator is bad and will be replaced with new one. Looking into ordering 38 kva Nova's.
- ♦ **PCB Report:** None to Report

Line Clearance: Frank Weisenburger.

Accident and Near Misses: While helping Magellan Pipeline replace a 25000 kva Padmount. The crane didn't have all the outriggers down, and while he rotated the pad around the front of the crane, the crane began to tip forward. The operator set the load down quickly. No injuries occurred during the process. A new lift plan was implemented, and the work was completed after a new tailgate was completed.

Old Business:

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

New Business:

- ♦ Nate Burns: Pole testers are on the system testing poles around the Utica area.
- ♦ Kathy Lewis: East door on main building is not latching properly, Chris will investigate it. Sausage supper for Mark McCulloch was a success to raise money to help pay local bills. Capital Credit checks will be going out December 1st totaling 451,588.39.
- ♦ Carrie Borell: Ann Marie identified a hack attempt through Facebook. Carrie was notified, and touchstone energy was contacted. While attending a meeting in Wichita, a cooperative went to the parking lot and discovered their pickup was on jack stands, their wheels and tires had been stolen.
- ♦ Ann Marie Jennings: Military care package donations are due by November 1st. Three Thanksgiving gift certificates to a grocery store are available. Nominees shall be turned into Ann Marie by November 13th. Safety demo for first responders will be conducted December 12th in Dighton, and December 13th in Ness City.
- ♦ Kasey Jenkinson: We do not own Magellan's Padmount transformer.
- ♦ Chris Terhune: New feed to Utica is completed. Auto transformers will be energized on Friday. Lines will be switched around next week. Getting bids to repair lineman's north walk-in gate. Safety- Amp forms for truck inspections are being updated and deployed and tested live. Discussed rubber blanket procedures, no changes were made to the safety manual.

Meeting adjourned.

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Administrator