



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for February 6, 2023, at 7:00 p.m.

Proposed Agenda:

1. Call to Order
2. Reading and Approval of Minutes
3. Presentation of Check Registers
4. Presidents Report
5. Attorneys Report
6. Sunflower EPC Report
7. KEC Report
8. General Managers Report
9. Old Business
10. New Business
 - a. Sunflower CEO introduction – Mr. Todd Hillman
 - b. 2023 Strategic Plan
 - c. Write-offs (Utility and Retail)
 - d. Annual Meeting Information
 - e. NRECA Voting Delegates
11. Safety Program Report
12. Executive Session (if requested).
13. Adjourn

Upcoming Events:

Sunflower Board of Directors Meeting	Hays	Feb 14-15
KEC Board of Directors Meeting	Salina, KS	March 1-2
NRECA Power Exchange	Nashville, TN	March 3-8
LSEC Board of Trustees meeting	Dighton	March 13

Electronic Document Index

#	item	author	document	Board Packet	Supplemental information
2	Minutes	Joe	Minutes	3-6	
3	Check Register(s)	Diana	AP / Check Register	7-13	
		Rebecca	Payroll	14-16	
6	Sunflower Report	Sunflower	SEPC Board Summary	17-29	
7	KEC Report		Board Meetings	20-23	
8	GM Report	Richard	Report	24-26	
			KCRE / ACRE		1-7
	<u>Financials</u>	Kathy	Form 7	27-28	
		Richard	Financial Ratios		8
		Kathy	Statistical Report		9
		Kathy	Non-operating margins		10
	<u>Operations</u>	Dal/Ben	Maintenance Inspection Log		11
		Dal	Monthly Report		12
	<u>Information Technology</u>	Carrie	Monthly Report		13
	<u>Cybersecurity-Compliance</u>	Carrie	Monthly Report		14
	<u>Engineering</u>	Richard	Substation NCP and CP		15
		Richard	Line Extension cost summary		16
		Nate	Eng. Report		17
	<u>Member Service</u>	Ann Marie	Board Report		18
	<u>Warehouse</u>	Scott	Warehouse Report		19
9	Old Business				
10	New Business				
a.	Sunflower CEO introduction	Todd Hillman		29-31	
b.	2023 Strategic Plan			32-35	
c.	Write-offs			36-37	
d.	Annual Meeting Information			38-39	
e.	NRECA Voting Delegates			40	
11	Safety Program Report	Carrie	Safety Program Monthly Report	41	
		Carrie	Safety Meeting minutes	42-43	

**MINUTES OF THE REGULAR JANUARY 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, January 9, 2023, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 7:00 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Harold Hoss, Randy Evans, Eric Doll, Richard Sorem, Chad Griffith, Paul Seib Jr. and Craig Ramsey. Also present Richard McLeon IV, Chris Terhune, and Joseph D. Gasper, Attorney.

SAFETY PROGRAM UPDATE

Chris Terhune presented a safety program update. Highlights of the update include the following:

- The safety program mission statement was reviewed.
- The OSHA SHARP program application will be resubmitted for approval.
- The DEMO trailer is still in the process of being built. There have been delays due to increase material costs and supply chain issues. It is expected to have the trailer completed in time for the annual meeting.
- The two way radios have been delivered. LSEC is working with Golden Belt and S&T to coordinate the installation. This upgrade should clear up all of the dead spots except for maybe a small area around Twin Springs. LSEC has looked for additional towers that may be available for antennas to increase redundancy and will reach out to the owners of the towers.
- The RESAP safety improvement goals include improvements to the warehouse and covered storage areas, safety communications/ awareness activities and digital inspection forms.
- A written storm restoration guide for visiting crews has been created and implemented. This guide is given to visiting crews during storm work to give them information on the system as well as contact information.
- All journeyman linemen have completed the OSHA 10-hour class.
- The glove inspection has been modified so that an employee not using the gloves performs the inspections.
- Three separate disaster recovery and emergency plans have been created as an emergency action plan, an emergency response plan, and an emergency restoration plan.

Chris Terhune left the meeting upon conclusion of his presentation.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on December 5, 2022. *Hearing no corrections to the minutes, President Jennison declared the minutes stand approved as printed.*

CASH DISBURSEMENTS

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

A comment that the check for “settling” gas should be acetylene gas.

PRESIDENT’S REPORT

President Jennison had no current items to report.

ATTORNEY’S REPORT

Attorney Gasper had no current items to report.

REPORT OF SUNFLOWER DELEGATE

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

Paul Seib Jr., reported the following additions to the written Sunflower report:

- The new CEO will begin on Monday. He will have meetings with the top staff on the first day and the member managers on the second day.
- Security concerns continue to arise in the industry.

KEC REPORT

Craig Ramsey reported the following:

- The MKEC board meeting met on December 7 & 8 and a report is included in the packet.
- The LSEC assessment will increase 7.5% in 2023.

Manager McLeon added that he is working on setting up meetings with the local state representatives for the capital event at the KEC annual meeting.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- Manager McLeon recognized Chris Terhune and that many employees for their hard work and development of additional skills.
- The monthly overall rate was 12.74 cents. Sunflower has reduced wholesale rates which has helped with LSEC member rates.
- The 2022 ASAI is 99.96% 44.6% being from LSEC, 35% from Sunflower and the remainder from one storm.
- Tallgrass Expo has suspended the project.
- *A motion to enter executive session to discuss the City of Dighton contract and succession planning was made, duly seconded, and carried at 7:52 p.m. The board came out of executive session at 9:20 p.m.*
- The Utica Fire Department requested a \$200 donation for their Christmas event. Manager McLeon approved the request in excess of \$100 as limited by board policy 404 with his power to waive a policy under board policy 100 and approved the donation.
- Unaudited Total Margins are \$1,962,735.61 for the year.
- 14 Generac units were sold last year and four so far this year.
- The electricians posted their first million-dollar year.

RECEIPT OF MANAGER'S REPORT

The board received the Manager's report as indicated herein, and there were no follow-up questions.

SAFETY REPORT

A safety report was included in the board packet.

OLD BUSINESS

There was no old business before the board.

NEW BUSINESS

1. Trustee Position

- Trustee Sorem announced to the board that he will not seek another term on the board at the end of his current term.

2. LSEC Strategic Plan Review.

- The Strategic Plan will need to be approved at the February meeting. Please request any changes prior to the next meeting.

3. KEC Annual Meeting Delegate

- Craig Ramsey was appointed voting delegate and Richard McLeon alternate voting delegate for the KEC board meeting and KEC membership meeting.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 9:28 p.m., on Monday, January 9, 2023.

02/02/2023 11:30:46 AM

Accounts Payable Check Register

Page 1

01/05/2023 To 02/02/2023

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2925 01/09/2023	WIRE	168	ONLINE INFORMATION SERVICES, INC	Utility Exchange	63.70
2926 01/09/2023	WIRE	1267	AFLAC	Monthly Premiums	833.42
2940 01/09/2023	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA GR 1 - January Group Ins	3,076.67
2941 01/09/2023	WIRE	180	NRECA	NRECA GR 1 Adm Fee-Jan Gr Ins Adm Fee	233.09
2927 01/10/2023	WIRE	18	CITY OF DIGHTON	Monthly Invoice	1,386.86
2939 01/10/2023	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS-Group Ins	56,464.77
49387 01/10/2023	CHK	15	ERIC DOLL	Strategic Planning Mtg	787.50
49388 01/10/2023	CHK	30	HAROLD HOSS	Strategic Planning Mtg	775.00
49389 01/10/2023	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Invoice	1,069.24
49390 01/10/2023	CHK	55	NESS COUNTY NEWS	Advertising	162.30
49391 01/10/2023	CHK	60	PAUL SEIB JR	Strategic Planning Mtg	782.50
49392 01/10/2023	CHK	63	RICHARD JENNISON	Strategic Planning Mtg	732.50
49393 01/10/2023	CHK	96	STEPHENS LUMBER - DIGHTON	Monthly Invoice	121.17
49394 01/10/2023	CHK	104	HOME OIL CO	Monthly Fuel Invoice	1,386.20
49395 01/10/2023	CHK	105	CITY OF NESS CITY	Pay Station & Postage for December	617.64
49396 01/10/2023	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Ness City	68.43
49397 01/10/2023	CHK	117	NESS CITY FARM & FEED	Monthly Invoice	523.50
49398 01/10/2023	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	8,442.87
49399 01/10/2023	CHK	164	FAIRBANK EQUIPMENT INC.	Monthly Invoice	1,818.89
49400 01/10/2023	CHK	169	AMERICAN ELECTRIC-GARDEN CITY	Monthly Invoice	521.03
49401 01/10/2023	CHK	179	RAD ROEHL	Strategic Planning Mtg	722.50
49402 01/10/2023	CHK	184	JOHNSTONE SUPPLY	Monthly Invoice	3,185.06
49403 01/10/2023	CHK	187	S&W SUPPLY DIVISION	Monthly Invoice	3,237.43
49404 01/10/2023	CHK	194	POST ROCK	Advertising	300.00
49405 01/10/2023	CHK	198	OTIS ELEVATOR COMPANY	Service contract 1/1/23-3/31/23	152.76
49406 01/10/2023	CHK	202	CHAD GRIFFITH	Strategic Planning Mtg	793.75

02/02/2023 11:30:46 AM

Accounts Payable Check Register

Page 2

01/05/2023 To 02/02/2023

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
49407 01/10/2023	CHK	238	ILLINOIS MUTUAL	Premiums	153.20
49408 01/10/2023	CHK	269	ANIXTER INC	Monthly Invoice	1,059.94
49409 01/10/2023	CHK	272	LEWIS AUTOMOTIVE GROUP INC	Trucks #173, 117 & 191	5,706.50
49410 01/10/2023	CHK	304	STECKLINE COMMUNICATIONS INC	Advertising	200.00
49411 01/10/2023	CHK	306	BORDER STATES INDUSTRIES INC	Monthly Invoice	2,017.44
49412 01/10/2023	CHK	387	WESTERN FUEL & SUPPLY	Monthly Fuel Invoice	104.86
49413 01/10/2023	CHK	395	DOLLAR GENERAL - REGIONS 410526	Supplies	38.97
49414 01/10/2023	CHK	427	DIGHTON HERALD LLC	Advertising	120.00
49415 01/10/2023	CHK	450	RANDALL G EVANS	Supplies	1,025.23VOID
49416 01/10/2023	CHK	494	UTILITY ASSET MANAGEMENT INC.	Pole Testing	15,226.00
49417 01/10/2023	CHK	506	K&J FOODS	Monthly Invoice	147.53
49418 01/10/2023	CHK	516	WESTERN KANSAS BROADCAST CENT	Advertising	864.00
49419 01/10/2023	CHK	715	KATHERINE E LEWIS	Clothing Allowance	32.00
49420 01/10/2023	CHK	790	SUNBELT SOLOMON	Transformers	6,103.13
49421 01/10/2023	CHK	903	NISC	Monthly Invoice	3,240.57
49422 01/10/2023	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fees	34.80
49423 01/10/2023	CHK	1139	LANE COUNTY HOSPITAL	DOT Physicals	529.00
49424 01/10/2023	CHK	1169	WASHER SPECIALTIES CO.	Monthly Invoice	332.50
49425 01/10/2023	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	1,217.68
49426 01/10/2023	CHK	1192	LANE COUNTY HEALTH DEPT	Hearing Tests	170.00
49427 01/10/2023	CHK	1197	GARDEN CITY WHOLESALE SUPPLY	Monthly Invoice	5,826.39
49428 01/10/2023	CHK	1248	COMPLIANCE ONE	Drug & Alcohol Testing	326.70
49429 01/10/2023	CHK	1251	TECHLINE, LTD	Monthly Invoice	4,740.10
49430 01/10/2023	CHK	1254	EAGLE RADIO	Advertising	455.00
49431 01/10/2023	CHK	1263	RICHARD SOREM	Strategic Planning Mtg	807.50
49432 01/10/2023	CHK	1292	COMFORT PRODUCTS DISTRIBUTING L	Monthly Invoice	407.56

02/02/2023 11:30:46 AM

Accounts Payable Check Register

Page 3

01/05/2023 To 02/02/2023

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
49433 01/10/2023	CHK	1300	CRAIG RAMSEY	KEC and Strategic Planning Mtgs	2,326.65
49434 01/10/2023	CHK	1303	LANE COUNTY IMPLEMENT, INC	Monthly Invoice	455.70
49435 01/10/2023	CHK	450	RANDALL G EVANS	Strategic Planning Mtg	701.26
49436 01/10/2023	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Supplies	323.97
2929 01/11/2023	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Invoice	833.30
2928 01/12/2023	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Invoice	171.35
2930 01/13/2023	WIRE	59	NRECA	NRECA Employer Expense	4,623.00
49437 01/13/2023	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	50,500.00
49438 01/16/2023	CHK	1	B&D LOCK & KEY	Locks	423.15
49439 01/16/2023	CHK	1	FIRST CHRISTIAN CHURCH	Memorial -Steve Campbell	50.00
49440 01/16/2023	CHK	1	LANE COUNTY HISTORICAL SOCIETY	Membership Dues	25.00
49441 01/16/2023	CHK	1	NESS COUNTY CHAMBER OF COMMER	Membership Dues	100.00
49442 01/16/2023	CHK	1	UTICA RURAL FIRE DEPARTMENT	Donation	200.00
49443 01/16/2023	CHK	15	ERIC DOLL	Jan Board Meeting	395.85
49444 01/16/2023	CHK	23	FEDERATED RURAL ELECTRIC	All risk,Directors, commercial,Work comp	142,698.00
49445 01/16/2023	CHK	30	HAROLD HOSS	Jan Board Meeting	389.30
49446 01/16/2023	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Dues	7,616.23
49447 01/16/2023	CHK	46	LANE COUNTY TREASURER	Trailer Tags & registrations	236.25
49448 01/16/2023	CHK	60	PAUL SEIB JR	Jan Board Meeting	393.23
49449 01/16/2023	CHK	63	RICHARD JENNISON	Jan Board Meeting	367.03
49450 01/16/2023	CHK	105	CITY OF NESS CITY	Monthly Invoice	46.37
49451 01/16/2023	CHK	154	NESS COUNTY CLERK	2022 Antenna Site Rent	600.00
49452 01/16/2023	CHK	172	TYNDALE COMPANY, INC.	Clothing Allowance-Pollock	466.76
49453 01/16/2023	CHK	179	RAD ROEHL	Jan Board Meeting	361.79
49454 01/16/2023	CHK	202	CHAD GRIFFITH	Jan Board Meeting	399.13
49455 01/16/2023	CHK	222	TOUCHSTONE ENERGY COOPERATIVE	2023 Dues	5,560.00

02/02/2023 11:30:46 AM

Accounts Payable Check Register

Page 4

01/05/2023 To 02/02/2023

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
49456 01/16/2023	CHK	357	ZOHO CORPORATION #4926	License renewal	1,395.00
49457 01/16/2023	CHK	406	RICHARD MCLEON	Per Diem-Kec Meeting	206.50
49458 01/16/2023	CHK	450	RANDALL G EVANS	Jan Board Meeting	350.66
49459 01/16/2023	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Copier Contract	62.93
49460 01/16/2023	CHK	543	ROBINSON OIL COMPANY	Oil for Substations	1,618.52
49461 01/16/2023	CHK	903	NISC	Monthly Invoice	23,067.65
49462 01/16/2023	CHK	1225	CINTAS CORPORATION	Monthly Invoice=Dighton	660.24
49463 01/16/2023	CHK	1263	RICHARD SOREM	Jan Board Meeting	406.33
49464 01/16/2023	CHK	1299	DEANNE DECHANT	Cookies for Board Meeting	72.00
49465 01/16/2023	CHK	1300	CRAIG RAMSEY	Jan Board Meeting	382.75
49466 01/16/2023	CHK	9999	FORGE CONTRUCTION LLC	INACTIVE REFUND	735.76
49467 01/16/2023	CHK	9999	SHAELYN MCINNIS	INACTIVE REFUND	194.13
49468 01/16/2023	CHK	9999	PHEASANTS FOREVER	INACTIVE REFUND	10.48
49469 01/16/2023	CHK	9999	BLAINE SAMUELSON	INACTIVE REFUND	50.35
49470 01/16/2023	CHK	9999	TROY WARTA	INACTIVE REFUND	28.53
2931 01/18/2023	WIRE	1229	SCHABEN SANITATION	Monthly Invoice	673.73
2933 01/25/2023	WIRE	101	ATMOS ENERGY	Monthly Invoice	335.12
2934 01/25/2023	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	27,605.88
2935 01/26/2023	WIRE	1290	WEX BANK	Monthly Fuel Invoice	179.10
49471 01/26/2023	CHK	1	FIRST NATIONAL BANK	Safe Deposit Box Rent	15.00
49472 01/26/2023	CHK	1	NESS CITY ROTARY	Rotary meals and dues	73.00
49473 01/26/2023	CHK	105	CITY OF NESS CITY	Franchise Fee	6,472.24
49474 01/26/2023	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	266.22
49475 01/26/2023	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	9,038.52
49476 01/26/2023	CHK	135	CITY OF BAZINE	Franchise Fee	2,097.14
49477 01/26/2023	CHK	138	CITY OF UTICA	Franchise Fee	2,268.97

02/02/2023 11:30:46 AM

Accounts Payable Check Register

Page 5

01/05/2023 To 02/02/2023

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
49478 01/26/2023	CHK	139	CITY OF MCCracken	Franchise Fee	2,415.09
49479 01/26/2023	CHK	140	CITY OF BROWNELL	Franchise Fee	792.26
49480 01/26/2023	CHK	141	CITY OF RANSOM	Franchise Fee	4,892.97
49481 01/26/2023	CHK	142	CITY OF ALEXANDER	Franchise Fee	1,030.19
49482 01/26/2023	CHK	160	SHULL OIL COMPANY	Monthly Fuel Invoice	6,968.60
49483 01/26/2023	CHK	164	FAIRBANK EQUIPMENT INC.	Monthly Invoice	411.11
49484 01/26/2023	CHK	220	LANDIS+GYR TECHNOLOGY, INC	SaaS November	845.66
49485 01/26/2023	CHK	226	KANSAS CORPORATION COMMISSION	Qtrly Assesment	254.24
49486 01/26/2023	CHK	248	CENTRAL PUMP & SUPPLY	Monthly Invoice	8.85
49487 01/26/2023	CHK	291	THE VICTORY ELECTRIC COOPERATIV	Rorke Denver Safety Presentation	1,861.65
49488 01/26/2023	CHK	317	JOHN DEERE FINANCIAL	Oil and Chain	158.07
49489 01/26/2023	CHK	459	YESTERDAYS BODY SHOP	Windshield-#110 and #305	781.20
49490 01/26/2023	CHK	466	D&S MACHINE & WELDING INC	Nitrogen for Substations	46.83
49491 01/26/2023	CHK	498	BLAKE MCVICKER	Supplies	48.66
49492 01/26/2023	CHK	503	RWW RESTORATION LLC	Hot sticks cleaned	2,239.38
49493 01/26/2023	CHK	542	ANTHONY KELLER	Electric Contractor	2,411.00
49494 01/26/2023	CHK	544	FIRST WIRELESS, INC.	Tower Site upgrade	32,632.65
49495 01/26/2023	CHK	648	MERCHANT JT&S	Dellon Shelton Book 4	550.00
49496 01/26/2023	CHK	803	ALTEC INDUSTRIES, INC	Truck #112-Pressure Transducer	142.13
49497 01/26/2023	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	21.99
49498 01/26/2023	CHK	1192	LANE COUNTY HEALTH DEPT	Hearing Tests	20.00
49499 01/26/2023	CHK	1215	POWER SYSTEM ENGINEERING, INC.	ARC Flash Study	4,477.50
2932 01/27/2023	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Invoice	112.85
2937 01/30/2023	WIRE	183	HIBU INC	Advertising	10.00
2938 01/30/2023	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
2936 01/31/2023	WIRE	1187	MIDWEST ENERGY	Monthly Invoice	279.95

02/02/2023 11:30:46 AM

Accounts Payable Check Register

Page 6

01/05/2023 To 02/02/2023

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2943 02/01/2023	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly Invoice	1,091.18
49500 02/01/2023	CHK	1	BAZINE AMERICAN LEGION	Donation	100.00
49501 02/01/2023	CHK	1	NESS CITY AFTER PROM COMMITTEE	Donation	50.00
49502 02/01/2023	CHK	20	BASIN ELECTRIC POWER COOP	December Dispatch Fees	2,131.92
49503 02/01/2023	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	109,000.00
49504 02/01/2023	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Invoice	2,415.20
49505 02/01/2023	CHK	73	STANION WHOLESALE ELEC CO INC	Monthly Invoice	36,849.49
49506 02/01/2023	CHK	79	POSTMASTER	Postage-Newsletters	114.07
49507 02/01/2023	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	11,955.90
49508 02/01/2023	CHK	154	NESS COUNTY CLERK	Poles	23,680.56VOID
49509 02/01/2023	CHK	169	AMERICAN ELECTRIC-GARDEN CITY	Monthly Invoice	909.88
49510 02/01/2023	CHK	172	TYNDALE COMPANY, INC.	Clothing Allowance-Extra	235.89
49511 02/01/2023	CHK	232	KEY REFRIGERATION SUPPLY LLC	Monthly Invoice	67.00
49512 02/01/2023	CHK	294	AIRGAS USA LLC	Nitrogen-Substation	134.46
49513 02/01/2023	CHK	380	GRAINGER	Monthly Invoice	818.93
49514 02/01/2023	CHK	395	DOLLAR GENERAL - REGIONS 410526	Supplies	231.54
49515 02/01/2023	CHK	427	DIGHTON HERALD LLC	Advertising	80.00
49516 02/01/2023	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly Invoice	1,626.66
49517 02/01/2023	CHK	1197	GARDEN CITY WHOLESALE SUPPLY	Monthly Invoice	6,024.45
49518 02/01/2023	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Monthly Invoice	131.25
49519 02/01/2023	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	286.97
49520 02/01/2023	CHK	1303	LANE COUNTY IMPLEMENT, INC	Generator part	185.00
49521 02/01/2023	CHK	383	HUXFORD POLE AND TIMBER CO INC	Poles	23,680.56
2942 02/02/2023	WIRE	530	SNAP-ON CREDIT LLC	Monthly Invoice	50.72

Total Payments for Bank Account - 2 : (152) 698,484.12

02/02/2023 11:30:46 AM

**Accounts Payable
Check Register**

Page 7

01/05/2023 To 02/02/2023

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total Voids for Bank Account - 2 :					(2) 24,705.79
Total for Bank Account - 2 :					(154) 723,189.91
Grand Total for Payments :					(152) 698,484.12
Grand Total for Voids :					(2) 24,705.79
Grand Total :					(154) 723,189.91

01/31/2023 12:14:18 pm

Payroll/Labor
Check Register

Page 1

Pay Date: 01/01/2023 To 01/31/2023

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Other Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
5	KATHERINE E LEWIS	01/12/2023	6437	5,368.03	0.00	80.00	0.00	706.64	44.72	1,467.22	3,194.17	
								446.02	0.00	2,979.17	900.00	DD
											175.00	DD
											2,119.17	DD
21	CARRIE M BORELL	01/12/2023	6438	3,305.35	0.00	89.50	0.00	402.54	16.42	608.74	2,294.07	DD
								269.67	0.00	2,359.88		
22	REBECCA L CAMPBELL	01/12/2023	6439	2,326.40	0.00	80.00	0.00	521.49	11.18	386.37	1,418.54	
								177.00	0.00	2,139.91	300.00	DD
											1,118.54	DD
26	RICHARD A MCLEON	01/12/2023	6440	9,875.00	0.00	80.00	0.00	380.00	139.92	2,852.85	6,642.15	DD
								819.31	0.00	4,667.71		
34	KALO M MANN	01/12/2023	6441	3,600.00	0.00	90.00	0.00	610.21	73.47	791.05	2,198.74	DD
								302.51	0.00	2,035.62		
35	NATHAN A BURNS	01/12/2023	6442	3,062.40	0.00	80.00	0.00	448.41	20.25	760.64	1,853.35	DD
								256.39	0.00	1,744.32		
50	KASEY R JENKINSON	01/12/2023	6443	4,176.16	0.00	84.00	0.00	800.39	27.36	878.03	2,497.74	DD
								341.70	0.00	2,855.39		
55	BENJAMIN L MANN	01/12/2023	6444	4,259.16	0.00	86.00	0.00	665.05	34.76	929.51	2,664.60	DD
								358.39	0.00	2,121.97		
74	DAL S HAWKINSON	01/12/2023	6445	3,935.14	0.00	86.00	0.00	549.97	6.21	837.73	2,547.44	DD
								321.83	0.00	2,718.36		
84	MICHAEL S POLLOCK	01/12/2023	6446	3,450.00	0.00	85.50	0.00	690.21	7.12	688.02	2,071.77	
								284.70	0.00	2,152.95	100.00	DD
											25.00	DD
											25.00	DD
											25.00	DD
											1,896.77	DD
85	CHAD A RUPP	01/12/2023	6447	3,586.40	0.00	80.00	0.00	543.41	39.32	889.74	2,153.25	DD
								295.26	0.00	2,718.36		
89	CHRIS R TERHUNE	01/12/2023	6448	4,370.93	0.00	92.00	0.00	617.34	16.54	1,279.56	2,474.03	DD
								357.18	0.00	2,718.36		
93	MYRON E SEIB	01/12/2023	6449	4,576.60	0.00	92.00	0.00	649.35	31.39	878.40	3,048.85	DD
								381.20	0.00	2,441.68		
99	KEVIN A BRADSTREET	01/12/2023	6450	3,586.40	0.00	80.00	0.00	456.81	29.27	965.51	2,164.08	DD
								301.61	0.00	1,646.48		
108	MARK R MCCULLOCH	01/12/2023	6451	3,464.96	0.00	87.00	0.00	1,091.16	37.62	792.03	1,581.77	DD
								288.78	0.00	1,782.48		
117	LEIGHTON J AYERS	01/12/2023	6452	3,855.38	0.00	84.00	0.00	434.96	14.91	820.27	2,600.15	
								313.64	0.00	2,610.77	150.00	DD
											2,450.15	DD

01/31/2023 12:14:18 pm

Payroll/Labor Check Register

Page 2

Pay Date: 01/01/2023 To 01/31/2023

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Other Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
129	STACEY L FOOS	01/12/2023	6453	117.45	0.00	7.25	0.00	0.00	0.00	8.98	108.47	DD
								9.88	0.00	0.00		
130	ANN MARIE JENNINGS	01/12/2023	6454	2,200.00	0.00	80.00	0.00	480.25	9.25	379.47	1,340.28	DD
								165.80	0.00	1,978.99		
131	DIANA F KUHLMAN	01/12/2023	6455	2,208.00	0.00	80.00	0.00	522.32	14.19	320.34	1,365.34	DD
								180.31	0.00	1,636.87		
132	DELLON R SHELTON	01/12/2023	6456	3,035.13	0.00	92.00	0.00	311.08	5.52	810.55	1,913.50	DD
								252.86	0.00	1,370.59		
134	SCOTT A BRIAND	01/12/2023	6457	2,424.00	0.00	80.00	0.00	295.29	3.76	391.75	1,736.96	DD
								191.30	0.00	2,071.98		
135	BLAKE T MCVICKER	01/12/2023	6458	4,393.34	0.00	92.00	0.00	922.16	4.14	1,179.15	2,292.03	DD
								364.19	0.00	2,128.08		
137	DYLAN S FEHRENBACH	01/12/2023	6459	2,152.00	0.00	80.00	0.00	37.61	1.55	430.60	1,683.79	DD
								178.17	0.00	369.67		
5	KATHERINE E LEWIS	01/30/2023		5,368.03	0.00	96.00	0.00	706.64	44.72	1,467.22	3,194.17	
			6460					424.45	0.00	2,979.17	900.00	DD
											175.00	DD
											2,119.17	DD
21	CARRIE M BORELL	01/30/2023	6461	3,682.35	0.00	102.00	0.00	458.65	16.42	704.30	2,519.40	DD
								301.40	0.00	2,387.94		
22	REBECCA L CAMPBELL	01/30/2023		2,791.68	0.00	96.00	0.00	577.43	11.18	504.31	1,709.94	
			6462					216.20	0.00	2,163.17	300.00	DD
											1,409.94	DD
26	RICHARD A MCLEON	01/30/2023	6463	9,875.00	0.00	96.00	0.00	577.50	139.92	2,852.84	6,444.66	DD
								767.30	0.00	4,266.46		
34	KALO M MANN	01/30/2023	6464	4,360.00	0.00	106.00	0.00	610.21	73.47	984.62	2,765.17	DD
								360.83	0.00	2,035.62		
35	NATHAN A BURNS	01/30/2023	6465	3,674.88	0.00	96.00	0.00	448.41	20.25	977.16	2,249.31	DD
								307.97	0.00	1,774.94		
50	KASEY R JENKINSON	01/30/2023	6466	5,308.49	0.00	107.00	0.00	885.86	27.36	1,213.53	3,209.10	DD
								423.55	0.00	2,894.24		
55	BENJAMIN L MANN	01/30/2023	6467	4,710.32	0.00	97.00	0.00	665.05	34.76	1,080.25	2,965.02	DD
								384.57	0.00	2,160.82		
74	DAL S HAWKINSON	01/30/2023	6468	4,348.51	0.00	97.00	0.00	636.04	6.21	983.87	2,728.60	DD
								350.30	0.00	2,754.22		
84	MICHAEL S POLLOCK	01/30/2023		4,245.06	0.00	103.00	0.00	754.21	7.12	969.07	2,521.78	

01/31/2023 12:14:18 pm

Payroll/Labor Check Register

Page 3

Pay Date: 01/01/2023 To 01/31/2023

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Other Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
			6469					348.29	0.00	2,184.95	100.00	DD
											25.00	DD
											25.00	DD
											25.00	DD
											2,346.78	DD
85	CHAD A RUPP	01/30/2023	6470	4,830.19	0.00	106.00	0.00	615.14	39.32	1,333.41	2,881.64	DD
								392.45	0.00	2,754.22		
89	CHRIS R TERHUNE	01/30/2023	6471	4,726.50	0.00	102.00	0.00	689.07	16.54	1,412.36	2,625.07	DD
								376.10	0.00	2,754.22		
93	MYRON E SEIB	01/30/2023	6472	4,903.50	0.00	102.00	0.00	761.43	31.39	948.03	3,194.04	DD
								394.43	0.00	2,479.04		
99	KEVIN A BRADSTREET	01/30/2023	6473	4,830.19	0.00	106.00	0.00	535.72	29.27	1,417.86	2,876.61	DD
								397.90	0.00	1,682.34		
108	MARK R MCCULLOCH	01/30/2023	6474	4,160.28	0.00	105.50	0.00	1,166.72	37.62	1,016.89	1,976.67	DD
								343.98	0.00	1,813.94		
117	LEIGHTON J AYERS	01/30/2023		4,900.73	0.00	107.00	0.00	449.30	14.91	1,098.85	3,352.58	
			6475					392.68	0.00	2,625.11	150.00	DD
											3,202.58	DD
129	STACEY L FOOS	01/30/2023	6476	129.60	0.00	8.00	0.00	0.00	0.00	9.92	119.68	DD
								10.92	0.00	0.00		
130	ANN MARIE JENNINGS	01/30/2023	6477	2,640.00	0.00	96.00	0.00	524.25	9.25	491.01	1,624.74	DD
								202.85	0.00	2,000.99		
131	DIANA F KUHLMAN	01/30/2023	6478	2,649.60	0.00	96.00	0.00	610.64	14.19	415.07	1,623.89	DD
								217.50	0.00	1,658.95		
132	DELLON R SHELTON	01/30/2023	6479	3,301.10	0.00	102.00	0.00	336.11	5.52	904.58	2,060.41	DD
								275.24	0.00	1,335.55		
134	SCOTT A BRIAND	01/30/2023	6480	2,908.80	0.00	96.00	0.00	319.76	3.76	514.58	2,074.46	DD
								232.10	0.00	2,036.83		
135	BLAKE T MCVICKER	01/30/2023	6481	4,303.68	0.00	96.00	0.00	922.16	4.14	1,147.45	2,234.07	DD
								347.27	0.00	2,163.94		
137	DYLAN S FEHRENBACH	01/30/2023	6482	2,582.40	0.00	96.00	0.00	37.61	1.55	550.28	1,994.51	DD
								214.39	0.00	369.67		
Grand Total:				\$ 178,559.12	\$ 0.00	4,081.75	\$ 0.00	\$ 25,424.56	\$ 1,177.74	\$ 42,343.97	\$ 110,790.59	
								\$ 14,540.37	\$ 0.00	\$ 98,525.92		



SUNFLOWER ELECTRIC POWER CORPORATION BOARD MEETING – JAN. 18, 2023

Welcomes were extended to Todd Hillman, Sunflower's new president and CEO, and Nolan Numrich, Western's assistant general manager and manager of member services.

ICARE

2023 Rate Study

Staff completed a rate design and cost of service study in 2022, and the Board implemented the cost-of-service (COS) rate adjustments effective January 1, 2023. The Board supported commencing 2023 rate study discussions in February with a tentative plan to arrive at a final decision in August and to implement any changes in January 2024. The main topics for consideration will be bifurcation of Sunflower's demand charge to include both a Coincident and Non-Coincident Peak (NCP) component and increasing the credits available through Sunflower's high load factor rider.

Fort Dodge Solar Project

On November 29, 2022, Sunflower entered a 60-day exclusivity agreement with Alluvial to finalize the project price for a Power Purchase Agreement (PPA) and ownership options for the Fort Dodge solar project. Since the exclusivity letter agreement was executed, Alluvial has made progress in several areas, such as real estate agreements, ROW work, interconnection discussions and decisions, environmental work, and meetings with local officials.

Alluvial is expected to complete final firm price estimates for PPA and build-transfer-own project structures by the end of January, after which Sunflower and Alluvial will develop a recommended project structure. Sunflower staff will present the recommendation to the Board at the February meeting. If the Board approves proceeding with project, required agreements will be negotiated in February and March, with a request for Board approval of the negotiated agreements anticipated at the March or April Board meeting. Upon execution of agreements and formal notice to proceed, Alluvial will begin the permitting process with Ford County. When there is reasonable assurance that a permit will be obtained, Alluvial will order long lead-time materials and begin engineering design work.

Russell Solar Project

A Limited Notice to Proceed was executed on December 21, 2022, with DEPCOM Power (DEPCOM) to allow for preliminary engineering work and keep the project on schedule during negotiation of the EPC contract. EPC contract negotiations are currently underway. The goal is to request approval for the EPC contract during the February Board meeting. Engineering and material procurement will commence upon execution of the EPC contract. Construction is scheduled to start in September with initial synchronization scheduled for June 2024 and commercial operation scheduled for August 2024.

CURRENT ACTIVITIES

April Board Meeting

The original April 2023 Board meeting date conflicts with the NRECA Legislative Conference, so an alternative date was selected.

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

Board action: The Sunflower Board approved moving the April Board meeting to April 21, 2023.

Right of First Refusal Update

Sunflower, along with other utilities, is participating in testimony during the 2023 state legislative session in support of a Right of First Refusal (ROFR) bill. If passed, the ROFR would allow incumbent utilities the exclusive right to build, maintain, and own 100 kV and larger transmission lines located within their service territory. Only if the utility declines would the project be subject to competitive bidding.

NRECA 5-Star Co-op Award

Sunflower achieved the 5-Star Co-op Award in recognition of Sunflower's continued efforts to support NRECA's Co-ops Vote campaign. The award is given to electric co-ops that participate in at least five activities annually to promote voter participation.

PRESIDENT'S REPORT

Operations

In 2022, Holcomb Station (HLS) production was the highest since 2014 (the year the SPP launched the Integrated Market), and Rubart Station (RTS) showed an increased Net Capacity Factor (14%). Transmission staff matured a line inspection tool, allowing for additional projects and efficiencies during the year. Transmission staff also worked with IS staff to establish Cascade, a transmission asset management system.

Power Supply & Delivery & Market Affairs

Winter Storm Uri Regulatory Asset Closeout

Staff updated the Board on resettlements associated with Winter Storm Uri. Potential payments from the Kansas Gas Service (KGS) settlement are expected to result in approximately \$100k in monthly revenue to Sunflower in future years. Since additional resettlements associated with Winter Storm Uri appear to be low, staff recommended closing out the regulatory asset in which charges and credits have been held, crediting the balance on the January invoices to the Members, and handling any future KGS payments as a credit in energy cost adjustment (ECA) calculations in the months they are received.

Board Action: The Sunflower Board approved the eliminating the credit balance of the regulatory asset associated with Winter Storm Uri by crediting the Members on the January 2023 invoices and handling any future KGS payments as monthly inputs to the ECA calculation.

Sunflower Renewable Energy Program (SREP)

Sunflower's current renewable energy rider includes three tiers of participation: Tier 1 for smaller customers, which includes a small charge for solar or wind renewable energy credits (RECs); and Tiers 2 and 3 for larger customers, which includes a rate modification based on the energy price of the renewable energy resource. Possibilities for rate modifications include Option 1, which directly assigns renewable resource profit and loss to participants; and Option 2, which replaces the ECA price with renewable energy cost for participants.

Options 1 and 2 were shared with Western Kansas Industrial Electric Consumers (WKIEC) last month, and they recommended proceeding with Option 1, the option also recommended by Sunflower staff. Regardless of which option is selected, staff will need to modify the existing billing process to account for ECA modifications.

Community Solar

Sunflower and NRCO staff have evaluated options for community solar projects, and a program very similar to Tier 1 was recommended. However, feedback from Member managers is they would prefer a community solar option for smaller customers more aligned with Sunflower's Tier 2 and Tier 3 offerings and include some type of rate modification associated with participation. The Board directed staff to continue evaluating options.

Technology Services

Total Cost of Ownership (TCO) Initiative

TCO is an expense/spend analysis approach for information technology (IT) organizations that tracks all associated costs, enabling staff to study expenditures and expense reduction opportunities. In 2020, when continued increase in expenses was projected, staff implemented multiple tactics to mitigate the TCO. The cumulative effect of these efforts equates to more than \$4MM of cost trend avoidance when comparing the 2021 and 2022 actuals versus linear forecast. Technology Services will continue seek ways to mitigate increasing costs. Jeremy Anderson will gather IS Sunflower and Member staff to discuss economy of scale purchases and contracts related to infrastructure services.

Financials

December Financials

Overall Member loads were down 1.50% from budget for the month and up 0.12% from budget year to date. Large industrial loads were down 5.58% from budget for the month and down 3.25% from budget year to date. Year-to-date operating expenses were down 10.50% from budget for the month and up 1.91% from budget year to date.

Syndicated Credit Facility Amendment

In November, the Board authorized staff to amend the current syndicated credit agreement to extend the facility five years from the effective date of the amendment and not to exceed \$200MM. The \$200MM was the \$150MM facility plus a \$50MM accordion provision. This month staff requested Board approval for an amount not exceeding \$250 MM. The current facility has an accordion provision of \$100MM. After discussion with Sunflower's administrative agent, National Rural Utilities Cooperative Finance Corporation, staff decided the best approach is to keep the accordion at \$100MM. Staff would not exercise the accordion provision without returning to the Board for approval.

Board action: The Sunflower Board approved the amendment of the Syndicated Credit Facility as presented.

Kansas Electric Cooperatives Report

KEC's 2023 annual meeting events will begin on Saturday, Jan. 21, with the annual meeting and Day at the Capitol occurring on Jan. 23. Attendees are encouraged to donate and participate in the silent auction benefitting the Kansas Action Committee for Rural Electrification (KACRE).

Serving as the delegate and alternate to the 2023 KEC annual meeting are Shane Laws and Kirk Girard, respectively.

NRECA 2023 Annual Meeting

NRECA's 2023 annual meeting is scheduled for March 7, 2023, in Nashville, TN. Serving as the

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

Richard McLeon

From: Kansas Electric Cooperatives, Inc. <kec@kec.org>
Sent: Wednesday, January 25, 2023 4:28 PM
To: Richard McLeon
Subject: Summaries of the KEC Annual Meeting, January Board Meeting, and KCRE Annual Meeting



To: KEC Trustees, Alternate Trustees, and Member System Managers

From: Lee Tafarielli, CEO

KEC Annual Meeting Summary

Directors were given several training options prior to convening the 2023 KEC Annual Meeting. Bryan Singletary facilitated both the **2610.1 Understanding the Electric Business** and the new **965.1 Electric Vehicles: Strategy and Policy Considerations**. Mike Marsch facilitated the **914.1 Cooperative Communications and Public Opinion: The Director's Perspective**. Bruce Tulgan offered a special **Back to Fundamentals** workshop that focused on leadership and collaboration.

On Saturday, Jan. 21, attendees had the opportunity to cheer on the Kansas City Chiefs at a viewing party in Heritage Hall. On Sunday, Jan. 22, KEC hosted a **Tailgate Social**, sponsored by CFC. The social included sponsor displays and watching the NFL Divisional Playoffs.

The KCRE Silent Auction results were announced at halftime of the second football game and raised \$11,652.

The winners of the \$250 drawings, sponsored by OneSource Restoration, were Kevin Compton, Brown-Atchison, and Gary Olson, Alfalfa.

Tell us what you thought of the KEC Annual Meeting!

[Take the survey by Feb. 11!](#)

Download Annual Meeting Photos

View and download the [photos from the Annual Meeting](#).

View and download the [individual portraits](#) taken by photographer Kenneth Doll.

Annual Meeting Presentations

The presentations and resources from the KEC Annual Meeting are archived on [KEC's Members-Only site](#).

Nearly 200 electric cooperative trustees, managers, and key staff registered for the KEC Annual Meeting. The day started with a breakfast roundtable discussion. Teresa Miller, KEC Board President, opened the meeting with welcome announcements and commended those who have earned their NRECA Director Gold certification.

The opening speaker was **Teri Viswanath**, CoBank's Lead Economist of Power, Energy & Water, who discussed the structural rise in electricity prices. She stated that structural price change is the conversation we need to have with consumers. That conversation includes how much electricity is actually being used, how cooperatives are meeting that demand, and the rising price of natural gas. She also gave statistics such as the average transformer age is 28 years old, 70% of the grid is at end of life, and EVs have become the largest or second largest draw on the household.

There was a general statewide contribution check presentation in the amount of \$25,000 from **Justin Jones-Frazier**, CoBank, to KEC. There were several recorded messages from our Platinum-level sponsors.

Kimberly Svaty, Public Policy Consultant-Kansas for the Advance Power Alliance, briefed the attendees on the mission of the newly formed HARVEST Hydrogen Hub, a coalition of Kansas public entities and private partners that are working to make Kansas a regional hub in the emerging hydrogen economy. She stated that the coalition is seeking the Department of Energy designation of Kansas as a centralized hydrogen hub with four production locations and an array of subsurface storage sites.

Ms. Miller conducted the **KEC Annual Meeting Business Session**. The membership heard the State of the Statewide report from CEO **Lee Tafanelli**. Mr. Tafanelli highlighted the various accomplishments by KEC staff during 2022, and detailed the goals set to meet upcoming challenges including meeting perceived industry threats, on-boarding newly elected trustees, Bipartisan Infrastructure Law funding, and completing an internal SWOT analysis to leverage KEC's strengths to address threats, and reevaluate staffing opportunities.

In the newly established Hail and Farewell segment of the State of the Statewide, Mr. Tafanelli presented **Stuart Lowry**, retiring Sunflower CEO, with a retirement gift honoring Mr. Lowry's decades of service. Mr. Lowry first followed in the footsteps of his father, Gordon Lowry, in a law practice devoted to the representation of electric co-ops. He worked at KEC as Corporate Counsel beginning in 1991, and was named KEC's Executive Vice President and General Counsel in 2004. In 2011, Mr. Lowry became Sunflower Electric's CEO.

The winners of the KEC Auxiliary scholarships were announced. **Reagan Bales** of Rolling Hills and **Ashlynn Doebele** of 4 Rivers will each be awarded \$1,000.

Bruce Tulgan, founder of RainmakerThinking, Inc., gave a keynote presentation on the **Great Generational Shift**. He stated that while there are generational stereotypes, each person has their own unique story. He gave examples of how the new workforce is higher maintenance and the workplace is higher pressure. "We have a new workforce with a new attitude about work, which is a direct reflection of the world they've grown up in." He said that in a highly uncertain world, it is reckless to think long term or hierarchal. "Everything is changing. The most conservative behavior in a highly uncertain environment is to think short term and transactional."



The winners of the \$250 drawings, sponsored by KEPCo and Sunflower, were Rex Smith, Sedgwick County, and Greg Tanking, Brown-Atchison.

Following lunch, **Leslie Kaufman**, KEC's Vice President of Government Relations and Legal Counsel, and **Reagan McCloud**, KEC's Manager of Government Relations, gave a legislative update. They reviewed key issues in preparation for conversations with legislators and other state officials later in the day. Attendees then traveled to the Kansas Statehouse for office visits, a capitol tour, legislative leadership briefings, and other **Day at the Capitol** activities.

The group returned to the Maner Conference Center then adjourned for the **Legislative Reception**, co-hosted by Federated Rural Electric Insurance Exchange and all Kansas electric cooperatives. The event drew more than 250 Kansas elected officials, cooperative trustees, managers, spouses and guests.

KEC Spouses Program

The KEC Spouses' Program on Jan. 23 featured the fascinating story behind L. Frank Baum's classic *The Wonderful Wizard of Oz* from storyteller Chris Glasgow. Attendees also learned about the history, the artists and meanings behind the state's rich collection of public murals from Dave Loewenstein. After lunch, spouses had the opportunity to take a historic tour of the Kansas State Capitol or to attend the "Driving on Hazardous Roads" presentation from the KEC Loss Control, Safety, and Compliance Department.

January Board Meeting Summary

Jan. 23, 2023

In official action at the **January KEC Board Meeting**, the KEC Board of Trustees:

1. Elected **Teresa Miller**, Ninnescah, as President; **Kirk Thompson**, CMS, as Vice President; **Jim Christopher**, DSO, as Secretary; and **John George**, Rolling Hills, as Treasurer.
2. Approved the date change for the May Board Meeting to May 10-11, 2023.

During the January Board Meeting, the KEC Board of Trustees received the financial report from Mindi Pfannenstiel, Director of Finance and HR. There was also discussion on changing the timeline of the management evaluation process and KEC's position regarding new legislation.

KCRE Annual Meeting and Executive Committee Summary

Jan. 22, 2023

In official action at the **Kansas Committee for Rural Electrification (KCRE) Annual Meeting**, the KCRE members:

1. Elected **Mike Morton**, Bluestem; **Chuck Goeckel**, Flint Hills; and **Jim Christopher**, DSO; as at-large members to the KCRE Executive Committee.
2. Accepted the Treasurer's Report.

During the KCRE Annual Meeting, which followed the KEC Annual Business Session, the KCRE members heard a report from Mike Morton, Chairman. Mr. Morton recapped legislative events of 2022 and discussed changes coming in 2023. He announced that, starting in March, the Action Committee for Rural Electrification (ACRE), the electric cooperative community's federal political action committee (PAC), will operate under a new name and use the trade name America's Electric Cooperative PAC. He noted that once more information is available on the federal PAC name change, there may be state-level changes needed.

In official action at the **KCRE Executive Committee Meeting**, the KCRE Executive Committee Members:

1. Elected **Mike Morton**, Bluestem; as Chairman; **Chuck Goeckel**, Flint Hills; as Vice Chairman; and **Kirk Thompson**, CMS; as Secretary-Treasurer.
2. Elected **Chuck Goeckel**, Flint Hills, as the ACRE representative.

Upcoming KEC Meetings

KEC Board and Committee Meetings
March 1-2, 2023
Hilton Garden Inn & Convention Center, Salina

KEC Board and Committee Meetings
May 10-11, 2023 - NEW DATE
Marriott, Wichita

KEC Summer Meeting
July 29-31, 2023
Overland Park Marriott

KEC Board and Committee Meetings
October 4-5, 2023
Marriott, Wichita

2023 KEC District Meetings
District 1: Oct. 31
District 2: Nov. 3
District 3: Nov. 2
District 4: Nov. 1

KEC Board and Committee Meetings
December 6-7, 2023
Marriott, Wichita



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

[Unsubscribe richard.mcleon@lanescott.coop](mailto:richard.mcleon@lanescott.coop)

[Update Profile](#) | [Constant Contact Data Notice](#)

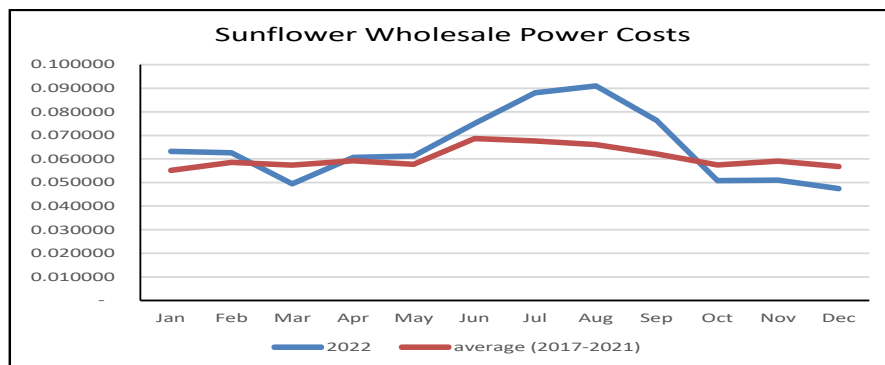
Sent by kec@kec.org powered by



8. General Manager's Report

A. Rates and Reliability Dashboard

Rate Summary - Dec	current month (\$/kWh)	year to date (\$/kWh)	ytd '17-21 avg. (\$/kWh)
Residential	0.1448	4.6%	0.1381
Residential - Seasonal	0.2363	-2.3%	0.2417
Irrigation	0.1069	8.8%	0.0975
C&I 1000kVa or less	0.1300	7.0%	0.1208
C&I over 1000 kVa	0.1204	7.3%	0.1117
Public Street and Lighting	0.1609	7.3%	0.1492
Other Sales to Public Authorities	0.1498	-0.2%	0.1501
Sales for Resale - Other	0.0607	-23.2%	0.0748
Total Sales price per kWh:	0.1259	7.1%	0.1170



metric	2020	2021	2022	measures
SAIDI	2.45	8.19	3.36	Interruption DURATION / average for every member (hrs)
SAIFI	1.16	2.56	1.33	Interruption FREQUENCY / Average # of Interruptions per customer
CAIDI	2.10	3.20	2.53	Customer Avg Interruption Duration Index - IF you are out, how long (hrs).
ASAI	99.97%	99.91%	99.96%	Service Availability

	meters	kWh	\$\$s
Residential Sales	38.4%	15.5%	17.8%
Residential Seasonal	19.5%	1.5%	2.9%
Irrigation Sales	5.8%	0.9%	0.8%
C&I 1000 kVa or less	32.1%	32.3%	33.3%
C&I over 1000 kVa	3.1%	43.8%	41.9%
Public Street and Lighting	0.2%	0.2%	0.3%
Other Sales to Public Authorities	0.8%	0.3%	0.4%
Sales for Resale - RUS Borrowers	0.0%	0.0%	0.0%
Sales for Resale - Other	0.0%	5.5%	2.6%

- B. ACRE / KCRE. It is annual donation time again. The 2023 donation forms will be at the meeting. Please consider donating \$100.00 to each organization. KCRE held its' Annual Meeting in conjunction with the KEC Annual Meeting. Lane-Scott was again recognized for being a member of both the KCRE and ACRE Honor Rolls.
- C. IRS Form 990s. Please submit you 2022 IRS Form 990 as soon as possible to Diana.

- D. Staffing. Our new Line Superintendent is Kasey Jenkinson. Kasey has been with LSEC for over 25 years and is generally regarded as our best Lineman.
- E. The Credit Card records are available for the Boards review.
- F. Departments / Sections (full reports are in the Supplemental file)
 - 1. Financials - December
 - a. After a very bumpy start it looks like we had a very good year despite inflation, a tightening job market, and rising material and transportation costs.
 - b. Statement of Operations (unaudited)
 - i. Total Operating Margins are \$1,183,976.
 - ii. Total Margins are \$1,999,831.
 - c. Balance Sheet (unaudited).
 - i. Assets and Other Debits balance with Liabilities and Other Credits at \$65,130,517. Cash Balances remain strong at \$5,197,116 while we reduced LT debt by \$634,558.
 - ii. Equity remains stable with Equity as a percent of Assets at 40.04% and Equity as a percent of Capitalization is 42.80% reflecting the financial strength of the cooperative.
 - iii. Year to Date TIER is 2.56, OPTIER is 1.92 while Year to Date DSC is 4.31 and ODSC is 4.08.
 - 2. Operations Report. Despite the snow and cold Operations had a very busy January. Fortunately, we didn't have "blow-down" weather and there were very few outages. Dals' full report is in the Supplemental Reports, but a few highlights are:
 - a. Replaced broken anchor at the Finney Co Community building.
 - b. Updated meter loops at Curtis Shull's and Bob Pfannenstiel's
 - c. Retired connects for Brexco Brookover lease, Gary Barns, Steffens lease, and Bear Petroleum Dumler lease.
 - d. Cut down old secondary for Don Hineman.
 - e. Fixed broken jumper on the Leighton lease by Pendennis and at Brenner Brothers water well.
 - f. Opened connect and put on idol service for Doug Petersen irrigation.
 - g. Repaired broken hub on Tory Borrell's meter loop.
 - h. Fixed wires on the Hendrix 3 phase that the Hodgeman Co Road department tore down.
 - i. Retired half a mile of 3 phase line on the 4-mile Rd circuit.
 - j. Energized new connects in Scott Park.
 - k. Energized new pad mount and helped the electricians pull wire at the Lane County fairgrounds.
 - l. Changed out bad 3 phase poles on the south 4-mile Rd circuit and on the north Norton circuit.
 - m. Changed out bad meter poles at John Irvin's, Brian Wishman's and Curtis Shull's
 - n. Changed out bad single-phase pole at Tom Sehl's south of Ness City.
 - 3. IT / Cybersecurity Report. Carrie put together a different format for her Cybersecurity Report to show the threat that we face. In January, LSEC was the target of:
 - a. 261 attempts to penetrate the network through legitimate website,

- b. 15,338 Network attacks
 - c. From the cloud:
 - i. Over 600,000 foreign responder events trying to access our network
 - ii. Over 5,000 attempts to access the cloud through foreign servers.
 - d. Cyber Defense Firewall full management upgrade
 - e. Establishing primary domain server with a secondary backup server
 - f. Establishing a secondary GIS server
4. Engineering. Nate continues working on the FEMA recapture. He has also finished updating our Line Extension charge estimates. The average cost of a line extension has increased by 59.1% over 2022 estimates.
5. Human Resources. Diana does not provide a monthly report to me, but here are some of the major things we are working on:
- a. Employee Handbook. Will be published this month.
 - b. Job Descriptions. We are reviewing and updating all job descriptions.
 - c. Pay Scale. A new Pay scale table has been updated. Once the job descriptions are finalized, the Pay scale will be as well.
 - d. Employee training and succession. We are developing work flow processes, identifying tasks, and creating initial job descriptions for Substation Technician, Cashier/ Receptionist, and Accountant.
6. Member Services Report. Ann Marie was out for over a week with neck surgery but managed to work on various projects and routine functions.
7. Warehouse Report. Retail Non-operating margins = -243.88 for December and \$140,732.98 for 2022 (unaudited).
- a. Generac. We are researching Generac PowerCell technology due to member interest. This is currently a “Cooperative-only” technology that combines a Generac generator with solar or other DG technology and a wall battery pack. We continue waiting for our LSEC HQ generator.
 - b. Electrician / HVAC services. Both are keeping busy, and the addition of a contract electrician is helping us gain ground on the jobs list. Scott is hopeful that we will be caught up in a few months.
 - c. Materials. Tight supplies and long lead times continue to be the norm. We are expecting our September order of poles any day and have an additional 5 loads on order for pole change-outs (June delivery?)

Respectfully submitted,

Richard McLeon, MBA
General Manager

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

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

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

CERTIFICATION

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

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

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

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

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

DATE

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	18,976,716	21,534,914	18,790,591	1,623,912
2. Power Production Expense				
3. Cost of Purchased Power	11,294,294	12,903,008	10,695,346	791,444
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	1,018,864	1,095,418	1,315,702	315,963
7. Distribution Expense - Maintenance	1,245,835	1,133,982	1,004,999	41,590
8. Customer Accounts Expense	225,551	256,927	227,391	32,204
9. Customer Service and Informational Expense	67,611	59,232	50,599	4,018
10. Sales Expense	71,976	74,714	66,022	14,870
11. Administrative and General Expense	1,453,814	1,640,676	1,362,750	163,594
12. Total Operation & Maintenance Expense (2 thru 11)	15,377,945	17,163,957	14,722,809	1,363,683
13. Depreciation and Amortization Expense	1,844,094	1,888,036	1,694,737	160,580
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,338,205	1,282,652	1,206,425	107,979
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	146	269		21
19. Other Deductions	23,031	16,024	43,250	
20. Total Cost of Electric Service (12 thru 19)	18,583,421	20,350,938	17,667,221	1,632,263
21. Patronage Capital & Operating Margins (1 minus 20)	393,295	1,183,976	1,123,370	(8,351)
22. Non Operating Margins - Interest	160,696	132,043	200,000	43,372
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(122,093)	140,733	27,500	(244)
26. Generation and Transmission Capital Credits	1,405,537	492,773		
27. Other Capital Credits and Patronage Dividends	57,380	50,306	83,807	2,318
28. Extraordinary Items	619,088			
29. Patronage Capital or Margins (21 thru 28)	2,513,903	1,999,831	1,434,677	37,095

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 December 2022		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	56	70	5. Miles Transmission		
2. Services Retired	50	53	6. Miles Distribution – Overhead	2,038.73	2,038.10
3. Total Services in Place	6,049	6,071	7. Miles Distribution - Underground	7.66	8.73
4. Idle Services (Exclude Seasonals)	257	276	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	60,549,494		30. Memberships	0	
2. Construction Work in Progress	1,368,011		31. Patronage Capital	22,604,930	
3. Total Utility Plant (1 + 2)	61,917,505		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	20,781,478		33. Operating Margins - Current Year	1,183,976	
5. Net Utility Plant (3 - 4)	41,136,027		34. Non-Operating Margins	2,014,846	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	274,536	
7. Investments in Subsidiary Companies	239,416		36. Total Margins & Equities (30 thru 35)	26,078,288	
8. Invest. in Assoc. Org. - Patronage Capital	12,532,514		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	32,295,559	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	221,958		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	5,032,402	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	2,476,366	
14. Total Other Property & Investments (6 thru 13)	13,444,850		43. Total Long-Term Debt (37 thru 41 - 42)	34,851,595	
15. Cash - General Funds	29,835		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	100		45. Accumulated Operating Provisions and Asset Retirement Obligations	0	
17. Special Deposits	25		46. Total Other Noncurrent Liabilities (44 + 45)	0	
18. Temporary Investments	5,167,156		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	887,369	
20. Accounts Receivable - Sales of Energy (Net)	1,676,409		49. Consumers Deposits	113,757	
21. Accounts Receivable - Other (Net)	281,023		50. Current Maturities Long-Term Debt	2,319,758	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	508,040		52. Current Maturities Capital Leases	0	
24. Prepayments	(1,289)		53. Other Current and Accrued Liabilities	879,750	
25. Other Current and Accrued Assets	956,793		54. Total Current & Accrued Liabilities (47 thru 53)	4,200,634	
26. Total Current and Accrued Assets (15 thru 25)	8,618,092		55. Regulatory Liabilities	0	
27. Regulatory Assets	0		56. Other Deferred Credits	0	
28. Other Deferred Debits	1,931,548		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	65,130,517	
29. Total Assets and Other Debits (5+14+26 thru 28)	65,130,517				



Todd Hillman

SVP and Chief Customer Officer
MISO



Education

BA, International Affairs & Commerce
 University of the Pacific, 1991

Experience

MISO

SVP & CCO
 VP South Region
 Executive Director – Market Development
 Executive Director – External Affairs

2004 - Present

2018 – Present
 2013 – 2017
 2008 – 2013
 2004 – 2007

Reliant

Director of National Accounts
 Manager, Corporate Planning
 Director of Transition Activity
 Manager, Western Gas Trading

1998 – 2004

2003 – 2004
 2002 – 2003
 1999 – 2002
 1998 – 1999

Conoco / DuPont

Manager, Gas Marketing - Conoco
 Manager, Power Marketing - DuPont

1995 – 1998

1997 – 1998
 1995 – 1997

New York Mercantile Exchange

Director, Electricity & Natural Gas
 Manager, Crude Oil & Petroleum Products

1992 – 1995

1994 – 1995
 1992 – 1993

G&T Experience	Industry Experience	Financial Acumen
3 rd Party Relationships	Talent Development & Succession	Member Relations

Confidential

Todd P. Hillman

1850 Pine Valley Drive • Carmel, Indiana • 46032
Mobile (317) 694-4068
hillmanmiso@gmail.com

Summary

Leadership & Execution / Relationships / Strategy & Development

- Led largest US utility RTO integration with 5-year benefits of US\$1.3B (2014 -2017)
- Launched three of the largest independent electric system markets (2005, 2009 & 2011)
- Coordinated sale of US\$1.3B electric utility company (2003)
- Directed renegotiation of US\$1.2B of electricity contracts (2001)
- Experienced public speaker with over 500 conferences and events during career

Professional Experience



(November 2004 – Present)

Non-profit, member-based organization operating in 15 states in central US

Senior Vice President & Chief Customer Officer [Carmel, IN] *July 2018 - Present*

- Responsible for all customer interface for all 3 MISO offices including member and regulatory relationships, training, call center, Customer Experience (CX) and Facilities
- Established Diversity & Inclusion Council and 5 Employee Resource Groups

Vice President – South Region [Little Rock, AR] *August 2013 – December 2017*

- December 2013 – led largest US regional integration (50,000+ MW), including construction of US \$22M South Operations Center

Executive Director – Market Development [Carmel, IN] *January 2008 - July 2013*

- June 2011 – designed and instituted new Resource Adequacy construct
- April 2009 – launched Ancillary Services Market (ASM)

Executive Director – External Affairs [Carmel, IN] *November 2004 – December 2007*

- April 2005 – launched day-ahead and real-time electricity markets



(June 1998 – October 2004)

Provider of electricity and energy services to U.S. wholesale and retail customers, with primary market emphasis in Texas (1.8 million customers)

Director of National Accounts – Reliant Energy Solutions [Houston, TX] *Aug 2003 – Oct 2004*

- Directed 7-member Team to provide retail electricity to Texas National Accounts customers

Manager, Corporate Planning – Reliant Resources (Houston, TX) *Jul 2002 – Jul 2003*

- Completed US\$1.3B sale of Reliant 3,400 MW European electric utility operations

Director of Transition Activity – Reliant Europe (Netherlands) *Jul 1999 – Jun 2002*

- Managed 5 electricity, 3 natural gas supply, 3 district heating and 2 transmission contracts, with an aggregate value of US\$1.2B
- Established European satellite office in Frankfurt, Germany and developed green power trading strategy that consistently met or exceeded margin goals of US\$15M per year

Manager, Western Gas Trading – Houston Industries (Houston, TX) *Jun 1998 – Jun 1999*

- Led gas infrastructure coordination for merchant generation project development for El Dorado (Nevada - 270 MW) and Desert Basin (Arizona - 588 MW) facilities



(August 1995 – May 1998)

*One of the largest U.S. integrated oil and gas companies
owned by one of the world's largest life sciences companies*

Manager, Gas Marketing - Conoco (Houston, TX)

Apr 1997 – May 1998

- Responsible for US\$4.5M annual margin and management of 4 major interstate pipeline systems in Western U.S.
- Oversaw Conoco affiliate during US\$10M annual natural gas contract rollover (June – October 1997 in Pleasanton, CA)

Manager, Power Marketing – DuPont (Houston, TX)

Aug 1995 – Mar 1997

- Designed successful entry strategy for retail electricity pilot programs in Washington & Idaho
- Part of 10-member Special Project Team in DuPont/American Electric Power (AEP) energy capital management joint venture attempt



New York
Mercantile Exchange

(November 1992 – July 1995)

*World's largest physical commodity futures and options exchange - now
part of the Chicago Mercantile Exchange (CME)*

Director, Electricity & Natural Gas (New York, NY)

Jan 1994 – Jul 1995

- Directed largest marketing campaign in Exchange history of world's first exchange-traded electricity futures & options contracts - Palo Verde (PV) and California-Oregon Border (COB)
- U.S. Team Lead for joint venture with the Sydney Futures Exchange to implement NYMEX product trading on SYCOM® electronic platform to over 50 firms and organizations throughout Australia (March – August 1995 in Sydney, Australia)

Manager, Crude Oil & Petroleum Products (New York, NY)

Nov 1992 - Dec 1993

- Planned, organized, and directed seminars and in-house training for energy companies in 30+ countries: US, Europe, South America, Middle East, Asia, and Australia

Education



University of the Pacific
Bachelor of Arts Degree, International Affairs & Commerce
1991 – Stockton, California



The University of Chicago
Executive Institute - Graduate School of Business
2008 – Chicago, Illinois



Institut Européen d'Administration des Affaires (INSEAD)
Advanced Management Program
2019 – Fontainebleau, France

Other Interests

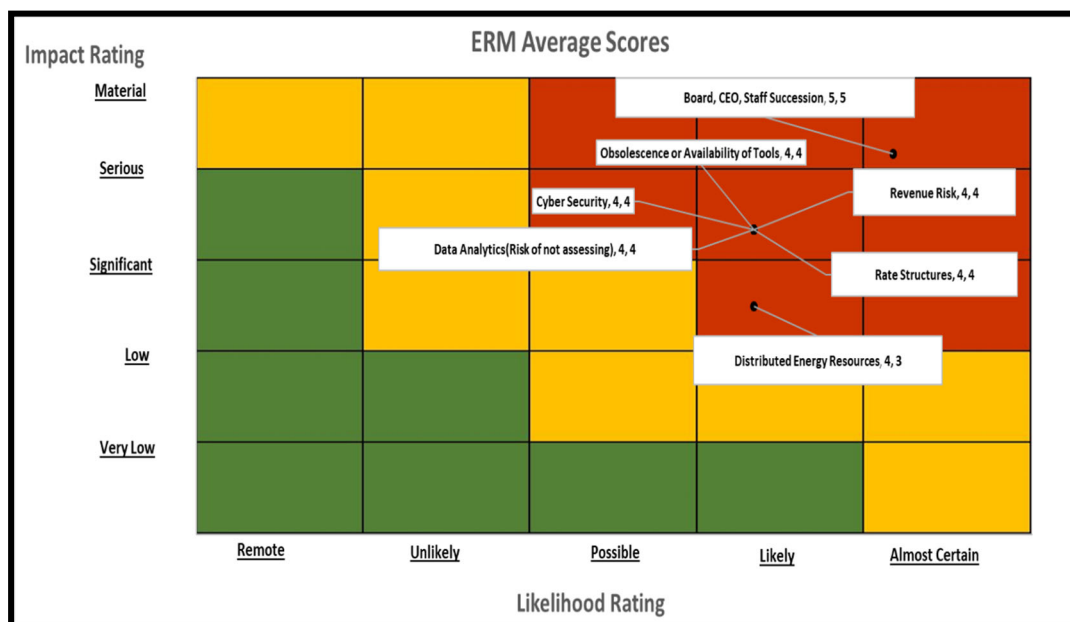
SERC Reliability Corporation Board of Directors – Chairman of the Board
FBI Citizens Academy Alumni Association Board of Directors – Governance Committee
Gulf Coast Power Association (GCPA) Board of Directors *(2018 – 2021)*
Make-A-Wish Foundation Indiana & Mid-South Board of Directors *(2009 – 2013, 2014 - 2018)*
Arkansas Research Alliance (ARA) Board of Directors *(2015 – 2019)*
Arkansas Governor Hutchinson Blue Ribbon Commission – Data Analytics & Computing *(2017)*

10. b. 2023-2025 LSEC Strategic Plan

The Board of Trustees and General Manager / CEO of Lane-Scott Electric Cooperative, Inc. (Lane-Scott EC or cooperative) met at St. Theresa Catholic Church in Dighton, Kansas on December 13-14, 2022, to perform an Enterprise Risk Management (ERM) exercise. The session was facilitated by CFC's Aaron Stallings and Mike Lewis. The purpose of the exercise was to identify, prioritize and develop mitigation action items for Lane-Scott EC's enterprise level risks and develop appropriate adjustments to the strategic plan.

The team reviewed the 2020 SWOT exercise then worked through a visioning exercise before working through Enterprise Risk identification, consensus, and ranking. These were:

Rank	Risk Factor	Likelihood	Impact	Total Risk Score
1	Board, CEO, Staff Succession	5.00	5.00	25.00
2	Obsolescence or Availability of Tools	4.00	4.00	16.00
3	Data Analytics (Risk of not assessing)	4.00	4.00	16.00
4	Rate Structures	4.00	4.00	16.00
5	Cyber Security	4.00	4.00	16.00
6	Revenue Risk	4.00	4.00	16.00
7	Distributed Energy Resources	4.00	3.00	12.00



Risk mitigation tactics suggested for each Risk Factor identified were:

1. Board, CEO Staff Succession

- Education and development of staff program (cross training)
- Job descriptions
- Operating procedures by position (job)
- CEO Emergency Plan (CEO Succession)
 - Board Chair Procedure
- Evaluate Accounting Back-up
- Recruitment of talent (options)
- Board succession
 - Term limits
 - Replacement / Appointment Process
 - Enhance Nomination Process
 - How do we evaluate ourselves?

2. Obsolescence or Availability of Tools

- Obsolescence
 - Analyze options for AMI

3. Data Analytics (Risk of not assessing)

- NISC Dashboard
- Analyze options – Burns and McDonald?

4. Rate Structures

- Explore Formulary Rates
- 3 Part Rates

5. Cyber Security

- Audits
- Training
- Password requirements
- Complete program

6. Revenue Risk

- Covered in rate structures
- Look at loss of large loads and its impact on the system
- Compass can model scenarios

7. Distributed Energy Resources

- Infrastructure Impact / Cost Analysis
- Incentive Programs on EV chargers
- Be informed on regulations
- Back-up generators

Ultimately the Board settled upon the following as the 2023-2025 Strategic Goals and Objectives:

<i>Number</i>	<i>2023-2025 Strategic Goals and Objectives</i>
1	Demonstrate leadership in employee and public safety. A. Continuously review options for safety improvement B. Explore improved field communication technology C. Develop improved record keeping
2	Identify, assess, and mitigate cyber security risks. A. Research and implement cyber security mitigation strategies B. Identify and make necessary investments in hardware, software, and facilities C. Establish a cyber security training and awareness regimen for employees and members D. Develop a comprehensive policy E. Conduct an advanced audit
3	Evaluate advanced rate options for the future. A. Analyze formulary rate structure B. Develop 3-part rate options
4	Develop comprehensive succession plan for Board, CEO, and staff. A. Develop job descriptions, education options for staff B. Develop emergency, interim, and long-term plans for CEO and staff C. Evaluate appropriate human resource needs for the cooperative D. Evaluate board nomination process, term options and election process as appropriate
5	Enhance operational excellence by implementing appropriate technology options and processes. A. Evaluate and implement processes for data analytics for decision making B. Analyze options for AMI utilization in the future C. Develop analysis and options around emerging technologies such as DER and Electric Vehicles.

After discussions with the LSEC staff, we feel that this is a reasonable timetable for these items based on what we know today and the current environment. Many of these are ongoing.

<i>Number</i>	<i>subnumber</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>
1	A	x	x	x
	B	x	x	x
	C	x	x	
2	A	x	x	x
	B	x	x	x
	C	x		
	D	x		
	E		x	
3	A		x	
	B		x	
4	A	x		
	B	x	x	

<i>Number</i>	<i>subnumber</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>
4	C	x	x	x
	D	x	x	x
5	A	x	x	
	B	x	x	
	C	x	x	x

The management and staff of the cooperative have reviewed the proposed 2023-2025 Strategic Goals and Objectives and support the Boards' approval of the plan.

10. d. Write-offs

Staff has prepared the following submission to the Board as balances to be written-off:

LSEC ELECTRICAL ACCOUNTS TO BE WRITTEN OFF IN 2023					
ACCOUNT	NAME	DISCONNECT DATE	CURRENT BALANCE	CAPITAL CREDITS	
Filed Bankruptcy					
SUBTOTAL			\$	-	
Deceased					
10190001	Christopher Ault	20-May-2022	\$	739.87	\$ 930.42
	Christopher Ault				\$ 102.14
180426001	John Robinson	1-Oct-2022	\$	155.06	\$ 262.63
					\$ 35.05
180520001	Rafter Seven Ranch LL	14-Mar-2022	\$	174.43	\$ 30.40
SUBTOTAL			\$	1,069.36	
Too Small to Send to Collections					
60394001	Steven Freemyer	12-Sep-2022	\$	57.63	\$ 51.06
80527002	Michael Hunter	22-Mar-2022	\$	22.24	288.02
SUBTOTAL			\$	79.87	
Sent to Collections - Uncollectible					
30578002	Casey Clutts	10-Feb-2022	\$	317.44	\$ 143.78
	Casey Clutts				\$ 46.86
30475001	Eduardo Castillo	14-Jun-2022	\$	61.06	\$ 118.64
60413001	James Farrington	26-Sep-2022	\$	564.27	\$ -
120332001	Justin Lewis	14-Dec-2021	\$	208.71	\$ 79.10
130736001	Brittany Maroney	18-Nov-2021	\$	381.08	\$ 65.68
140170002	David Nagel	10-Feb-2022	\$	536.71	\$ 57.59
170015003	Tony Quenzer	22-Mar-2021	\$	299.72	\$ 192.07
180419002	Rachel Redburn	14-Dec-2021	\$	219.73	\$ 601.22
180543001	Michelle Ruth	15-Mar-2022	\$	414.07	\$ 124.35
180577001	Stephen Ray	22-Dec-2021	\$	101.42	\$ 36.57
190587001	Rick Stevens	11-Jun-2021	\$	278.99	\$ 1,092.75
200254001	Billy Thompson	9-Jun-2021	\$	302.95	\$ 282.02
200269001	Tayla Turner	30-Jun-2022	\$	710.60	\$ 77.46
230439001	Dwight Williams	29-Dec-2021	\$	211.35	\$ 714.79
230562001	Amanda Walker	30-Apr-2022	\$	140.40	\$ 728.92
230589002	Daniel Williams	12-Apr-2022	\$	1,220.59	\$ 124.17
230613001	Danielle Weed	14-Mar-2022	\$	425.16	\$ 49.83
230465001	Robert Wolfe	11-Feb-2022	\$	1,620.06	\$ 1,336.34
SUBTOTAL			\$	8,014.31	
(Payment plan from the Cold Weather Period and then Skipped Town.)					
SUBTOTAL			\$	-	
LSEC Write Off Grand Total			\$	9,163.54	

Electric Write-offs

The electric balance of \$9,163.54 represents less than 0.04255% of unaudited 2022 electric revenue.

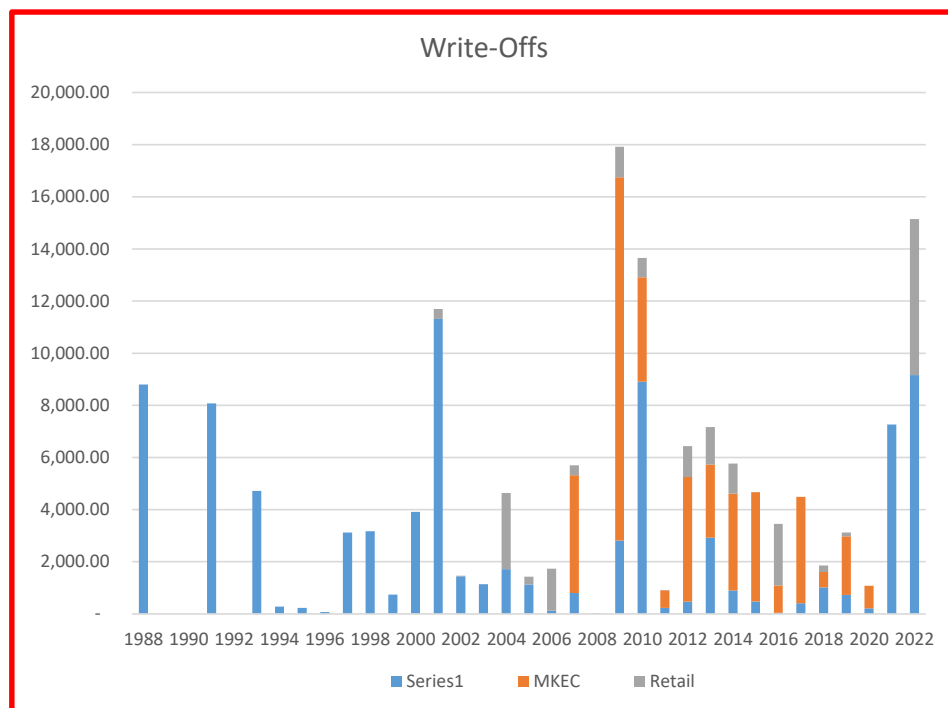
Retail Write-offs

There is \$5,987.90 in Retail or non-operating debt submitted for write-off. This includes \$2,184.09 in damages to cooperative property that was unrecoverable.

RETAIL ACCOUNTS TO BE WRITTEN OFF IN 2023

ACCOUNT	NAME	Town	CURRENT BALANCE	
Uncollectible				
2079	Dominique Husein	Dighton	\$ 307.05	
2089	Karen Gustavson	Dighton	\$ 2,621.29	
2098	Melinda Smith	Dighton	\$ 104.20	
2378	The Brothers Bar & Grill	Dighton	\$ 771.27	
2466	Swen Finnigan	Bazine	\$ 2,184.09	Damages
Deceased				
SUBTOTAL			\$ 5,987.90	

Electric write-offs have a 10-year average of \$5,015 while retail write-offs have averaged \$1,135 over the same period. Last year saw a large increase in uncollectible utility debt and non-operating damages.



Staff requests that the Board of Trustees approve a total amount of \$15,151.44 of 2022 debt to be written off.

10. d. Annual Meeting information

The proposed 2023 Annual Meeting timetable is as follows:

1. Nominating Committee. It is time to contact the Nominating Committee for the 2023 Annual Meeting elections. A list of the 2022 committee members will be handed out at the Board Meeting for review. If the Trustees approve the re-appointment, we will contact each of them to verify their willingness to serve again.
2. Electronic Voting. The members approved electronic voting as an option at the 2021 LSEC Annual Meeting. We have gathered the following information for the Board to consider should it desire to implement electronic voting at the 2023 LSEC Annual Meeting.
 - a. Traditional Voting benefits
 - i. Pros – traditional, familiar
 - ii. Cons – potential for an inaccurate count, limits participation of members
 - b. Electronic Voting benefits
 - i. Pros – accurate counts, greater participation in the voting process (members can vote at the meeting or away).
 - ii. Cons – new, different, Cost - \$3,000 + estimated, logistics of first set-up at Annual Meeting, results will be available the day after the meeting.
3. Timetable.
 - a. Traditional Structure
 - i. Board Nomination Advertising begins in May
 - ii. Timetable
 1. Open Nominations – End April / Beginning of May
 2. Close Nominations – End of May
 3. Nominating Committee meets – June 5, 2023
 4. Annual Meeting info in KCL – May magazine – Nominating Committee Mtg Date Announcement & advertising for Board Nominations
 - b. Electronic Voting Structure
 - i. Board Nomination Advertising begins in March
 - ii. Timetable:
 1. March 1, 2023 – Open Nominations
 2. April 1, 2023 – Close Nomination
 3. April 3, Nominations Committee meets
 4. March magazine: Nominating Committee Mtg Date Announcement and advertising for Board Nominations - Annual Meeting info in KCL (*Will need the okay at Feb board meeting to meet March KCL deadline*)
 5. Electronic Voting instituted and validated – No Less than 90 days
 6. July 18, 2023, LSEC Annual Meeting. Voting options set-up at meeting.

Staff does not offer a recommendation but requests that the Board of Trustees offer direction on both:

1. the Nominating Committee list
2. Electronic Voting

10. e. NRECA Annual Meeting Delegates

The 2023 NRECA Annual Business Meeting will be held in Nashville, TN on March 7, 2023.
Current delegates are:

- Richard McLeon, Voting Delegate
- Richard Jennison, Alternate Voting Delegate

As of January 26, 2023, only Mr. Ramsey and Richard McLeon are registered to attend.

The submitting the Delegates will be done on-line with separate certification from the Board President and Board Secretary.

Staff requests that the Board select their Voting Delegate and Alternate Voting Delegate for the 2023 NRECA Business Meeting.

SAFETY PROGRAM

SAFETY PROJECTS COMPLETED AS OF January 2023

- RESAP Onsite Observation
 - Chainsaw chaps ordered and installed on trucks.
 - ½ of 3 Phase Layout Arms inspected and repaired.
 - Rubber Sleeves changed out.
- Ann Jennings's submitted report:
 - "Article & graphic" Safety During Severe Winter Weather" published in the KCL Magazine, e-newsletter, & social media.
 - "Home Electrical Fire Safety" Graphic in KCL & e-newsletter, social media (3 messages)- Don't overload outlets, Test Smoke Alarms Monthly & The Most Common Causes of Electrical Fires.
- Diana Kuhlman submitted reports:
 - KEC Loss Control, Safety and Compliance System Monthly Statistical Report.
 - Compliance One drug and alcohol monthly roster report.
 - OSHA 300A Report
 - Federated OSHA 300 Log.
 - KEC No Lost Time Accident Report.
 - KDOT Motor Carrier Identification Report.
- KEC covered Bloodborne Pathogens/ Hazard Communications, Emergency Preparedness, Prevention of Back Injuries. Admin. Emergency Preparedness

SAFETY PROJECTS IN PROGRESS AS OF January 2023

1. SDS Program products updates and documentation improvements.
2. Safety Amp software inspection form templates.
3. Lane Scott decal ordered for truck #193.
4. FCC radios are received will schedule soon for installation in trucks.
5. Demo trailer hardware in process of being installed. Transformer sent to Solomon Corp. to be reworked.
6. RESAP Onsite Observation
 - Nate Burns is working on arc hazard assessment study.
 - Auto transformer stands need installed Dighton Hi to resolve substation clearance.
 - Circuits are being identified.
 - Switching procedure for Twin Springs Sub. are in progress.
 - URD cables being identified and labeled.
 - Padmount and switch cabinet signage in progress of being updated.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SAFETY MEETING

January 19, 2023

Chris Terhune called the meeting to order at 9:03am.

Minutes were read: Dal Hawkinson made a motion to approve the December 19, 2022 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, Leighton Ayers, Myron Seib, Dellon Shelton, Blake McVicker, Dylan Fehrenbach, Nate Burns, Scott Brandt, Kathy Lewis, Carrie Borell, and Diana Kuhlman,

Absent: Richard McLeon, Kalo Mann, Michael Pollock, Mark McCulloch, Ann Marie Jennings.

Guest: None

Truck report of inspections:

105	Dellon Shelton	OK
110	Blake McVicker	Windshield Replaced
112	Dellon Shelton	OK
117	Chris Terhune	OK
123	Scott Brandt	Windshield Chip
132	Dylan Fehrenbach	Windshield Chip
135	Nate Burns	OK
136	Kevin Bradstreet	OK
143	Scott Brandt	OK
144	Scott Brandt	OK
145	Chris Terhune	OK
150	Kasey Jenkinson	Windshield Chip
173	Chad Rupp	Windshield Chip
191	Scott Brandt	Broken Beacon
193	Blake McVicker	Windshield Chips.
200	Ben Mann	OK
201	Dal Hawkinson	Needs Unit Numbers Installed.
304	Blake McVicker	OK
305	Blake McVicker	Replacing Windshield.

Trailer and Equipment report of inspections:

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

Warehouse, building, and pole yard inspections:

Ness City Warehouse	Blake McVicker	OK
Ness Pole Yard & Transformer Dock	Blake McVicker	OK
Warehouse	Scott Briand	OK

Pole Yard & Transformer Dock
Office

Scott Briand
Diana Kuhlman

OK
Member Service Window Shattered

Personal Tools: All Passed

Gloves Monthly Test Results: Employee #74 Rejected do to snag.

Line Hoses Annual Test Results: N/A

Sleeves Quarterly Test Results: All Passed

Substation and Regulator Report:

- ♦ Ben Mann: Ness 34.5 arresters need replaced and will be conducted with a two-day outage. Manning sub transformer needs oil added, Dighton Sub Transformer need oil added.
- ♦ Myron Seib: Ness City substation support pole is laying in sub waiting for outage for replacement.

PCB Report: None to Report

Line Clearance: Ness City

Accident and Near Misses: Hodgman County was trimming trees, and the excavator tore down three phase line. Scott Park Rangers were digging up a water line without a dig safe and contacted our red caution tape above our primary URD.

Old Business:

- ♦ Nothing new to report.

New Business:

- ♦ Chris Terhune: Demo trailer is in progress; transformer is a Solomon Corp getting the windings replaced.
- ♦ Dal Hawkinson: F.E.M.A. is almost completed.
- ♦ Carrie Borell: Transition of ASP to Trust Grid. The community log in transition to OKTA platform will provide employees IVUE and AppSuite software training for work management implementation and enhancement upgrade. IVUE connect HR Persona transition for ESS shouldn't interfere with AppSuite. Submitted request to have App Suite auto refill and map zooming to be added to new tile.
- ♦ Scott Brandt: Iron poles ship date in August, may not receive till September, 40foot wood poles to come in February. Fuses are becoming hard to get, will be trying a different kind for now.
- ♦ KEC: Mikey Goddard discussed Blood Borne Pathogens, Back Safety, Emergency Preparedness, and Hazard Communication.
Admin: discussed Emergency Preparedness.

Meeting adjourned.

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Administrator