



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for March 25, 2024, 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. Cost-of-Service Study, Guernsey
 - b. Communications Update, Ann Marie Jennings
 - c. Board Policy 524 amendment
 - d. RUS eAuthentication Resolution
 - e. Board Training proposal
11. Safety Program Report
12. Executive Session (if requested).
13. Adjourn

Upcoming Events:

Rate Adjustment public meeting	Dighton	April 8
Rate Adjustment public meeting	Ness City	April 11
Sunflower Board Meeting	Dodge City	April 17
LSEC Nominating Committee meeting	Dighton	April 22
LSEC Board Meeting	Dighton	April 22
KEC Board meeting	Wichita	May 1-2

3/21/2024

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7	KEC Report			y	
8	CEO / GM Report	Richard	Report	y	
	<u>Financials</u>	Kathy	Form 7	y	
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b.	Communications Update	Ann Marie	Communications Board Report	y	
c.	Board Policy 524 amendment	Safety Council	Safety Council recommendation	y	
b.	RUS eAuthentication Resolution		Resolution and RDUP Form 674	y	
c.	Board Training	Scott Luecal	Luecal Consulting	y	
11	Safety Program Report	Carrie	Safety Program Monthly Report	y	
		Carrie	Safety Meeting minutes	y	

**MINUTES OF THE REGULAR FEBRUARY 2024
MEETING OF THE BOARD OF TRUSTEES
OF THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

CALL TO ORDER

A regular meeting of the Board of Trustees of the Lane-Scott Electric Cooperative, Inc., was held on Monday, February 26, 2024, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:59 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Harold Hoss, Randy Evans, Eric Doll, Susan Nuss, Chad Griffith, James Jordan, and Craig Ramsey. Also, present Richard McLeon IV, Scott Briand, and Joseph D. Gasper, Attorney.

RESALE AND WAREHOUSE REPORT

Scott Briand presented an update on the Resale Department and Warehouse and highlights are as follows

- The lead times on warehouse materials has improved over the past year. Some items still remain difficult to obtain with long lead times. Delivery slots for transformers have been obtained which has decreased lead times for many of the transformers and has allowed for regular deliveries.
- Wood pole lead times are down to 2-4 weeks versus six months a year ago.
- Pricing remains volatile. The line extension prices are being updated two times a year to remain current with the volatility in pricing supplies.
- The inventory still remains higher than normal to provide insurance in the event of a large storm.
- A question was raised regarding high efficiency transformers. Scott answered that regulations around these transformers have been quiet. The metal required for these transformers is also used in electric cars and that is likely affecting the ability to manufacture these transformers.
- The iron poles are being fitted with fiberglass cross arms.
- Generac generators have proven to be a good value-added product. 55 units have been sold with 10 of those being sold this year.
- There are 75 people on the service list for the generators and there has been an increase on warranty and repair work.
- Pricing on the generators remains competitive with the big box stores.
- Retail margins were 27.32% in 2021, 32.99% in 2022 and 34.9% in 2024.
- Michael remains very busy on the electric side and Keller Electric is contracted for some work as well.
- LSEC is not conducting any HVAC work at this time.

Scott left the meeting upon completion of his presentation.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on January 22, 2024. *Hearing no corrections to the minutes, President Jennison declared the minutes stand approved as printed.*

CASH DISBURSEMENTS

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

There were no questions on the checks.

PRESIDENT'S REPORT

President Jennison had no current items to report.

ATTORNEY'S REPORT

Attorney Gasper reported that Brice Bisel and Ryan Peck have been retained as counsel for the Salmans v. LSEC lawsuit. An answer has been filed in the case and discovery is moving forward.

REPORT OF SUNFLOWER DELEGATE

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

- President Jennison added that Sunflower is returning to engineering in house.

KEC REPORT

A summary of the winter conference was included in the board packet. Craig Ramsey, KEC representative, had the following additions:

- Senator Doll will not be running in the next election.
- The Senate districts have been redrawn so that LSEC territory will not be in three districts rather than one.

Manager McLeon added that the new Senators will require establishing new relationships.

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 11.97 cents with the residential rate at 11.93 cents.
- LSEC had a major outage due to the winter storm.
- There is discussion that two new pumping stations may be built in the LSEC territory.
- Guernsey has provided preliminary numbers for two concepts for the rates and requested guidance from the board.
 - Concept 1: we do not change the structures of any rates and increase the fixed cost recovery through the customer charge or demand charge if the rate already has one. This is our current rate structure.
 - Concept 2: implement a demand charge (as per the Strategic Plan) for all rates that don't have them as well as smaller increases to the customer charge. We went with \$0.65 just as starting point for the demand charge.
- Manager McLeon reviewed various examples for the two concepts as well as pros and cons of each.
- Staff recommends changing to concept two as it places more emphasis on demand.
- *A motion to direct Guernsey to prepare the rate structure on concept two was made and duly seconded. A question of whether the demand will be calculated monthly or annually was raised and answered that it would be monthly. The motion passed.*
- January Operating Revenue and Wholesale power costs were near normal for the 10- year January average and produced a distribution margin of \$617,717. This is slightly above the 10-year average of \$581,002.
- Total Operating Margins were -\$51,377 with Patronage margins at -\$14,446. This is well below January 2023 losses as shown on the Form 7.
- However, the financial strength remains very good. Key Balance Sheet Metrics are:
 - Equity as a % of Assets – 40.15%
 - Equity as a % of Capitalization – 42.68%
 - Cash Balance - \$7,186,490
 - General Funds Level – 11.69%
 - Current Ratio – 2.44
 - Cash to Debt Ratio – 20.28%

- The system suffered only two broken poles during the blizzard. Most of the issues on the line were caused by galloping wires.
- The Weskan grain facility is looking at locating the line in the county ROW due to not being able to obtain easements from neighbors.
- The 2022 pole testing replacements are 95% complete and 2023 is 60% complete.
- Five applications were received for the youth tour.
- CoBank Grants & Scholarships are being promoted until the application deadline of April 1. Scholarship information was sent to all schools.
- Retail Non-operating margins were \$1,650.
- Diana Kuhlman has successfully completed her SHRM-CP requirements and is now certified.

RECEIPT OF MANAGER'S REPORT

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

SAFETY REPORT

A safety report was included in the board packet.

OLD BUSINESS

There was no old business before the board.

NEW BUSINESS

1. WRITE-OFFS

- The proposed write-offs were presented to the board. There were no retail write-offs and \$2,629.66 for 2023 electrical accounts. This amount is less than 0.015% of the unaudited 2023 revenue.
- *A motion to approve the write-offs in the amount of \$2,629.66 was made and duly seconded. A statement from a Trustee that some of the proposed write-offs were still residing in Dighton and whether these can still be sent to collections if they are written was discussed. These can be written off and still be sent to collections if the whereabouts of the persons are. The motion was approved.*

2. BOARD TRAINING

- The board discussed the proposal from Scott Leucal for a board training session as well as proposed dates.
- The consensus of the board was to move forward with the proposed board training and to set dates via email communication.

EXECUTIVE SESSION

A motion to enter executive session to discuss personnel matters was made, duly seconded, and carried at 8:37 p.m. The board came out of executive session at 8:49 p.m.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 8:50 p.m., on Monday, February 26, 2024.

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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
3221 02/07/2024	WIRE	168	ONLINE INFORMATION SERVICES, INC	Online utility exchange/ buisness report	151.61
3222 02/07/2024	WIRE	468	U.S. BANK	Monthly invoices	5,244.07
3223 02/07/2024	WIRE	1267	AFLAC	Monthly policy	2,239.06
3224 02/12/2024	WIRE	18	CITY OF DIGHTON	Monthly invoice	1,441.77
3226 02/12/2024	WIRE	124	GOLDEN BELT TELEPHONE	Monthly phone/ internet	303.16
3225 02/13/2024	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly phone/ internet	862.02
51161 02/16/2024	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	56,500.00
51162 02/19/2024	CHK	1	BAZINE AMERICAN LEIGON	Raffle donation	150.00
51163 02/19/2024	CHK	1	DISTRICT HONOR GUARD	SW KS Military Funeral Services	200.00
51164 02/19/2024	CHK	3	MJ'S STITCHING & SCREENING	Stocking caps	1,312.85
51165 02/19/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	Meetings/ Dues	9,611.26
51166 02/19/2024	CHK	105	CITY OF NESS CITY	Monthly water	47.35
51167 02/19/2024	CHK	220	LANDIS+GYR TECHNOLOGY, INC	Monthly flat fee- Jan 2024	1,296.58
51168 02/19/2024	CHK	294	AIRGAS USA LLC	Nitrogen	138.83
51169 02/19/2024	CHK	366	DIANA KUHLMAN	SHRM/ Emp. law & benifits	221.20VOID
51170 02/19/2024	CHK	380	GRAINGER	Safety glasses	167.19
51171 02/19/2024	CHK	387	WESTERN FUEL & SUPPLY	Monthly fuel	606.47
51172 02/19/2024	CHK	406	RICHARD MCLEON	NRECA annual meeting/ Sunflower CEO	647.00
51173 02/19/2024	CHK	528	DAVID N HESKETT DC LLC	Functional capacity exam- Kalo Mann	100.00
51174 02/19/2024	CHK	554	KELLER ELECTRIC LLC	Dana Bentley home remodel	742.20
51175 02/19/2024	CHK	576	NESS COUNTY REGISTER OF DEEDS	Ness Co. Easement filing	924.00
51176 02/19/2024	CHK	903	NISC	Monthly invoices	13,549.35
51177 02/19/2024	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Glove testing	138.25
51178 02/19/2024	CHK	1248	COMPLIANCE ONE	Monthly alcohol and drug testing	394.80
51179 02/19/2024	CHK	9999	BRENT WHITLEY	INACTIVE REFUND	14.09
3227 02/20/2024	WIRE	1229	SCHABEN SANITATION	Monthly trash service	689.17

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3228 02/22/2024	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly water	154.08
3229 02/22/2024	WIRE	101	ATMOS ENERGY	Monthly gas invoice	322.01
51180 02/22/2024	CHK	5	ANTHONY R COOLEY	Check Rewrite	4.89
51181 02/22/2024	CHK	5	TERESA J COOLEY	Check Rewrite	4.89
51182 02/22/2024	CHK	5	PAMELA HARRIS	Check Rewrite	4.89
51183 02/22/2024	CHK	5	BRENDA S JAMES	Check Rewrite	4.90
51184 02/22/2024	CHK	5	LURINE NUTT	Check Rewrite	4.90
51185 02/22/2024	CHK	5	ANGELA VINCENT	Check Rewrite	4.90
51186 02/22/2024	CHK	5	JENNIFER SEELIG	Check Rewrite	4.90
3232 02/26/2024	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales tax	22,552.82
51187 02/26/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	Buisness cards- Mcleon	93.35
51188 02/26/2024	CHK	79	POSTMASTER	Newsletter postage	119.56
51189 02/26/2024	CHK	105	CITY OF NESS CITY	Franchise Fee	5,612.97
51190 02/26/2024	CHK	107	CINTAS CORPORATION #449	Monthly invoice	404.03
51191 02/26/2024	CHK	126	CARRIE BORELL	Tech Advantage	288.00
51192 02/26/2024	CHK	135	CITY OF BAZINE	Franchise Fee	1,787.77
51193 02/26/2024	CHK	150	CHRIS TERHUNE	KEC Safety Summitt	88.50
51194 02/26/2024	CHK	160	SHULL OIL COMPANY	Monthly invoice	6,454.57
51195 02/26/2024	CHK	366	DIANA KUHLMAN	Mileage- SHRM meeting- 110 miles	73.70
51196 02/26/2024	CHK	393	C BAR R ENTERPRISES LLC	Oxygen refill	34.56
51197 02/26/2024	CHK	559	RAINMAKER THINKING, INC.	Remainder balance for Rainmaker training	32,500.00
51198 02/26/2024	CHK	1225	CINTAS CORPORATION	Monthly invoice- first aid cabinets	330.97
51199 02/26/2024	CHK	1293	DAL HAWKINSON	Tech Advantage	224.00
3230 02/27/2024	WIRE	1187	MIDWEST ENERGY	Monthly gas invoice	372.08
3231 02/28/2024	WIRE	183	HIBU INC	Monthly advertisement	11.00
3237 02/28/2024	WIRE	1290	WEX BANK	WEX	884.18

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
51200 02/29/2024	CHK	1	AMERICA'S ELECTRIC COOPERATIVE P	ACRE donations	800.00
51201 02/29/2024	CHK	1	NESS CITY ROTARY CLUB	Dec/Jan Meals & E.R.E.Y	84.00
51202 02/29/2024	CHK	15	ERIC DOLL	February Board Meeting/ ACRE & KCRE	194.80
51203 02/29/2024	CHK	30	HAROLD HOSS	Feb Board Meeting/ KEC Meeting	1,794.02
51204 02/29/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	KCL subscriptions	2,621.52
51205 02/29/2024	CHK	63	RICHARD JENNISON	Feb Board Meeting	367.42
51206 02/29/2024	CHK	73	STANION WHOLESALE ELEC CO INC	Monthly invoices	30,250.29
51207 02/29/2024	CHK	107	CINTAS CORPORATION #449	Monthly invoice	80.58
51208 02/29/2024	CHK	179	RAD ROEHL	Feb Board Meeting	362.06
51209 02/29/2024	CHK	202	CHAD GRIFFITH	Feb Board Meeting	400.25
51210 02/29/2024	CHK	442	QUADIENT INC.	Postage	499.94
51211 02/29/2024	CHK	450	RANDALL G EVANS	Feb Board Meeting/ Sunflower/ KEC Train	1,507.89
51212 02/29/2024	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Contracts for printers	405.18
51213 02/29/2024	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly gas invoice	1,420.23
51214 02/29/2024	CHK	568	SUSAN NUSS	Feb Board Meeting	427.72
51215 02/29/2024	CHK	570	JAMES W JORDAN	Feb Board Meeting	395.56
51216 02/29/2024	CHK	1299	DEANNE DECHANT	Cookies for Feb Board Meeting	72.00
51217 02/29/2024	CHK	1300	CRAIG RAMSEY	Feb Board Meeting/ KEC Conference	1,863.64
51218 02/29/2024	CHK	1306	KCRE	KCRE Donations	900.00
51219 02/29/2024	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll transfer	65,000.00
3235 03/01/2024	WIRE	1290	WEX BANK	Monthly fuel	884.18VOID
3233 03/04/2024	WIRE	530	SNAP-ON CREDIT LLC	Software subscription	50.72
3236 03/04/2024	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
3234 03/05/2024	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly phone	1,009.01
3238 03/06/2024	WIRE	1224	NRECA RETIREMENT & SECURITY	Group Insurance	57,672.43
3239 03/06/2024	WIRE	62	NRECA GROUP BENEFITS TRUST	Group 1- March Group Ins	2,780.72

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3240 03/06/2024	WIRE	180	NRECA	March Group Ins Admin Fee	241.44
51220 03/07/2024	CHK	20	BASIN ELECTRIC POWER COOP	FEBRUARY DISPATCH & ALARM MONITORING	2,120.85
51221 03/07/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	FEBRUARY DUES - LCS, KEC & TOUCHSTONE	8,309.84
51222 03/07/2024	CHK	45	BUMPER TO BUMPER OF DIGHTON	FEBRUARY INVOICES	621.60
51223 03/07/2024	CHK	104	HOME OIL CO	FEBRUARY FUEL	471.23
51224 03/07/2024	CHK	106	LANE COUNTY FAIR BOARD	1/2 OF LARGE TENT - ANNUAL MEETING	2,456.50
51225 03/07/2024	CHK	117	NESS CITY FARM & FEED	DEMO TRAILER PARTS	75.82
51226 03/07/2024	CHK	269	ANIXTER INC	FEBRUARY INVOICES	114,545.63
51227 03/07/2024	CHK	306	BORDER STATES INDUSTRIES INC	FEBRUARY INVOICES	6,307.84
51228 03/07/2024	CHK	380	GRAINGER	PHASE SEQUENCE TESTER	105.25
51229 03/07/2024	CHK	395	DOLLAR GENERAL - REGIONS 410526	FEBRUARY INVOICES	204.37
51230 03/07/2024	CHK	432	ENERSPECT MEDICAL SOLUTIONS, LLC	BATTERIES FOR AED	1,674.65
51231 03/07/2024	CHK	472	C.H. GUERSNEY & COMPANY	2024 COSS	11,980.00
51232 03/07/2024	CHK	493	SCOTT CITY ACE HARDWARE	DRAIN CLEANER	21.78
51233 03/07/2024	CHK	552	HIGH POINT NETWORKS, LLC	SERVER MAINTENANCE	230.00
51234 03/07/2024	CHK	562	RENSENHOUSE	FEBRUARY INVOICES	2,261.90
51235 03/07/2024	CHK	790	SUNBELT SOLOMON	TRANSFORMERS / MAINTENANCE	3,082.40
51236 03/07/2024	CHK	1016	KANSAS ONE-CALL SYSTEM INC	FEBRUARY LOCATES	33.60
51237 03/07/2024	CHK	1030	THE SCOTT COUNTY RECORD	SUBSCRIPTION	46.33
51238 03/07/2024	CHK	1225	CINTAS CORPORATION	FEBRUARY INVOICES	77.26
51239 03/07/2024	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	OFFICE SUPPLIES	479.94
51240 03/07/2024	CHK	1251	TECHLINE, LTD	FEBRUARY INVOICES	11,256.93
51241 03/07/2024	CHK	1285	TIFCO INDUSTRIES	FEBRUARY INVOICE	198.26
51242 03/07/2024	CHK	1303	LANE COUNTY IMPLEMENT, INC	BULK HARDWARE	47.03

Total Payments for Bank Account - 2 : (100) 507,873.93

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					Total Voids for Bank Account - 2 :	(2) 1,105.38
					Total for Bank Account - 2 :	(102) 508,979.31
					Grand Total for Payments :	(100) 507,873.93
					Grand Total for Voids :	(2) 1,105.38
					Grand Total :	(102) 508,979.31



SUNFLOWER ELECTRIC POWER CORPORATION

Board Meeting Summary

February 21, 2024

CURRENT ACTIVITIES

April Board Meeting Location

Board action: The Sunflower Board of Directors approved moving the April 2024 board meeting on Wednesday, April 17. It will be held at Victory Electric's office at 3230 N. 14th Avenue in Dodge City. This will allow the Board to attend the Boot Hill Solar announcement event in the afternoon.

ACES 2024 Member Conference

The conference will be held June 17-19, 2024, in Indianapolis. It will be held in conjunction with the CFC Forum. Sunflower sponsors the attendance of two representatives from each Member cooperative. *Please contact Melissa Hubbard to let her know who will be representing your cooperative.*

PRESIDENT'S REPORT

Generation, Power Supply, and Market Affairs

Capacity Sale

Erica Schmidt presented information on the sale of 3 MW of capacity for 2024 summer season (June 1-September 30). Sunflower is also working with ACES on a "Reverse Request for Proposal (RFP)" to market capacity for summer 2024, winter 2024/2025, and summer 2025.

Green Hydrogen Load Opportunities

Sunflower is receiving inquiries to locate green hydrogen facilities in our region. The Inflation Reduction Act (IRA) includes the subsidization of green hydrogen production. Potential green hydrogen developers are waiting for guidance from Rural Utilities Service (RUS) on which requirements will apply to renewable energy used to power green hydrogen facilities to qualify for the IRA benefits. The Board was encouraged to consider risk tolerance and evaluate multiple factors prior to approving agreements to serve this type of load.

Transmission Planning and Policy

Kansas Transmission Owner Coalition on Transmission Cost Allocation

Al Tamimi and Sunflower met with Midwest Energy and Evergy to begin developing the story about Kansas transmission owners subsidizing the cost of exporting renewable energy for other states. The goal is to create a succinct version of the Kansas transmission owner cost allocation document for use in Kansas legislative activities and discussions.

HITT – SPP Transmission Cost Allocation Update (C1 – Larger Pricing Zones Allocation)

The C1 cost allocation method, the proposed new zonal arrangement at SPP, is beneficial to Sunflower's future transmission projects assigned by the SPP via NTCs. Under the newly proposed C1 allocation, if approved, Sunflower would pay 7.6% of all Byway projects inside the new larger KS/MO zone compared to the current 67%. SPP projects Sunflower could see a 45% cost reduction with the zone changes. The final decision is expected in Q3 2024.

Transmission Engineering Restructure

After an internal evaluation, Al Tamimi and the transmission division developed a goal to reduce consultant expenses without adding additional staff. By taking on transmission capital projects in-house, staff foresee significant savings. The analysis incorporated a small buffer to accommodate future Member projects based on our current staffing level.

Sunflower is also creating a new engineering design group to include engineering design and transmission planning to align transmission planning, engineering design, and system protection. Thus far in the restructure process, the creation of a substation design group is complete, and by early summer 2024, they hope to streamline processes.

Financial Services

December Preliminary Financials

Member loads were down 1.51% from budget for the month and down 1.51% from budget year to date. The January Member rate was \$13/MWh, unfavorable to budget; the year-to-date Member rate was down \$13/MWh. Large industrial loads were up 8.11% from budget for the month and down 8.11% from budget year to date. O&M expenses were up 11.17% from budget for the month and up 11.17% from budget year to date.

2023 Excess Margins

Sunflower had excess margins in 2023 due to projected expenses not incurred. The Board can elect to return excess margins through Sunflower's Margin Stability Rider.

Board Action: The Sunflower Board of Directors approved to record a regulatory liability in the amount of \$5.8 million for the return of excess margins as bill credits through the Margin Stability Rider effective for the year 2023.

Bylaw Amendment

Sunflower staff are looking at options to facilitate the distribution of Mid-Kansas Electric Company (MKEC) contributed capital. This may require a bylaw amendment, and staff will present proposed options to the Board later this year.

Legal

Rubart Station Water Rights

Sunflower received a five-year extension for the perfection of Rubart Station's water rights with a deadline of December 31, 2023. Sunflower requested another extension to provide flexibility in future development of the generation unit site, or in the alternative, perfecting the water right at its highest usage in the perfection period. A one-year extension was granted.

Docket No. 24-GIME-102-GIE

KCC opened a general investigation regarding transmission line siting. KCC staff recommended the investigation focus on the appropriate role of state jurisdictional authorities in the SPP process to develop parameters for consideration in a SPP RFP for a competitively bid transmission construction project, as well as establishing land use parameters and construction practices to consider when determining the reasonableness of an electric transmission line route in rural areas. Sunflower is participating in the docket and coordinating with Kansas Electric Cooperatives (KEC) and its members.

Richard McLeon

From: Kansas Electric Cooperatives, Inc. <cdorr@kec.org>
Sent: Monday, March 18, 2024 4:09 PM
To: Richard McLeon
Subject: Updated March KEC Board of Trustees Meeting Summary



KEC Board Meeting Summary

March 14, 2024, at the Wichita Marriott

To: KEC Trustees,
Alternate Trustees
and Member
System Managers

From: Carol Dorr,
Manager of
Administrative
Services

Click for a
printable
version of
this
summary

Upcoming KEC Meetings

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

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

In official action at the KEC Board Meeting, the KEC Board of Trustees

1. Accepted the audit report for the year ended December 31, 2023.

KEC Committee Meetings

On Wednesday, March 13, two standing committees met the day before the board meeting. The **Loss Control, Safety & Compliance Committee** heard a summary of the Commitment to Zero Phase 2 by Mikey Goddard, Instructor of LCS&C who also discussed the department's activities.

The **Legislative Committee** heard updates on the Winter Conference, Day at the Capitol, Legislative Reception and KCRE Silent Auction. The committee discussed the 2024 NRECA Legislative Conference and the expected move to electronic KEC information packets for our Kansas attendees. Anticipated 2024 Co-ops Vote plans were previewed. An update of key bills under consideration by the Kansas Legislature was presented. Planning is underway for 2024 KCRE activities and, since all state Senate and House seats will be on the ballot this year, co-ops have a great opportunity to engage with cooperative-minded candidates.

On Thursday, March 14, the **Executive Committee** met to review general association activities, including planned director training for the upcoming summer meeting.

KEC Board Meeting

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

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

The **KEC Board of Trustees** heard reports from the Executive, Loss Control, Safety & Compliance, and Legislative committees, and Kayla Williams, BT&Co., P.A., presented the annual audit report. The Board also heard reports from Pat Morse, NRECA Director, and Bruce Mueller, NCSC representative.



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

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

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Sent by cdorr@kec.org powered by



9. General Manager's Report

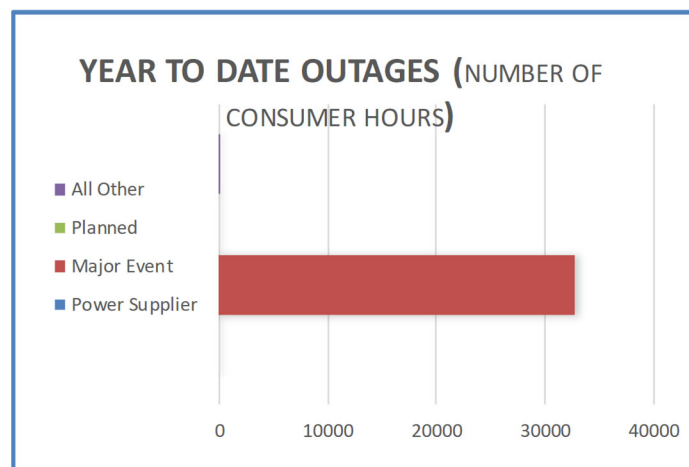
A. Rates and Reliability Dashboard

Rate Summary - Feb	current month (\$/kWh)	ytd average (\$/kWh)	ytd avg dist rev. /kWh	demand charge	monthly charge
Residential	0.1325	0.1259	0.056	-	28.00
Residential - Seasonal	0.2356	0.2126	0.143	-	28.00
Irrigation	0.0844	0.0853	0.016	hp charge	-
C&I 1000kVa or less	0.1083	0.1109	0.041	-	28.00
C&I over 1000 kVa	0.0928	0.0976	0.028	12.80-13.00	65-100
Public Street and Lighting	0.1505	0.1511	0.081	-	varies
Other Sales to Public Authorities	0.1463	0.1385	0.069	-	-
Sales for Resale - Other	0.0711	0.0679	0.008	2.80	150.00
average	0.1277	0.1237	0.0552		

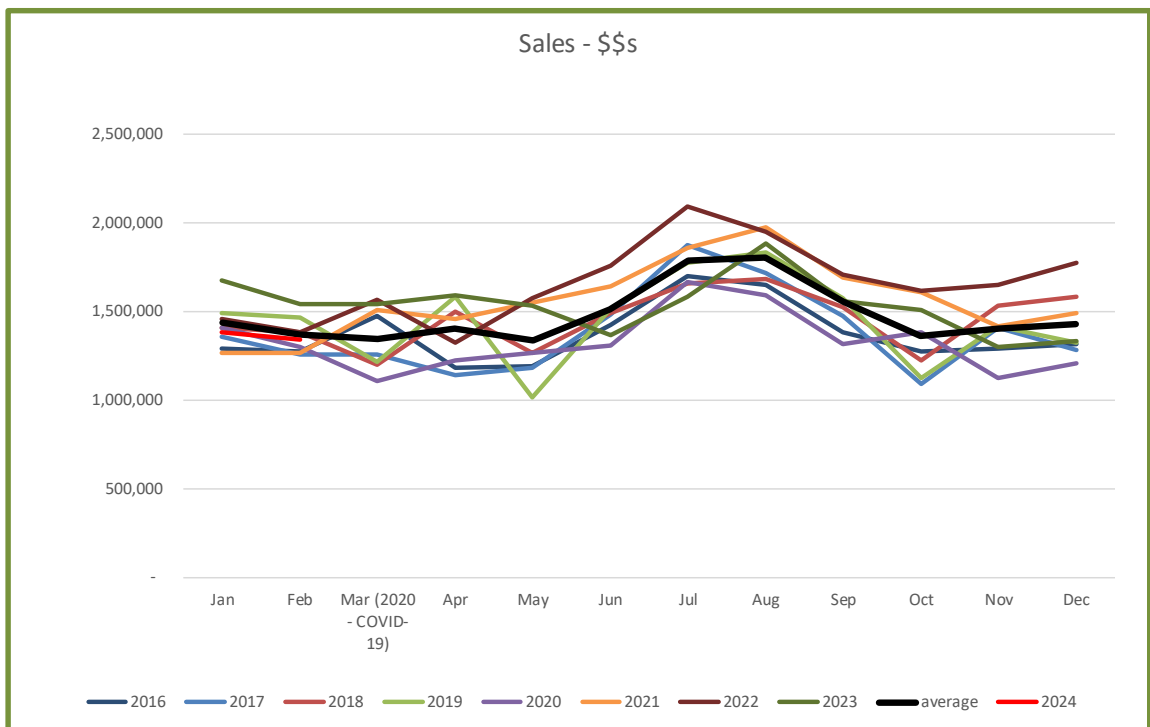
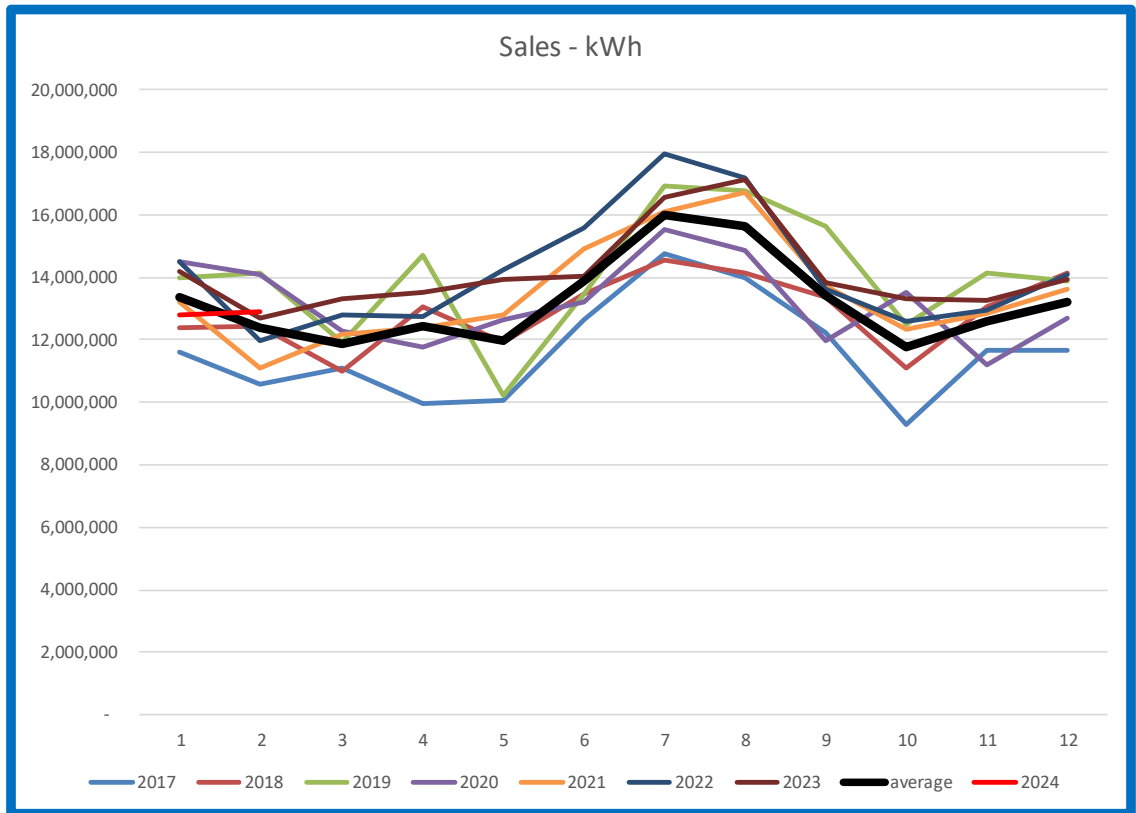
Form 7 Part O. Feb-24

	meters	kWh	\$s	\$s/kWh
1 Residential Sales	2,226	1,607,412	212,924	0.1325
2 Residential Seasonal	1,106	176,937	41,694	0.2356
3 Irrigation Sales	338	36,406	3,074	0.0844
4 C&I 1000 kVa or less	1,830	3,906,675	422,970	0.1083
5 C&I over 1000 kVa	173	6,532,053	606,435	0.0928
6 Public Street and Lighting	13	31,954	4,810	0.1505
7 Other Sales to Public Authorities	47	34,527	5,053	0.1463
8 Sales for Resale - RUS Borrowers	0	0	0	
9 Sales for Resale - Other	1	597,000	42,458	0.0711
	5,734	12,922,964	1,339,418	0.1277

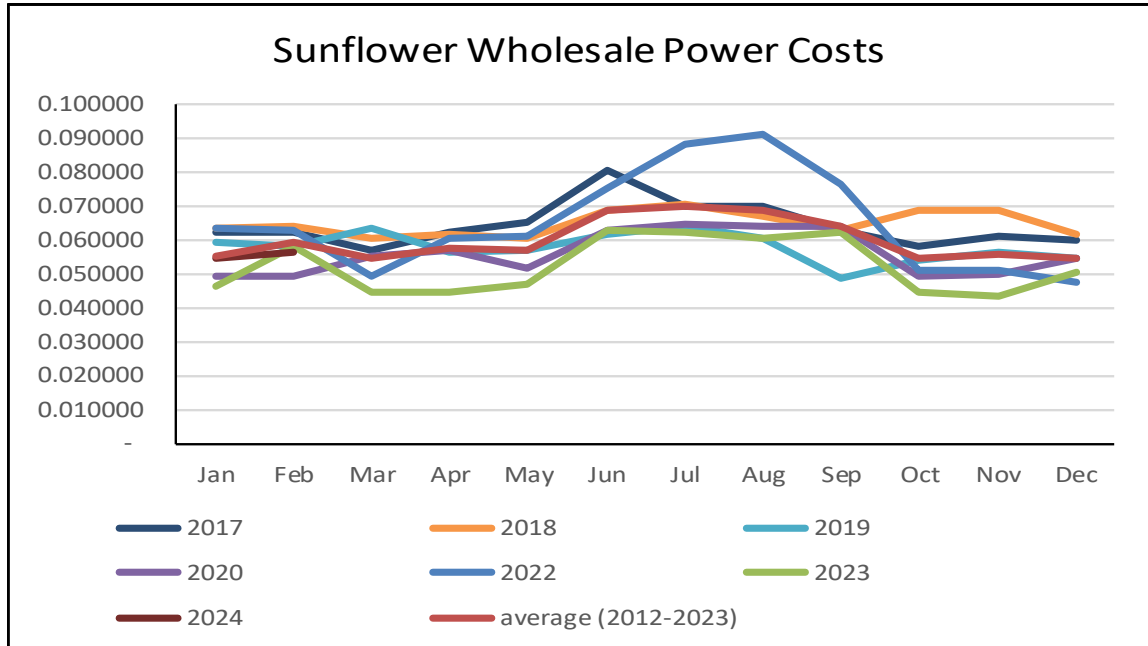
Feb-24	meters	kWh	\$s
<i>Residential Sales</i>	38.8%	12.4%	15.9%
<i>Residential Seasonal</i>	19.3%	1.4%	3.1%
<i>Irrigation Sales</i>	5.9%	0.3%	0.2%
<i>C&I 1000 kVa or less</i>	31.9%	30.2%	31.6%
<i>C&I over 1000 kVa</i>	3.0%	50.5%	45.3%
<i>Public Street and Lighting</i>	0.2%	0.2%	0.4%
<i>Other Sales to Public Authorities</i>	0.8%	0.3%	0.4%
<i>Sales for Resale - RUS Borrowers</i>	0.0%	0.0%	0.0%
<i>Sales for Resale - Other</i>	0.0%	4.6%	3.2%



YTD kWh sales are -0.7% below average while YTD dollar Sales are down -3.19% from average (data: 2017-2023).



- B. Sunflower. Our YTD wholesale power cost is \$0.055376 per kWh which is about 3% below the 7-year average of \$0.057075. Recognizing that wholesale power has accounted for about 60% of our total YTD revenue and that is passed through to the members at cost, this accounts for the below average sales dollars collected.



- C. The Credit Card records are available for the Boards review.
- D. Safety. We continue working through the Strategic initiatives as approved by the Board and will have an update next month. Additionally, Communications continues educating members and the public while HR continues administering the substance abuse program. We are reviewing all safety polices for potential update recommendations, improving additional line clearances, and correcting potential deficiencies from the RESAP Onsite Observation.
- E. Departments / Sections (full reports are in the Supplemental file)

1) Accounting and Finance.

- The 2024 Financial Audit concluded last week.
- Jocelyn Walker is handling almost all accounting duties and is beginning to learn the financial duties.
- Feb Operating Revenue and Wholesale power costs were near normal for the 10-year average producing distribution margins of \$539,889. This is near the 10-year actual average of \$536,302 (not adjusted for inflation).
- Total Operating Margins were -\$105,607 with Patronage margins at -\$79,763.
- However, our financial strength remains very good. Key Balance Sheet Metrics are:
 - Equity as a % of Assets – 39.93%
 - Equity as a % of Capitalization – 42.59%

- Cash Balance - \$7,361,132
 - General Funds Level – 11.91%
 - Current Ratio – 2.36
 - Cash to Debt Ratio – 20.77%
- 2) Operations Report. (Dal) Operations encompasses construction, maintenance, and engineering. In February they were primarily focused on distribution and substation maintenance and pole change-outs. There were a few new connections and some potential load inquiries. Engineering continues to upgrade our mapping, modeling, and metering software and manage our pole testing and easement preservation project.
- 3) Information Technology and Cybersecurity. (Carrie) Technology services spent much of February in training, supporting other department projects, and working on various IT/CS projects. Much of Carries time was spent supporting other sections with asset inventories for audit preparation and maintaining / repairing various hardware and software items.
- 4) Communications. (Ann Marie) Ann Marie will be in the Board meeting to present an Annual Meeting and Communications Update.
- 5) Human Resources. (Diana) HR spent much of February in training and providing support to other sections. An example of this is that all Job Descriptions were reviewed and prepared for the April performance review (as per Board Policy 501). The April review is designed to give employees an opportunity to review their job descriptions and for the supervisor to give constructive feedback. If the Job Description needs to be amended, those proposals are brought to me for review. Employee Evaluations are done in September.
- 6) Retail Services / Warehouse Report. (Scott)
- Retail Non-operating margins YTD = -2,833.18. This is mainly due to \$5,393.17 in expenses from benefit payments and the spreading of fixed expenses. This should be the last major benefit charge to HVAC.
 - Generac. Sold 10 units in the first quarter.
 - Materials. The Texas wildfires may affect our ability to secure poles and conductor but so far, we are okay.
 - Line Material – 0.503
 - Resale Materials – 0.958

Respectfully submitted,

Richard McLeon, M.B.A.
General Manager / CEO

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

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION KS0042
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	PERIOD ENDED February 2024
	BORROWER NAME The Lane-Scott Electric Cooperative, Inc.
INSTRUCTIONS - See help in the online application.	

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

CERTIFICATION	
We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.	
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.	
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII (check one of the following)	
<input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.	<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.
Richard McLeon	3/12/2024
	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	2,703,719	2,817,483	3,154,665	1,383,948
2. Power Production Expense				
3. Cost of Purchased Power	1,619,799	1,660,053	1,772,490	844,059
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	277,054	240,862	183,448	116,759
7. Distribution Expense - Maintenance	189,496	232,304	194,663	83,783
8. Customer Accounts Expense	45,142	43,244	45,764	21,473
9. Customer Service and Informational Expense	9,813	9,052	12,050	4,148
10. Sales Expense	12,750	15,129	17,560	7,227
11. Administrative and General Expense	291,308	256,767	299,708	145,148
12. Total Operation & Maintenance Expense (2 thru 11)	2,445,362	2,457,411	2,525,683	1,222,597
13. Depreciation and Amortization Expense	322,109	336,863	331,216	168,693
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	199,741	194,851	195,878	97,379
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	917	902	887	450
19. Other Deductions	1,249	1,090	3,968	436
20. Total Cost of Electric Service (12 thru 19)	2,969,378	2,991,117	3,057,632	1,489,555
21. Patronage Capital & Operating Margins (1 minus 20)	(265,659)	(173,634)	97,033	(105,607)
22. Non Operating Margins - Interest	40,375	64,263	64,804	30,327
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	24,859	(2,833)	12,048	(4,483)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	8,810	1,345		
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	(191,615)	(110,859)	173,885	(79,763)

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 February 2024		
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	7	4	5. Miles Transmission		
2. Services Retired	13	0	6. Miles Distribution – Overhead	2,038.10	2,031.47
3. Total Services in Place	6,066	6,050	7. Miles Distribution - Underground	8.73	8.92
4. Idle Services (Exclude Seasonals)	282	316	8. Total Miles Energized (5 + 6 + 7)	2,046.83	2,040.39
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	63,181,528		30. Memberships	0	
2. Construction Work in Progress	994,355		31. Patronage Capital	23,325,388	
3. Total Utility Plant (1 + 2)	64,175,883		32. Operating Margins - Prior Years	151,898	
4. Accum. Provision for Depreciation and Amort.	22,220,049		33. Operating Margins - Current Year	(173,634)	
5. Net Utility Plant (3 - 4)	41,955,834		34. Non-Operating Margins	2,547,736	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	360,743	
7. Investments in Subsidiary Companies	248,755		36. Total Margins & Equities (30 thru 35)	26,212,131	
8. Invest. in Assoc. Org. - Patronage Capital	12,345,402		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,462		38. Long-Term Debt - FFB - RUS Guaranteed	31,183,966	
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)	4,220,389	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	76,122	
14. Total Other Property & Investments (6 thru 13)	13,267,078		43. Total Long-Term Debt (37 thru 41 - 42)	35,328,233	
15. Cash - General Funds	83,752		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	7,055,721		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	973,710	
20. Accounts Receivable - Sales of Energy (Net)	1,223,075		49. Consumers Deposits	107,050	
21. Accounts Receivable - Other (Net)	197,153				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	1,449,425	
23. Materials and Supplies - Electric & Other	831,219		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	131,691		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	149,940		53. Other Current and Accrued Liabilities	1,567,663	
26. Total Current and Accrued Assets (15 thru 25)	9,672,676		54. Total Current & Accrued Liabilities (47 thru 53)	4,097,848	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	742,624		56. Other Deferred Credits	0	
29. Total Assets and Other Debits (5+14+26 thru 28)	65,638,212		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	65,638,212	

10. a. Cost-of-Service Study

Guernsey has prepared the 2024 Cost-of-Service Study for Board consideration. The full proposal is a large power point presentation, so I have extracted critical pages for the mail-out.

We have spent a lot of time with Guernsey putting this together and I feel that it accurately represents our current financial position. Key items to consider:

1. It assumes no change in load growth. If the administration in Washington changes to a more energy-friendly environment, we could have oil, chemical, and pumping loads come in. This would negate this study and cause us to conduct another COSS which would likely recommend a rate reduction.
2. The Net Margin requirement (assuming no load growth) is \$1,570,933. This is an overall 8.81% increase. Remember that our last COSS used 2020 as a base year and implemented a 6.43% adjustment in Spring 2022. The US BLS CPI calculator shows that from December 2020 through February 2024 inflation has grown by 19.14%. Therefore:

LSEC 2022 Rate adjustment	6.43%
LSEC proposed 2024 Rate adjustment	<u>8.81%</u>
Total Adjustment*:	15.24%

US BLS Inflation since December 2020	19.14%
Difference:	-3.9%

*(does not account for compounding the two schedules, so probably overstates by a minor amount)

3. This COSS changes the structure of our rates to move most rate classes to three-part rates.
4. The proposed schedules is:

March	25	Guernsey at Board Meeting
April	1	Billing stuffer with Notice of LSEC Public Meetings and LSEC Special Meeting to approve the new rates.
	11	Public Meeting in Ness City (6:30-7:30)
	12	Public Meeting in Dighton (6:30-7:30)
	25	Trustees Special Meeting to approve Financial Forecast and rates (Open Meeting to Members)
	25	Trustees Regular Board Meeting
May	1	New rates apply
June	1	First billing on new rates

Staff recommends that the Board accept the current Cost-of-Service Study and Financial Forecast.

LANE-SCOTT ELECTRIC COOPERATIVE

2023 Test Year Cost of Service & Rate Analysis

March 25, 2024
Justin Proctor – Managing Consultant
Josh Dan - Consultant



www.guernsey.us

1

INCOME STATEMENT

WITH RATE CHANGE

	Test Year 12/31/2023 (a)	Adjustments (b)	Adjusted Test Year (c)	Rate Change (d)	Adjusted Test Year w/ Rate Change (e)
Operating Revenues	\$ 17,836,488	\$ (12,948)	\$ 17,823,540	\$ 1,570,933	\$ 19,394,473
Purchased Power	10,346,476	(473,526)	9,872,950	0	9,872,950
Gross Margin	<u>\$ 7,490,012</u>	<u>\$ 460,578</u>	<u>\$ 7,950,590</u>	<u>\$ 1,570,933</u>	<u>\$ 9,521,523</u>
O&M	\$ 1,757,023	\$ (194,549)	\$ 1,562,474	\$ 0	\$ 1,562,474
Accounting & Customer Service	432,644	56,950	489,594	0	489,594
Administrative & General	1,981,838	117,605	2,099,443	0	2,099,443
Depreciation	1,955,181	95,521	2,050,702	0	2,050,702
Tax	0	732,840	732,840	0	732,840
Total	<u>\$ 6,126,686</u>	<u>\$ 808,367</u>	<u>\$ 6,935,053</u>	<u>\$ 0</u>	<u>\$ 6,935,053</u>
Return	<u>\$ 1,363,326</u>	<u>\$ (347,789)</u>	<u>\$ 1,015,537</u>	<u>\$ 1,570,933</u>	<u>\$ 2,586,470</u>
Interest L-T Debt	\$ 1,216,985	\$ (65,888)	\$ 1,151,097	\$ 0	\$ 1,151,097
Other	29,962	0	29,962	0	29,962
Total	<u>\$ 1,246,947</u>	<u>\$ (65,888)</u>	<u>\$ 1,181,059</u>	<u>\$ 0</u>	<u>\$ 1,181,059</u>
Operating Margin	<u>\$ 116,379</u>	<u>\$ (281,901)</u>	<u>\$ (165,522)</u>	<u>\$ 1,570,933</u>	<u>\$ 1,405,411</u>
Interest Income & Other Margins	\$ 479,092	\$ 0	\$ 479,092	\$ 0	\$ 479,092
G&T and Other Capital Credits	644,872	0	644,872	0	644,872
Total	<u>\$ 1,123,964</u>	<u>\$ 0</u>	<u>\$ 1,123,964</u>	<u>\$ 0</u>	<u>\$ 1,123,964</u>
Net Margins	<u>\$ 1,240,343</u>	<u>\$ (281,901)</u>	<u>\$ 958,442</u>	<u>\$ 1,570,933</u>	<u>\$ 2,529,375</u>
Operating TIER	1.10		0.86		2.22
Net TIER	2.02		1.83		3.20
DSC	1.25		1.20		1.66
Rate of Return	3.15%		2.35%		5.98%
Percent Change					8.81%

guernsey.us

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FINANCIAL FORECAST

BASE CASE

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Accrual Basis													
Revenue from Present Rates	18,976,716	20,914,246	17,836,488	17,819,099	17,793,346	17,767,592	17,741,839	17,716,085	17,690,331	17,664,578	17,638,824	17,613,070	17,587,317
Add: Revenue Required	0	0	0	0	1,020,418	1,959,441	1,844,253	2,266,668	2,696,196	3,097,104	3,500,617	3,896,743	4,279,344
Total Required Revenue	18,976,716	20,914,246	17,836,488	17,819,099	18,813,764	19,727,033	19,586,092	19,982,754	20,376,528	20,761,683	21,139,442	21,509,814	21,866,661
Cost of Power	11,294,294	12,903,008	10,346,476	9,872,958	9,860,112	9,847,266	9,834,419	9,821,573	9,808,727	9,795,880	9,783,034	9,770,188	9,757,342
Gross Margin	7,682,422	8,011,238	7,490,012	7,946,141	8,953,652	9,879,767	9,751,672	10,161,180	10,567,801	10,965,802	11,356,407	11,739,625	12,109,319
Operations and Maint Expense	2,264,699	2,229,400	1,757,023	1,562,474	1,640,598	1,722,628	1,808,759	1,863,022	1,918,913	1,976,480	2,035,774	2,096,847	2,159,752
Consumer Accounts and Sales	365,138	390,873	432,644	489,594	504,282	519,410	534,992	551,042	567,573	584,600	602,138	620,202	638,808
Admin and Gen and Other Deductions	1,453,814	1,640,676	1,981,838	2,099,443	2,162,426	2,227,299	2,294,118	2,362,942	2,433,830	2,506,845	2,582,050	2,659,512	2,739,297
Depreciation and Amort Expense	1,844,094	1,888,036	1,955,191	2,050,702	2,139,661	2,217,388	2,308,895	2,404,329	2,498,764	2,595,198	2,690,633	2,786,067	2,881,502
Tax Expense	0	0	0	732,840	756,590	787,756	820,265	854,169	888,074	921,978	955,882	989,787	1,023,691
Amort Deferred Debits (Non Cash)	0	0	0	0	0	0	0	0	0	0	0	0	0
Amort Deferred Credits (Non Cash)	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Expense	1,338,205	1,282,652	1,216,985	1,230,185	1,338,923	1,403,976	1,475,914	1,560,487	1,641,682	1,715,048	1,781,248	1,840,206	1,888,120
Interest - Other	23,177	16,293	29,962	29,962	29,962	29,962	29,962	29,962	29,962	29,962	29,962	29,962	29,962
Total Operating Expenses	18,583,421	20,350,938	17,720,109	18,066,158	18,422,556	18,755,585	19,106,425	19,447,528	19,788,526	20,125,993	20,460,722	20,792,772	21,118,475
Operating Margin	393,295	563,308	116,379	-249,058	391,208	971,447	479,667	535,225	588,001	635,689	678,719	717,041	748,186
Nonoperating Margins	38,603	272,776	479,092	479,092	479,092	479,092	479,092	479,092	479,092	479,092	479,092	479,092	479,092
G&T and Other Capital Credits	1,462,917	734,947	644,872	644,872	644,872	644,872	644,872	644,872	644,872	644,872	644,872	644,872	644,872
Net Margin	1,894,815	1,571,031	1,240,343	874,905	1,515,172	2,095,411	1,603,631	1,659,189	1,711,965	1,759,653	1,802,683	1,841,005	1,872,150

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PROPOSED RATES

SUMMARY OF RATE CHANGE

	Average Consumers	kWh Sold	Adjusted Revenue	Proposed Revenue		
				Proposed	Prop. \$	% Prop.
Residential Total	3,363	25,817,574	3,445,915	3,816,395	370,480	10.75%
Irrigation	254	8,852,968	1,113,253	1,196,556	83,303	7.48%
GS Small Total	1,876	50,716,514	5,501,172	6,164,335	663,163	12.05%
GS Large Total	175	35,978,136	4,018,409	4,279,505	261,096	6.50%
City of Dighton	3	9,335,382	676,223	698,501	22,278	3.29%
Large Industrial	3	38,204,550	2,902,051	3,061,664	159,614	5.50%
Lighting	13	677,150	106,915	118,418	11,503	10.76%
Total	5,687	169,582,274	17,763,938	19,335,375	1,571,437	8.85%
Other Revenue			59,602	59,602	0	0.00%
Total Revenue			17,823,540	19,394,977	1,571,437	8.82%

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RATE CHANGE SUMMARY (cont.d)

RATE DESIGNS

	Existing	Proposed	Change
Power Cost, per kWh Sold	\$0.057874	\$0.057874	\$0.000000
PCRF Base Cost, per kWh Sold	\$0.069750	\$0.069750	\$0.000000
PCRF Factor, per kWh	(\$0.011876)	(\$0.011876)	\$0.000000
Property Tax, per kWh Sold	\$0.004718	\$0.004360	(\$0.000358)
Residential			
Customer Charge	\$28.00	\$30.50	\$2.50
Demand Charge, per Billing kW	\$0.00	\$0.65	\$0.65
Energy Charge, per kWh	\$0.102970	\$0.108500	\$0.005530
Heat Pump Charge, per Heat Pump	\$2.00	\$2.00	\$0.00
Heat Pump Credit, per Heat Pump kWh	(\$0.030000)	(\$0.030000)	\$0.000000
Residential - Religious Org			
Customer Charge	\$28.00	\$30.50	\$2.50
Demand Charge, per Billing kW	\$0.00	\$0.65	\$0.65
Energy Charge, per kWh	\$0.102970	\$0.108500	\$0.005530
Seasonal			
Customer Charge	\$28.00	\$30.50	\$2.50
Demand Charge, per Billing kW	\$0.00	\$0.65	\$0.65
Energy Charge, per kWh	\$0.102970	\$0.108500	\$0.005530
Non-Domestic			
Customer Charge	\$22.00	\$24.50	\$2.50
Demand Charge, per Billing kW	\$0.00	\$0.65	\$0.65
Energy Charge, per kWh	\$0.105630	\$0.110550	\$0.004920

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RATE CHANGE SUMMARY (cont.d)

RATE DESIGNS

	Existing	Proposed	Change
Power Cost, per kWh Sold	\$0.057874	\$0.057874	\$0.000000
PCRF Base Cost, per kWh Sold	\$0.069750	\$0.069750	\$0.000000
PCRF Factor, per kWh	(\$0.011876)	(\$0.011876)	\$0.000000
Property Tax, per kWh Sold	\$0.004718	\$0.004360	(\$0.000358)
Irrigation			
Customer Charge	\$0.00	\$0.00	\$0.00
Annual HP, per Billing HP	\$40.00	\$42.50	\$2.50
Energy Charge, per kWh	\$0.099830	\$0.107040	\$0.007210
General Service Small			
Customer Charge	\$28.00	\$33.00	\$5.00
Demand Charge, per Billing kW	\$0.00	\$0.65	\$0.65
Energy Charge, per kWh	\$0.107670	\$0.116870	\$0.009200
General Service Large			
Customer Charge	\$65.00	\$65.00	\$0.00
Annual kW, per Billing kW	\$13.00	\$15.00	\$2.00
Energy Charge, per kWh	\$0.073090	\$0.073270	\$0.000180

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RATE CHANGE SUMMARY (cont.d)

RATE DESIGNS

	Existing	Proposed	Change
Power Cost, per kWh Sold	\$0.057874	\$0.057874	\$0.000000
PCRF Base Cost, per kWh Sold	\$0.069750	\$0.069750	\$0.000000
PCRF Factor, per kWh	(\$0.011876)	(\$0.011876)	\$0.000000
Property Tax, per kWh Sold	\$0.004718	\$0.004360	(\$0.000358)
City of Dighton			
Customer Charge	\$150.00	\$300.00	\$150.00
Annual kW, per Billing kW			
Demand kW	\$2.80	\$4.25	\$1.45
Energy Charge, per kWh	\$0.003264	\$0.002680	(\$0.000584)
Cost of Power	Direct Billed	Direct Billed	
Large Industrial			
Customer Charge	\$100.00	\$150.00	\$50.00
Demand Charge, per Billing kW	\$12.80	\$15.50	\$2.70
Energy Charge, per kWh			
First 250 kWh per billing kW	\$0.069200	\$0.067760	(\$0.001440)
Next 250 kWh per billing kW	\$0.056700	\$0.055260	(\$0.001440)
Over 500 kWh per billing kW	\$0.044200	\$0.042760	(\$0.001440)
Large Industrial Primary			
Customer Charge	\$100.00	\$150.00	\$50.00
Demand Charge, per Billing kW	\$12.80	\$15.50	\$2.70
Energy Charge, per kWh			
First 250 kWh per billing kW	\$0.069200	\$0.067760	(\$0.001440)
Next 250 kWh per billing kW	\$0.056700	\$0.055260	(\$0.001440)
Over 500 kWh per billing kW	\$0.044200	\$0.042760	(\$0.001440)
Primary Discount	2.00%	2.00%	0.00%

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RATE CHANGE SUMMARY (cont.d)

RATE DESIGNS

	Existing	Proposed	Change
Power Cost, per kWh Sold	\$0.057874	\$0.057874	\$0.000000
PCRF Base Cost, per kWh Sold	\$0.069750	\$0.069750	\$0.000000
PCRF Factor, per kWh	(\$0.011876)	(\$0.011876)	\$0.000000
Property Tax, per kWh Sold	\$0.004718	\$0.004360	(\$0.000358)
Fairgrounds and Athletic Lighting			
Customer Charge	\$17.50	\$20.00	\$2.50
Energy Charge, per kWh	\$0.124500	\$0.131830	\$0.007330
Idle Service			
Customer Charge	\$31.50	\$31.50	\$0.00
Energy Charge, per kWh	\$0.000000	\$0.000000	\$0.000000

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10. b. Communications Update

Ann Marie Jennings will be attending the Board Meeting to discuss:

1. Cost of Service Study communications,
2. Communications Section activities, and
3. Annual meeting preparations to include the Trustee election process.

March Board Meeting – Member Service Report

1. Annual Meeting:

- a. Giveaway – Decided by employee vote. Square glass food container, 8”w x 6”h x 2”d



- b. Tent Rental: Our share is \$2,456.50. Split ½ with Lane Co. Fairboard.
- c. John Ross Catering for Board Approval: (Waiting on quote)

2. Nominating Committee Members for Approval: Nominating Committee Meeting is April 22 @ 6:30pm.

Lane-Gove Representatives:

Jay Schmalzried
Lex Bush
Ben Cramer

Logan-Scott Representatives:

Randy Scheuerman
John Beaton

Ness-Rush Representatives:

Lane Copeland
Kenney Schlegel

Finney-Hodgeman Representatives:

Dan Wehkamp
Dan Vieux

3. Youth Tour 2024: Selections have been made.

COOPERATIVE YOUTH LEADERSHIP CAMP		ELECTRIC COOPERATIVE YOUTH TOUR	
			
<i>Makayla Mudd</i>	<i>Eve Rider</i>	<i>Brookelyn Henning</i>	<i>Breanna Berndt</i>

WINNERS

Makayla Mudd: Dighton, Eve Rider: Ness City, Brookelyn Henning: Ransom, Breanna Berndt: Dighton

4. Rate Revision Open Member Meetings:

We Want Your Feedback

Lane-Scott Electric Cooperative
Proposed Rate Revisions

Member Meetings

Lane Scott
Electric Cooperative
A "Teachname Energy" Cooperative

Monday, April 8
6:30-7:30 pm
Lane-Scott Electric Office
410 S. High St., Dighton

Thursday, April 11
6:30-7:30 pm
Peoples Bank Community Room
210 S. Kansas Ave., Ness City

5. Unclaimed Capital Credit List will be published in KCL in April. The list is on the website also.
<https://www.lanescott.coop/capital-credits>
6. Overhead Line Clearance Communication – Call LSEC ahead of time if clearance issues.
7. Board Election Nomination Campaign starting mid-March for 3 positions. Deadline to contact LSEC is April 18 prior to nomination committee meeting on April 22.
8. Normal monthly KCL, social media posts, website updates, new member e-mail series, newsletter e-blast, chamber communications, sponsorship/donation requests, communication plan updates, spending report, advertising.

10. c. Board Policy 524 amendment

The Safety Council has proposed an amendment to **Board Policy 524 Drug and Alcohol-Free Workplace**. The proposed amendment is on page 6 of 26 and relates to post-accident training. Current policy states:

Item C. Post-accident Testing will be conducted whenever an accident occurs as defined below.

“For the purposes of this policy, an accident is considered an unplanned, unexpected, or unintended event that occurs on Company property, during the conduct of the Company’s business, during working hours, or which involves Company-supplied equipment, motor vehicles or motor vehicles that are used in conducting Company business, or is within the scope of employment, and which results in any of the following:

- 1. a fatality;*
- 2. bodily injury requiring medical attention beyond first aid and administered within 32 hours of the incident;*
- 3. vehicular and/or equipment damage in apparent excess of \$750.00, or nonvehicular property damage in apparent excess of \$500.00.*
- 4. Per the guidelines outlined in Part 49 of the Code of Federal Regulations (CFR) and Part 382, Controlled Substances and Alcohol Use and Testing, of the Federal Motor Carrier Safety Regulation (FMCSR).*

*When such an accident results in one of the situations above, any employee who may have contributed to the accident will be tested for drug and/or alcohol use **provided** the company has reasonable cause to believe that the employees involved may have violated this policy by using a prohibited substance. “Reasonable cause” includes a pattern of behavior or circumstances that involves an accident which includes an error in reason, timing, or judgment.”*

The concern of the Safety Committee is that with current and rising costs, most incidents exceed the dollar amounts identified in Item 3. The committee has recommended that line 3 should be removed and that the “...reasonable cause....” as identified in the last paragraph will suffice. We have had at least two incidents resulting in equipment damage where wind or ice were the major contributing factor and Linemen were pulled off the crew for the mandatory drug testing.

The Pros are that it allows judgement in the field, recognizes that sometimes accidents happen, and saves field time and medical costs. With rising costs, keeping a dollar amount will be difficult. Setting it too high could miss some incidents and setting it too low means every incident gets tested. The Cons are that sometimes field judgments are in error, and, in the case of a multi-party accident, we would need the testing for our legal defense.

I agree with the Safety Committee on this recommendation and will explain the cons to all employees.

Staff requests that the Board approve the proposed amendment to Board Policy 524.

10. d. RUS eAuthentication Resolution

All RUS borrowers are required to enter monthly RUS Financial and Operating Report Electric Distribution (formerly known as the Form 7) data. This is done on-line through the RUS Data Collection Site using USDA RUS eAuthentication protocols. Currently, Kathy Lewis submits the data, then I review and certify the filing.

Jocelyn Walker will begin entering the data after the Audit, so LSEC needs to amend its *Certificate of Authority to Submit or Grant Access to Data (RDUP Form 674)* to include Jocelyn as a "User". The following pages have the necessary Resolution and Form 674.

Staff requests the Board approve the Resolution and execute the required documents.

SECRETARY'S CERTIFICATE

I, Harold Hoss, do hereby certify that: I am the Secretary of Lane-Scott Electric Cooperative, Inc. (hereinafter the "Corporation;") that the following are true and correct copies of resolutions duly adopted by the Board of Trustees of the Corporation at the regular meeting held March 25, 2024, and entered in the minute book of the Corporation; that the meeting was duly and regularly called and held in accordance with the bylaws of the Corporation; and that none of the following resolutions has been rescinded or modified:

RESOLUTIONS

1. RESOLVED that Richard A. McLeon, IV, the General Manager/CEO of the Corporation, be the Certifier on behalf of the Corporation, who shall be responsible for submitting and certifying to the Rural Utilities Service, an agency of the United States Department of Agriculture delivering Rural Development Utilities Programs, any and all data required by RDUP Form 674;

2. RESOLVED that Katherine Lewis, the Finance Manager of the Corporation, be the Security Administrator on behalf of the Corporation, who shall give access to the Corporation's data, as appropriate, to other employees, officers, or contractors of the Corporation, for the purpose of complying with RDUP Form 674; and

3. RESOLVED that both shall comply with the Instructions for RDUP Form 674 in regard to use of the government's data collection system.

I FURTHER CERTIFY THAT each member of the Board of Directors of the Corporation was furnished with notice of said meeting in compliance with the bylaws of the Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Corporation
this 25th day of March, 2024.

Secretary

(Corporate Seal)

U.S. Department of Agriculture
Rural Development Utilities Programs

CERTIFICATE OF AUTHORITY TO SUBMIT OR GRANT ACCESS TO DATA

INSTRUCTIONS-Submit one copy to the Rural Development Utilities Programs headquarters and one copy to the GFR.

In accordance with the requirements of the Rural Utilities Service, an agency delivering the U.S. Department of Agriculture Rural Development Utilities Programs, herein after referred to as the Agency, and by resolution, attached hereto, of the board of directors or other managing body

(the "Board" of The Lane-Scott Electric Cooperative, Inc. ("the Borrower")
BORROWER'S NAME

located at 410 S High Street, Dighton, KS. 67839
BORROWER'S ADDRESS

which resolution was adopted by a quorum of the Board, held on March 25, 20²⁴,
the Board hereby authorizes the officer or manager whose name, title, and USDA eAuthentication ID appear below (Certifier), to certify and submit the data requested on the following Agency data collections. Furthermore, said resolution authorizes the following employee whose name, title, and eAuthentication ID appear below (Security Administrator), to give, as appropriate, other employees, officers, or contractors access to the Borrower's data on the USDA Rural Development Data Collection System, subject to the terms of the attached instructions, for the purpose of completing the required data collection indicated below:

(Check All That Apply)

	Form No. (if applicable)	TITLE
<input checked="" type="checkbox"/>	7	Financial and Statistical Report (Electric - Distribution)
<input type="checkbox"/>	12	Operating Report (Electric - Generation)
<input type="checkbox"/>	--	Operating Report for Broadband Borrowers
<input type="checkbox"/>	--	Operating Report for Telecommunications Borrowers

This certification of authority shall remain in force until the Agency has been notified of, and has acknowledged to the Board, its rescinding of the attached resolution.

Certifier

General Manager/CEO Richard A McLeon, IV ramcleon@lsec
TITLE NAME (TYPE OR PRINT) eAuthentication ID

Security Administrator
Finance Manager Katherine Lewis kelewis2
TITLE NAME (TYPE OR PRINT) eAuthentication ID

The Lane-Scott Electric Cooperative, Inc.
BORROWER'S NAME

SIGNATURE OF BOARD PRESIDENT
OR CHAIRMAN

March 25, 2024
DATE

SIGNATURE OF SECRETARY



Attachment to
CERTIFICATE OF AUTHORITY TO SUBMIT OR GRANT ACCESS TO DATA – RDUP Form 674

User

Accountant
TITLE

Jocelyn Walker
NAME

Jocelyn.walker@lsec.coop
eAuthentication ID

March 25, 2024
DATE

10. e. Luecal Consulting.

Scott Luecal has revised the original Board training proposal from a two-day to a one-day training. This has been contracted for November 11, 2024, in Dighton, KS. WE will most likely hold the training at the St. Theresa Parish Hall as we have done before.

No action is required on this item.

Luecal Consulting

640 Willow Lake Court, Weldon Spring, Missouri 63304
314-406-3896

March 5, 2024

Richard McLeon, General Manager / CEO
Lane-Scott Electric Cooperative
P. O. Box 758
Dighton, Kansas 67839-0758

Dear Richard:

In response to your email of February 29, I have modified my original proposal of February 19 regarding the training services that I provide to electric cooperative boards of directors and your request for a proposal to address “fiduciary duties, what they should know, current events, etc.” to be presented this fall or winter in a one-day only format. I would welcome the opportunity to deliver this session and renew my relationship with Lane-Scott Electric Cooperative. In response to your request, I have addressed the following areas for your consideration.

1. Session Objectives
2. Session Content
3. Input and Information
4. Fees and Expenses
5. Possible Dates
6. Consultant Biography
7. Contact Information

Session Objectives

Regardless of whether the Director is newer to the Board or has served for an extended length of time, I believe a governance session that addresses the following objectives and content outline would be beneficial to each Director and to the Board as a whole.

1. Increase each Director’s knowledge and understanding of the foundational principles of corporate governance and how corporate governance is changing in response events occurring within and outside the electric cooperative industry, events that are shinning a spotlight on corporate governance, the digital age and its impact on governance, changing membership demographics and expectations, and on-going restructuring of the utility industry model through market, technology and regulatory drivers.

2. Optimize the effectiveness and efficiency of the one-day session by tailoring it to the needs of the Lane-Scott Electric Cooperative Board. I would welcome Director questions and topics prior to the session via email (scott@luecalconsulting.com) or phone (314-406-3896) allowing me to tailor my materials or complete any research as needed.
3. Create a learning environment that fosters discussion through Q&A and exercises.
4. Provide an opportunity for the Lane-Scott Electric Cooperative Board to identify actions they may take to continue to improve the effectiveness and efficiency with which the Board governs the Cooperative.

Session Content

Director Legal Duties

1. Duty of Loyalty to the Cooperative and the membership, placing those interests ahead of any individual interests.
2. Duty of Obedience to applicable laws, regulations, and their own duly made decisions.
3. Duty of Care and the “prudent person rule” (how an ordinarily prudent person in a similar position would perform their role as a director).
4. Duty of Oversight over “mission critical risks”, the board’s responsibility to ensure that systems and controls are in place to monitor these risks and the implications of a board’s failure to devote the required attention to unacceptable trends and performance.
5. Application of the Business Judgment Rule and how it is “narrowing”.
6. Being compliant in an era of both transparency and confidentiality.
7. Compliance with IRS Code 501 (c) (12) / IRS Form 990.
8. Compliance with Kansas Statute Chapter 17, Article 46, Electric Cooperative, Nonprofit and Membership Corporations.
9. Actions boards and individual directors can pursue to adhere to these duties and minimize their liabilities.
10. When things go wrong, when the “line is crossed”: why does it happen, what are the consequences and how to prevent it.

Basic Concepts of Board Governance

1. Creating and maintaining an effective culture in the board room.
2. The purpose of a Board, who it governs on behalf of and how it creates value.
3. The Board’s authority – highest, initial and final.
4. The Board’s roles as policy maker, advocate for the membership and regulator.
5. Accountability versus delegation.
6. How a Board delegates and provides direction to the CEO.
7. Creating and following a formal decision-making process.

Responsibilities of the Board (Decision Making and Oversight)

1. Primary Areas of Board Responsibility
 - a. Set the Cooperative's strategic direction.
 - b. Set policy, including the four criteria of an effective policy.
 - c. Hire, compensate, delegate, evaluate, etc. the CEO.
 - d. Conduct the business and affairs of the Cooperative through an effective and efficient Board meeting; develop an agenda around decision-making, oversight and informational items; create a Board packet that fosters the achievement of Board responsibilities.
 - e. Minutes – too skinny, too bloated or just right.
 - f. Allocate resources through the approval of work plans, budgets, loans, etc.
 - g. Set rates and other charges.
 - h. Director training and development, and the applying and sharing of knowledge in the board room.
 - i. How the Board's oversight role is fulfilled.
 - j. The Board's role in risk management, including risk appetite and tolerance and understanding the differences between internal risks, external risks and strategic risks.
2. Differentiating the responsibilities of the Board, Individual Directors, CEO, Retained Attorney and Management

Note: In the above section, the list of “Primary Areas of Board Responsibility” is the content that I would most welcome input from the Board to optimize the time in our one-day session to address the responsibilities of greatest interest to the Board.

Relationships

1. Define, develop and maintain relationships.
 - a. Among Directors
 - b. Between Directors and the CEO
 - c. With management and employees
 - d. With the Retained Attorney and Independent CPA Auditor
2. In all aspects of governance, the degree to which this works is based on everyone involved “knowing their lanes”, performing them well, staying in them, not letting anyone in their lane and not trying to get in someone else's lane.

Input and Information

I have previously mentioned the importance of each Director giving some thought to and providing me with their questions and other input prior to the session. I would also benefit from receiving copies of your bylaws, governance-related policies and a recent board agenda and packet prior to the session.

Fees and Expenses

A professional fee of \$2,500 would be billed for the session day and a professional fee of \$1,000 would be billed for session development. Therefore, total professional fees would be \$3,500. Travel expenses would be billed as incurred.

Possible Dates

You mentioned a fall or winter date for the session. I currently have the following dates available.

- September 9 and 10
- The week of September 23 through 27
- September 30 and October 1
- The week of October 7 through 11
- October 17 and 18
- October 31 and November 1
- November 11 and 12
- November 21 and 22
- December 10 and 11

I am confident we would be able to set a date for this session that would accommodate everyone's schedules.

Consultant Biography

Since 1991, Scott Luecal has been providing consulting and training services to electric cooperatives and public power districts, their business subsidiaries and community directed organizations, and to the cooperative industry's national trade, telecommunications, and insurance associations as an employee of NRECA, NISC and through his consulting business. It totals over 250 companies.

Consulting services Scott provides includes strategic planning facilitation, financial planning / equity management / capital credits, cost of service and rate design, merger / consolidation / collaboration facilitation, organizational structure and related personnel decisions, technology planning, board governance and governance assessments, board and CEO evaluations, and programs related to training and educating directors and management on the changes taking place in the electric utility industry.

As a trainer to the rural electric industry, Scott has developed and delivered courses related to strategic planning, financial planning, cost of service and rate design, equity management and capital credits, understanding financial statements, board /governance

and management roles and responsibilities, technology planning, and understanding the electric utility business.

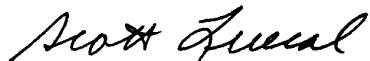
Scott was employed at Coles – Moultrie Electric Cooperative, an Illinois distribution cooperative, from 1981 – 1990, serving in the capacities of Accountant, Office Manager, and General Manager. From 1990 – 1998 Scott was the Manager of University Programs for NRECA and provided director and management training and consulting. From 1998 to 2007, Scott held various executive level positions with Central Area Data Processing and the National Information Solutions Cooperative. His last position at NISC was Executive Vice President and was responsible for the Business Development and Marketing Division which included marketing, demonstrations, pricing, proposals, sales, member surveys and satisfaction measurement, third party hardware sales, member relationship representative program, and NISC's member conference. In August 2007 Scott left NISC to start his consulting business.

Contact Information

Scott Luecal
Luecal Consulting
640 Willow Lake Court
Weldon Spring, MO 63304
Phone: 314-406-3896
Email: scott@luecalconsulting.com

Richard, my thanks to you and the Lane-Scott Electric Cooperative Board for your consideration of my proposal. I look forward to hearing from you soon.

Sincerely,

A handwritten signature in black ink that reads "Scott Luecal". The signature is written in a cursive, flowing style.

Scott Luecal

SAFETY PROGRAM

SAFETY PROJECTS COMPLETED AS OF March 2024

- Rubber gloves changed out.
- Sleeves were changed out.
- Testing and adjusting digital truck inspections, designing facility inspection sheet.
- Ann Jennings's submitted report:
 - 3 ways to help limit tree trimming -Magazine, social media.
 - Overhead Line Clearance -Call LSEC ahead of time: Magazine, social media, website, SmartHub banner, newspaper article, e-blast.
 - Safety Cord Safety Overloading-social media.
 - Farm Safety- Avoid Electrical Accidents During Spring Planting-social media, article in link also posted to the website as part of the Overhead Line Clearance information.
 - Electrical Safety- Don't rely on luck with home electrical work-social media.
 - Overhead Line Safety- Always look up when carrying ladders. -social media.
 - Carbon Monoxide Detectors- What the beeps mean-social media.
- Diana Kuhlman submitted reports:
 - Send monthly reports to Compliance One.
 - Attended monthly Safety Meeting.
 - Coordinate Monthly Drug Testing.
 - Submitted No-Time Loss Report to Federated and KEC.
 - Safety Posters
- KEC Safety Meeting: Topics: Gloving Theory, Practices & Minimum Approach Distances, Digger Derrick Training, Administrative: Driving on Hazardous Road Conditions.

SAFETY PROJECTS IN PROGRESS AS OF February 2024

1. SDS Program products updates and documentation improvements.
2. SafetyAmp software inspection form templates deployed, and most forms being created.
3. FCC radios: Will start testing the system for dead spots in coverage with new radio settings. Looking into future tower locations and availability on surrounding towers. Tower info was received by Susan Nuss, and Mobile Radio Services expansion options are under review.
4. Demo trailer hardware in process of being installed. Ordering equipment.
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 Development.
 - Working with Joe Gasper 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. Info was gathered from bin site. Info was forwarded to Joe Gasper.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SAFETY MEETING

February 29th,2024

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

Minutes were read: Dal Hawkinson made a motion to approve the January 17th minutes and Dellon Shelton seconded. Minutes were read and approved as printed.

Present: Richard McLeon, Kasey Jenkinson, Ben Mann, Dal Hawkinson, Chad Rupp, Chris Terhune, Myron Seib, Kevin Bradstreet, Leighton Ayers, Dellon Shelton, Blake McVicker, Taylor Cable, Nate Burns, Scott Briand, Micheal Pollock, Kathy Lewis, Carrie Borell, Rebecca Campbell, Ann Marie Jennings, Diana Kuhlman, and Katie Riffle,

Absent: Kalo Mann, Mark McCulloch, and Jocelyn Walker

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	Dellon Shelton	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	Blake McVicker	OK
305	Blake McVicker	OK

Trailer and Equipment report of inspections:

502	Blake McVicker	OK
507	Blake McVicker	OK
515	Blake McVicker	OK
504	Blake McVicker	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: Rejected: #74 hole, #55 Snag.

Line Hoses Annual Test Results: N/A

Sleeves Quarterly Test Results: N/A

Substation and Regulator Report:

- ♦ Ben Mann: Beams have been replaced in North City Substation in Dighton. Ness City 115 substation switches and galvanized pole have been replaced. Scheduling a date and time for an outage to install Scata Control. Nova's will be installed soon in the Dighton West City Substation. All substations will be sprayed when the wind goes down. McCracken Substation has a couple of hot spots on connections, sub will be bypassed to repair connections.
- ♦ **PCB Report:** None to Report

Line Clearance: N/A

Accident and Near Misses: None to Report.

Old Business:

- ♦ Chris Terhune: Mother Boards are on order to fix north pole yard gate, and north city yard.

New Business:

- ♦ Kathy Lewis: Working on resolving name issues for Lane-Scott Electric from now on all forms and applications need to read "The Lane-Scott Electric".
- ♦ Carrie Borell: Drones are being hacked and used maliciously by A.I.
- ♦ Diana Kuhlman: Congratulations to Dal Hawkinson for becoming the new General Operations Manager.
- ♦ Rebecca Campbell: Billing will be processed from Lane-Scott Electric meters for the City of Dighton. There will be residential rate demands applied to Lane-Scott Electric consumers bills.
- ♦ Ann Marie Jennings: Information going out for consumers to notify LSE about clearance issues that need to be raised. Deadline for Grant application for small businesses is April 1st, 2024. Don't forget to vote for the annual meeting gift.
- ♦ Myron Seib: Working on line clearances in the City of Ness.
- ♦ Chris Terhune: Ottis Elevator will be replacing the packings in the hydraulic cylinders on the elevator. Contacting Otis Elevator for a better contract on maintenance for the elevator. Looking into radio towers and repeater options for better radio communications in Finney and Gove Counties.
- ♦ Mikey Goddard from KEC: Discussed rubber gloving theory, minimum approach distances. Digger derrick training. Admin: Discussed driving on hazardous road conditions.

Meeting adjourned.

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Administrator