



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for June 24, 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
  - a. KEC Summer Meeting
8. General Managers Report
  - a. Employee Industry participation, Chris, Diane, Carrie, me
  - b. Power Plant Tours
9. Old Business
10. New Business
  - a. EOY Report
  - b. Board Policy 501 Update
  - c. Resolution of Appreciation
11. Safety Program Report
12. Executive Session (if requested).
13. Adjourn

**Upcoming Events:**

LSEC Holiday – Office Closed		July 4
LSEC Annual Meeting		July 16
Sunflower Board Meeting	Hays	July 17
LSEC Board Meeting	Dighton	July 22
KEC Summer Meeting	Overland Park	August 3-5

6/20/2024

## Electronic Document Index

#	item	Author/speaker	document	Board Packet	Supplemental information
2	Minutes	Joe	Minutes	3-6	
3	Check Register(s)	Diana	AP / Check Register	7-12	
4	Presidents Report	Dick			
5	Attorneys Report	Joe			
6	Sunflower Report	Sunflower / Dick	SEPC Board Summary - May	13-17	
			SEPC Board Summary - June	18-19	
			Member billing summary	20	
7	KEC Report	KEC / Craig	Board Summary		
8	CEO / GM Report	Richard	Report	21-24	
	<u>Financials</u>	Jocelyn	Form 7	25-26	
		Jocelyn	Statistical Report		1
		Jocelyn	Non-operating margins		2
	<u>Operations / Engineering</u>	Dal/Ben	Maintenance Inspection Log		3
		Dal	Monthly Report		4-5
		Richard	Substation NCP and CP		6
	<u>Information Technology</u>	Carrie	Monthly Report		7
	<u>Cybersecurity-Compliance</u>	Carrie	Monthly Report		8-9
	<u>Communications / Member Service</u>	Ann Marie	Board Report		10
	<u>Human Resources</u>	Diana	HR Report		11
	<u>Warehouse</u>	Scott	Warehouse Report		12
9	Old Business				
10	New Business				
a.	End of Year Report 2023	Richard	EOY 2023	On server	
b.	Board Policy 501 amendment			27-30	
c.	Resolution of Appreciation		Res. 2024 0624	31	
11	Safety Program Report	Chris	Safety Program Monthly Report	32	
		Chris	Safety Meeting minutes	33-34	

**MINUTES OF THE REGULAR MAY 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, May 20, 2024, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:54 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Harold Hoss, Susan Nuss, Chad Griffith, James Jordan and Craig Ramsey. Also present Richard McLeon IV, Steve Epperson, Sunflower CEO and Joseph Gasper, Attorney. Randy Evans and Eric Doll were absent.

**SUNFLOWER REPORT**

Steve Epperson, CEO of Sunflower presented a report of updates at Sunflower. Highlights of his report are as follows:

- Steve reviewed his employment history with his most recent position as general manager at Pioneer.
- The industry is dealing with the opposing forces of affordability and reliability versus the environmental, cyber, weather and regulatory challenges. Sunflower is working on navigating the competing interests.
- There is a push to retire fossil fuel generation without first securing reliability substitutes. This is a concern for future reliability.
- The goal to reduce carbon emissions does not always take into account the environmental impact of the alternative generation such as mining for battery components.
- Sunflower continues to strategize how to deal with industry dynamics and still maintain what is best for its members.
- SPP is getting close to the level of dispatchable load being equal to the annual peak. Steve then explained how SPP sets out the demand and resource calls which set the market price.
- Sunflower has completed the Johnson corner solar project. The Russel solar project is expected to come online in 2025 and the Fort Dodge solar project in 2026. Solar is generally available during the peak pricing time.
- The challenge of who pays for transmission continues to be an issue with wind generation. The majority of the generation is in the central US with most of the demand East of the Mississippi and on the West Coast.

- Nuclear power is being looked at for baseload capacity. The issue with Nuclear remains the regulatory aspects.

Steve Epperson left the meeting after the presentation.

## **MINUTES OF PRIOR MEETING**

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

President Jennison called for action on the minutes of the prior meeting held on April 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 had no current items to report.

## **REPORT OF SUNFLOWER DELEGATE**

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

- President Jennison had no additions to the written report.

## **KEC REPORT**

A copy of the written KEC report was included in the packet.

Craig Ramsey, KEC representative, reported that postage was increasing to 74 cents in July.

## MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- Total kWh sales remain above average with the sale revenue continuing to be about average. The new rates are not in effect to impact the revenue yet.
- NRECA sent out the workforce study data as of 2023. LSEC tracks the Kansas data pretty well. A review of the potential retirees over the next five years and potential replacements was made. The current employee alignment structure was reviewed as well.
- Year to Date Total Sales are running 3.46% (187,441) below the five-year average.
- April Operating Revenue and Wholesale power costs were near normal for the 10-year average producing distribution margins of \$599,893.
- Equity as a percent of assets is 39.72%. Cash balance is \$7,139,742 a drop of \$354,978 with the two truck purchases.
- The cash level will be analyzed after the first of the year to determine how much cash needs to be maintained.
- The scholarship recipients are Cally Cramer, Carlee Flax, Lakin Getz, Kalo Hineman Ayden Whipple, and Lillian Payne.
- The CoBank grant recipients are USD 303, Jetmore Fire Dept., Lane County Emergency Management and Western Plains USD 106.

## 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. Tariff Amendment

- Manager McLeon reviewed the proposed Tariff for Electric Service as contained in the board packet.
- The tariff contains the new rates and the demand charge additions.
- The private lighting was changed to consolidate the remaining area lighting charges.
- A discussion of the demand charge being applicable for the entire year rather than for each month was discussed.
- *A motion to approve the Tariff for Electric Service as amended and presented to the board was made, duly seconded, and carried.*

## 2. Board Policy 203

- The board discussed the proposed changes to board policy 203 regarding compensation for board meetings.
- *A motion to approve the amendments to board policy 203 was made, duly seconded, and carried.*

## 3. Board Policy 502

- Manager McLeon discussed the proposed changes to board policy 502 with the board. The office staff has been working more flexible shifts and this policy change would allow for more flexibility in granting the general manger the ability to set employee hours.
- *A motion to approve the amendments to board policy 502 as presented to the board was made, duly seconded, and carried.*

## 4. Estate Capital Credits

- *A motion to approve the retirement of Estate Capital Credits in the amount of \$79,702.75 as presented, was made, duly seconded, and carried.*

## EXECUTIVE SESSION

*A motion to enter executive session to discuss the General Manager Evaluation was made, duly seconded, and carried at 8:41. The board came back into session at 9:01.*

- *A motion to raise the salary of the General Manager to \$255,000 per year effective June 1, 2024, was made, duly seconded, and carried.*

## ADJOURNMENT

*A motion to adjourn the meeting was made, seconded, and carried at 9:12 p.m., on Monday, May 20, 2024.*

06/10/2024 12:12:04 PM

# Accounts Payable Check Register

Page 1

05/09/2024 To 06/10/2024

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3279 05/09/2024	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS-Group Insurance	57,464.37
3280 05/09/2024	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA Gr 1-May Group Insurance	2,694.45
3281 05/09/2024	WIRE	180	NRECA	NRECA Grp 1 Adm Fee-May Grp Ins Adm Fee	233.07
3282 05/10/2024	WIRE	18	CITY OF DIGHTON	Monthly Invoice	1,320.13
3283 05/13/2024	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Invoice	894.08
3285 05/13/2024	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Invoice	303.05
51477 05/16/2024	CHK	1	NESS CITY ROTARY CLUB	Rotary Meals and Dues	50.00
51478 05/16/2024	CHK	1	SACRED HEART SCHOOL	Food Drive Challenge	100.00
51479 05/16/2024	CHK	1	WESTERN PLAINS NORTH ELEMENTAR	Food Drive Challenge	100.00
51480 05/16/2024	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	61,500.00
51481 05/16/2024	CHK	37	JETMORE REPUBLICAN	Advertising	120.00
51482 05/16/2024	CHK	105	CITY OF NESS CITY	Monthly Invoice	47.35
51483 05/16/2024	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	479.98
51484 05/16/2024	CHK	117	NESS CITY FARM & FEED	Monthly Invoice	309.34
51485 05/16/2024	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	5,842.95
51486 05/16/2024	CHK	150	CHRIS TERHUNE	Mileage to Safety Summitt	511.17
51487 05/16/2024	CHK	351	J&D PUMP AND SUPPLY LLC	cement for Ness City Pool	71.56
51488 05/16/2024	CHK	387	WESTERN FUEL & SUPPLY	Monthly Fuel INvoice	789.56
51489 05/16/2024	CHK	406	RICHARD MCLEON	Mileage-Mtg	44.22
51490 05/16/2024	CHK	552	HIGH POINT NETWORKS, LLC	Server Expense	920.00
51491 05/16/2024	CHK	576	NESS COUNTY REGISTER OF DEEDS	Ness County Easement Filings	1,155.00
51492 05/16/2024	CHK	584	MID-STATES MATERIALS, LLC	Rock for Ness Yard	1,754.35
51493 05/16/2024	CHK	903	NISC	Monthly Invoice	20,994.33
51494 05/16/2024	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	1,473.77
51495 05/16/2024	CHK	9999	JAYCEE CROW	INACTIVE REFUND	202.80
3286 05/20/2024	WIRE	1229	SCHABEN SANITATION	Monthly Invoice	689.17

06/10/2024 12:12:04 PM

# Accounts Payable Check Register

Page 2

05/09/2024 To 06/10/2024

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3284 05/23/2024	WIRE	101	ATMOS ENERGY	Monthly Invoice	104.69
3287 05/24/2024	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Invoice	226.24
51496 05/24/2024	CHK	1	DIGHTON ELEMENTARY SCHOOL	Food Drive Challenge	100.00
51497 05/24/2024	CHK	30	HAROLD HOSS	May Board Meeting	390.20
51498 05/24/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Invoice	7,731.26
51499 05/24/2024	CHK	63	RICHARD JENNISON	May Board Meeting	367.42
51500 05/24/2024	CHK	79	POSTMASTER	Postage-Newsletter	122.61
51501 05/24/2024	CHK	105	CITY OF NESS CITY	Franchise Fee	3,962.84
51502 05/24/2024	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	5,474.00
51503 05/24/2024	CHK	135	CITY OF BAZINE	Franchise Fee	1,260.73
51504 05/24/2024	CHK	160	SHULL OIL COMPANY	Monthly Fuel Invoice	7,936.07
51505 05/24/2024	CHK	179	RAD ROEHL	May Board Meeting	362.06
51506 05/24/2024	CHK	182	G.E.M.S. INC	Monthly Invoice	933.51
51507 05/24/2024	CHK	202	CHAD GRIFFITH	May Board Meeting	400.25
51508 05/24/2024	CHK	234	ELECTRICOMM, INC.	Regulator Repairs	2,546.69
51509 05/24/2024	CHK	366	DIANA KUHLMAN	Mileage	33.50
51510 05/24/2024	CHK	380	GRAINGER	Monthly Invoice	59.39
51511 05/24/2024	CHK	417	SUNFLOWER ELECTRIC POWER COOP	Sub Station Maintenance	1,359.71
51512 05/24/2024	CHK	427	DIGHTON HERALD LLC	subscriptions	72.00
51513 05/24/2024	CHK	439	BOLINGER, SEGARS, GILBERT & MOSS,	Financial Statements Audit	5,000.00
51514 05/24/2024	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly Invoice	76.13
51515 05/24/2024	CHK	568	SUSAN NUSS	May board Meeting	426.38
51516 05/24/2024	CHK	570	JAMES W JORDAN	May Board Meeting	394.22
51517 05/24/2024	CHK	585	JS SPRINKLER SERVICE	Sprinkler maintenance	473.92
51518 05/24/2024	CHK	1225	CINTAS CORPORATION	Monthly Invoice	136.98
51519 05/24/2024	CHK	1228	BENJAMIN L MANN	Clothing Allowance	174.79



06/10/2024 12:12:04 PM

# Accounts Payable Check Register

Page 3

05/09/2024 To 06/10/2024

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
51520 05/24/2024	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Talc Glove Powder	32.61
51521 05/24/2024	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	119.83
51522 05/24/2024	CHK	1299	DEANNE DECHANT	Cookies for Board Meeting	72.00
51523 05/24/2024	CHK	1300	CRAIG RAMSEY	May Board Meeting	1,651.44
3288 05/28/2024	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	22,262.89
3289 05/29/2024	WIRE	1290	WEX BANK	Monthly Fuel Invoice	972.27
3290 05/29/2024	WIRE	1187	MIDWEST ENERGY	Monthly Invoice	103.18
3291 05/29/2024	WIRE	183	HIBU INC	Yellowbook Advertising	15.00
3292 05/31/2024	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
3293 05/31/2024	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly Invoice	937.20
51524 05/31/2024	CHK	1	MARLA EVANS	Cottage Rent-KEC Mtg and Chris Robbins	267.00
51525 05/31/2024	CHK	1	ST THERESA CATHOLIC CHURCH	June 11-Kec mtg, June 18&19 C Robbins mtg	750.00
51526 05/31/2024	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	63,500.00
51527 05/31/2024	CHK	73	STANION WHOLESALE ELEC CO INC	Monthly Invoice	37,723.15
51528 05/31/2024	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Ness City	80.58
51529 05/31/2024	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	6,233.25
51530 05/31/2024	CHK	298	OVERLEASE K-LAWN	Lawn Care and Sterilization	759.50
51531 05/31/2024	CHK	317	JOHN DEERE FINANCIAL	Safety Demo Trailer-JD Pedal Tractor	227.85
51532 05/31/2024	CHK	359	WEBBER-GROSS WELDING, LLC	Labor on the Ness City Wire Trailer	2,452.10
51533 05/31/2024	CHK	366	DIANA KUHLMAN	Interact Conference-Airline ticket	739.96
51534 05/31/2024	CHK	380	GRAINGER	Monthly Invoice	293.01
51535 05/31/2024	CHK	406	RICHARD MCLEON	Mileage to Meetings	88.44
51536 05/31/2024	CHK	442	QUADIENT INC.	Postage	499.94
51537 05/31/2024	CHK	472	C.H. GUERSNEY & COMPANY	Cost of Service Study	2,120.00
51538 05/31/2024	CHK	498	BLAKE MCVICKER	Clothing Allowance	297.34
51539 05/31/2024	CHK	561	JOHN C ROBBINS	6 Types-Working Genius&Emotional Intelli	1,400.00

06/10/2024 12:12:04 PM

# Accounts Payable Check Register

Page 4

05/09/2024 To 06/10/2024

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
51540 05/31/2024	CHK	572	DIAMOND COMMUNICATIONS SOLUTI	Postage for Election Ballot Annual Mtg	260.00
51541 05/31/2024	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	1,536.75
51542 05/31/2024	CHK	1225	CINTAS CORPORATION	Monthly Invoice-Ness City	159.06
3294 06/04/2024	WIRE	530	SNAP-ON CREDIT LLC	Monthly Invoice	50.72
3295 06/06/2024	WIRE	168	ONLINE INFORMATION SERVICES, INC	Utility exchange rpt& pre employment rpt	104.20
3299 06/06/2024	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS-Group Insurance	58,742.98
3300 06/06/2024	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA Gr 1-June Group Insurance	2,693.45
3301 06/06/2024	WIRE	180	NRECA	NRECA Gr 1 Adm Fee-June Gr Ins Adm Fee	233.07
3296 06/07/2024	WIRE	468	U.S. BANK	Monthly Credit card statement	6,965.52
3297 06/07/2024	WIRE	1267	AFLAC	Monthly Premiums	1,703.76
3298 06/10/2024	WIRE	18	CITY OF DIGHTON	Monthly Invoice	1,533.03
51543 06/10/2024	CHK	1	LANE COUNTY FAIR AMUSEMENT	Donation	100.00
51544 06/10/2024	CHK	1	NRECA	Subscriptions-Legal Services& PPP-HR	380.00
51545 06/10/2024	CHK	5	GREAT EASTERN ENERGY	Check Rewrite	216.11
51546 06/10/2024	CHK	5	JAMES MCDONALD	Check Rewrite	49.72
51547 06/10/2024	CHK	5	MARK MCARTHUR	Check Rewrite	117.84
51548 06/10/2024	CHK	5	ROBERT F HEMBREE	Check Rewrite	922.07
51549 06/10/2024	CHK	5	SHANE STANLEY	Check Rewrite	44.44
51550 06/10/2024	CHK	5	MARILYN K SLEZAK	Check Rewrite	41.69
51551 06/10/2024	CHK	27	GARDEN CITY TELEGRAM	Advertising	360.00
51552 06/10/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Invoice	3,067.92
51553 06/10/2024	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Invoice	289.83
51554 06/10/2024	CHK	55	NESS COUNTY NEWS	Advertising	231.75
51555 06/10/2024	CHK	104	HOME OIL CO	Monthly Fuel Invoice	663.58
51556 06/10/2024	CHK	105	CITY OF NESS CITY	May Pay Station and Postage	617.60
51557 06/10/2024	CHK	107	CINTAS CORPORATION #449	Monthly Invoice	404.03

06/10/2024 12:12:04 PM

# Accounts Payable Check Register

Page 5

05/09/2024 To 06/10/2024

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
51558 06/10/2024	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	5,474.00
51559 06/10/2024	CHK	187	S&W SUPPLY DIVISION	Monthly Invoice	72.36
51560 06/10/2024	CHK	238	ILLINOIS MUTUAL	Premiums	384.43
51561 06/10/2024	CHK	269	ANIXTER INC	Monthly Invoice	17,565.07
51562 06/10/2024	CHK	272	LEWIS AUTOMOTIVE GROUP INC	Parts for Truck #143	1,430.37
51563 06/10/2024	CHK	306	BORDER STATES INDUSTRIES INC	Monthly Invoice	11,845.05
51564 06/10/2024	CHK	338	SIMPLY KLEAN, LLC	Window Cleaning	1,400.00
51565 06/10/2024	CHK	383	HUXFORD POLE AND TIMBER CO INC	Poles	22,498.45
51566 06/10/2024	CHK	387	WESTERN FUEL & SUPPLY	Monthly Fuel Invoice	521.57
51567 06/10/2024	CHK	394	DELLON SHELTON	KEC URD Workshop	147.50
51568 06/10/2024	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly Invoice	163.72
51569 06/10/2024	CHK	427	DIGHTON HERALD LLC	Advertising	150.00
51570 06/10/2024	CHK	479	CASE BECKMAN	Lawn Care March, April and May	730.00
51571 06/10/2024	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Copier Contract	73.36
51572 06/10/2024	CHK	545	CIRCLE C COUNTRY SUPPLY	Monthly Invoice	1,960.45
51573 06/10/2024	CHK	562	RESENHOUSE	Monthly Invoice	43,168.36
51574 06/10/2024	CHK	578	L&R LAWN CARE & SUPPLY	Monthly Invoice	123.33
51575 06/10/2024	CHK	586	NETWORK COMPUTING SOLUTIONS	Technical and Cyber Services	7,279.88
51576 06/10/2024	CHK	587	CABLE TAYLOR	KEC URD Workshop	147.50
51577 06/10/2024	CHK	773	BRETZ, INC.	Monthly Invoice	212.50
51578 06/10/2024	CHK	1030	THE SCOTT COUNTY RECORD	Advertising	84.00
51579 06/10/2024	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	423.95
51580 06/10/2024	CHK	1197	GARDEN CITY WHOLESALE SUPPLY	Monthly Invoice	504.08
51581 06/10/2024	CHK	1248	COMPLIANCE ONE	Drug & Alcohol Testing	471.80
51582 06/10/2024	CHK	1251	TECHLINE, LTD	Monthly Invoice	11,418.30

06/10/2024	12:12:04 PM	Accounts Payable Check Register	Page 6
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05/09/2024 To 06/10/2024

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total Payments for Bank Account - 2 :					(129) 553,777.98
Total Voids for Bank Account - 2 :					(0) 0.00
Total for Bank Account - 2 :					(129) 553,777.98
Grand Total for Payments :					(129) 553,777.98
Grand Total for Voids :					(0) 0.00
Grand Total :					(129) 553,777.98



# SUNFLOWER ELECTRIC POWER CORPORATION

## Board Meeting Summary

May 15, 2024

### PRESIDENT'S REPORT

#### Generation, Power Supply, and Market Affairs

##### *Winter Energy Hedge Product*

ACES and Sunflower staff analyzed how much of Sunflower's total expected energy demand for December, January, and February will be exposed to price volatility should an extreme weather event occur. Various fixed-price energy blocks were evaluated to determine final recommendations for 2024-2025 winter hedging products.

**Board Action:** The Sunflower Board approved pursuing recommended fixed-price energy blocks for December 2024, January 2025, and February 2025. The Board also approved a hedge policy exception to exceed maximum "total % hedged" in January 2025.

##### *Dodge City Renewable Energy Proposal*

The City of Dodge City has a franchise power supply agreement with Victory through 2034. Victory would like to extend the franchise agreement and include participation in the Boot Hill Solar Project (BHSP) as an incentive.

**Board Action:** The Sunflower Board approved Victory's proposal to allow the City of Dodge City to participate in the Boot Hill Solar Project at five megawatts for their municipal loads as part of an offer to extend Victory's franchise agreement.

##### *EPA's Rules to Limit Greenhouse Emissions*

On April 25, EPA announced the final rules to limit greenhouse emissions from existing coal and new natural gas-fired power plants. The final rules require increasingly stringent carbon dioxide emission controls at existing coal and new natural gas power plants unless they curtail or cease operations. The requirements vary based on the type of unit, how frequently it operates, and how long it will operate into the future. It is likely the final rules will be litigated for years, creating ongoing regulatory uncertainty. For Sunflower, the rules could potentially impact Holcomb Station and any new natural gas-fired resources. The Sunflower communications team will work with members to develop common messaging around the impacts of EPA's ruling.

#### Transmission Planning and Policy

##### *National Interests Electric Transmission Corridors*

Ten potential National Interests Electric Transmission Corridors (NIETCs), areas with urgent needs for expanded transmission, have been identified. The federal government will undertake authority to fast-track and FUND transmission inside these corridors. Still expected are several rounds of feedback from the public, regulators, and regional grid operators before finalizing the corridors. The federal government wants to determine corridors by the end of 2024 to announce funding for the projects and to accelerate permitting.

A 780-mile corridor in Kansas, Indiana, Missouri, and Illinois will connect SPP to MISO. This is expected to facilitate cross-regional, interconnected transmission and accelerate the integration of clean energy to tackle climate challenges. The projects include portions of existing 345 kV transmission right-of-way and touch SPP, MISO, and PJM grids.

### *New FERC Order*

A new order on cost allocation and transmission planning from FERC was announced on Monday, May 13. This order follows orders 888, 890, and 1000 and encourages construction of transmission in advance of the need. It addresses regional transmission planning, regional transmission cost allocation and state engagement on cost allocation, and interregional transmission coordination procedures. It also changes regional transmission planning in the SPP region by requiring SPP to look farther into the future (at least 20 years); look at multiple potential futures (at least 3 scenarios); and look at multiple benefits. FERC requires consideration of seven specific benefits: 1) avoided or deferred reliability transmission facilities and aging infrastructure replacement; 2) either reduced loss of load probability or reduced planning reserve margin; 3) production cost savings; 4) reduced transmission energy losses; 5) reduced congestion due to transmission outages; 6) mitigation of extreme weather events and unexpected system conditions; and 7) capacity cost benefits from reduced peak energy losses.

### **Financial Services**

#### *March Financials*

Member loads were up 4.42% from budget for the month and down 1.18% from budget year to date. Large industrial loads were down .08% from budget for the month and down 4.84% from budget year to date. Operation and maintenance expenses were up 83.33% from budget for the month and up 28.48% from budget year to date. The April Member rate is \$15/MWh lower than budget, and the year-to-date member rate is down \$14/MWh.

#### *Sunflower Rate Study*

James Brungardt reviewed Sunflower's 2023 rate design study for the 2024 rate year. He discussed rate design options to gauge the Board's interest in examining an adjustment to demand and energy rates and potential timing of conducting another rate study. Currently, Sunflower is scheduled to complete the next rate design study in 2026 for the 2027 rate year. The Board decided to regroup again next year to discuss the direction for the next rate study.

### **Corporate Services**

#### *Strategy Map Update*

Cory Betz reviewed recent updates to the Sunflower strategy map. After hosting quarterly strategy review meetings, strategy planning and input from the Sunflower Board, Sunflower's change management staff translated the input into objective updates and created a simplified and focused strategy map.

#### *Communication Update*

Megan Ball and Shelbi Wiles summarized Xenophon's top recommendations and reviewed how Sunflower has responded thus far. They also provided a status update on external facing communication efforts and reviewed key takeaways from the Member/Sunflower communications strategy discussion on May 2. Sunflower communications staff met with the Member co-op communicators to gather insight on their communications needs. They also worked to compile a list of communication priorities for Sunflower to explore and provide to the Members. Sunflower will schedule a communication strategy discussion with Member CEOs in June.

## **KANSAS ELECTRIC COOPERATIVES REPORT**

### **Wildfire Mitigation Planning Project Kick-off Meeting**

KEC, in conjunction with the Kansas Corporation Commission (KCC), attained Department of Energy (DOE) grant funds to allow all member cooperatives to establish and implement comprehensive plans using BKI Engineering Service's WMP platform. The meeting will provide participating member cooperatives with a first look at the fund distribution structure, various levels of WMP services offered by BKI for each utility's unique wildfire risk level, and an in-depth walk-through on how each member cooperative can begin implementing the basic BKI wildfire mitigation plan template.

A wildfire mitigation planning project kick-off meeting is scheduled for 10 a.m., Thursday, May 30, at the DoubleTree by Hilton Hotel Wichita Airport. This will be an in-person meeting with no virtual option and is open to all KEC member managers/CEOs and operations employees who are or will be the responsible entity for overseeing the wildfire mitigation plan implementation. To RSVP, please contact Carol Dorr at [cdorr@kec.org](mailto:cdorr@kec.org).

Prior to the meeting, each attending cooperative is asked to complete the [“Utility Wildfire Preparedness Assessment”](#) available on the BKI website. The assessment should take about 15-20 minutes to complete and will provide important background information and readiness data for the workshop.

**EPA Final Rule**

Kansas legislators requested information on the impact of the EPA power plant final rules on Kansas co-ops. After co-ops have time to analyze the ruling, KEC will coordinate conversations between legislators and key cooperative contacts.

**KEC Summer Board Meeting**

The KEC summer board meeting and training will be held August 3–5 at the Marriott Kansas City in Overland Park. KEC has a great lineup of speakers planned for the meeting.

**OTHER BUSINESS**

**Voting Delegates/Alternates**

*NCSC Annual Meeting*

The NCSC Annual Meeting will be held in Indianapolis, Indiana, on June 17, 2024.

**Board Action:** The Sunflower Board voted to elect Kirk Girard and Bruce Mueller as the voting delegate and alternate delegate, respectively, at the NCSC annual meeting.

*CFC Annual Meeting*

The CFC Annual Meeting will be held in Indianapolis, Indiana, on June 17, 2024.

**Board Action:** The Sunflower Board voted to elect Lindsay Campbell and Bruce Mueller as the voting delegate and alternate delegate, respectively, at the CFC annual meeting.

# Sunflower Electric Power Corporation Annual Meeting Summary

May 15, 2024

**Voting Delegates and Alternate Delegates**

The following delegates represented Member cooperatives as voting delegates and alternate delegates. The meeting quorum was met.

Member Cooperative	Delegate	Alternate Delegate
Lane-Scott Electric Cooperative	Richard Jennison	Richard McLeon
Pioneer Electric Cooperative	Mike Brewer	Lindsay Campbell
Prairie Land Electric Cooperative	Sandra Benoit	Ronald Griffith
The Victory Electric Cooperative	Kenny Wehkamp	Cedric Drewes
Western Cooperative Electric	Frank Joy	Sue Rohleder
Wheatland Electric Cooperative	Wes Campbell	Josh Young

**Election of Board Directors and Alternate Directors**

Elections were held for company officials.

Member Cooperative	Directors	Alternate Directors
Lane-Scott Electric Cooperative	Richard McLeon	Kathy Lewis
Pioneer Electric Cooperative	Lindsay Campbell	Chantry Scott
Prairie Land Electric Cooperative	Kirk Girard	Alisha Stark
The Victory Electric Cooperative	Shane Laws	Angela Unruh
Western Cooperative Electric	Tom Ruth	Stacey Malsam
Wheatland Electric Cooperative	Bruce Mueller	James McVay

## Sunflower Executive Team Update

The Sunflower executive team presented information on their respective department's 2023 accomplishments:

- **Power Supply and Delivery:** Integrated resource planning; Russell Solar EPC contract and start of construction; Boot Hill Solar agreements; launched community solar program; member solutions and economic development restructuring; cryptocurrency load additions; green hydrogen developer relationships; response to a significant number of RUCs from SPP; H1 secondary superheater replacement; S2 turbine open/clean/close and generator rewind; CL1 first and second stage blade and vane repairs; FD4 synchronous condenser project launch; S3 heat recovery steam generator removal; and created a new fuel procurement job position.
- **Transmission Policy and Planning:** Establishment of a new substation design group; hired two senior design engineers; conducted round table discussions to include all transmission employees; transmission cost allocation efforts at SPP/FERC/KCC and state agencies; storm recovery; Dodge City loop and reconductor; obtained seats on SPP's finance, strategic planning, board membership, and markets and operations policy committees; and eliminated City of Russell capacitor bank and other potential NTCs.
- **Financial Services:** Support of Russell and Boot Hill Solar; support of integrated resource plan; KGS Tariff (Storm Uri); risk inventory; implement NCP demand in rate design; \$5.8M rate stabilization return; seat on Kansas Chamber of Commerce board.
- **Technology Services:** Maximized core business application uptime without cybersecurity impacts; uninterruptible power supply program; key business technology programs delivered (e.g., Cascade Phase 1, SUN-NET modernization start, SubTrac application insourcing, etc.); multiple Oracle releases deployed with no critical/high severity issues; desktop, server, storage area network, and network element upgrades without business impact; microwave upgrades completed enabling infrastructure currency at the backup control center while doubling macro wireless network bandwidth; and no personnel turnover within technology services.
- **Corporate Services:** KECHIT's move to self-insured; successful union wage opener, move to market wage initiative; staffing support with 37 new hires, 37 promotions, 28 separations; leveraged technology with implementation of OrgChart Now, ChatGPT, recruitment workflow, and InspectAll; new, shorter employee engagement survey (Q12); supported Russell and Boot Hill Solar press announcements; supported community solar program launches; progress on Xenophon and Member recommendations; position centralized fleet department; ~\$2M in negotiated supply chain savings and cost prevention; and hosted Family Day event.
- **Legal:** Assisted with close out of the Russell Solar EPC Contract and Boot Hill Solar Project agreement; facilitated SUN-NET renovation; leadership transition in the legal department; completed track agreements with BNSF and Cargill; completed annual records purge for the third year in a row; continued to refine new process for policies and procedures; supported three employee litigation matters; and successfully negotiated changes to KGS's tariff to help protect Sunflower in another extreme weather event.

# Sunflower Electric Holdings, Inc., Annual Meeting Summary

May 15, 2024

## Voting Delegates and Alternate Delegates

The following delegates represented Member cooperatives as voting delegates and alternate delegates. The meeting quorum was met.

Member Cooperative	Delegate	Alternate Delegate
Lane-Scott Electric Cooperative	Richard Jennison	Richard McLeon
Pioneer Electric Cooperative	Mike Brewer	Lindsay Campbell
Prairie Land Electric Cooperative	Sandra Benoit	Ronald Griffith
The Victory Electric Cooperative	Kenny Wehkamp	Cedric Drewes
Western Cooperative Electric	Frank Joy	Sue Rohleder
Wheatland Electric Cooperative	Josh Young	Wes Campbell



## Election of Board Directors and Alternate Directors

Elections were held for company officials.

Member Cooperative	Directors	Alternate Directors
Lane-Scott Electric Cooperative	Richard Jennison	Richard McLeon
Pioneer Electric Cooperative	Mike Brewer	Lindsay Campbell
Prairie Land Electric Cooperative	Kirk Girard	Sandra Benoit
The Victory Electric Cooperative	Kenny Wehkamp	Cedric Drewes
Western Cooperative Electric	Frank Joy	Tom Ruth
Wheatland Electric Cooperative	Josh Young	Wes Campbell



# SUNFLOWER ELECTRIC POWER CORPORATION

## Board Meeting Summary

June 13, 2024

### CURRENT ACTIVITIES

#### *Board Meeting Schedule*

The October Board meeting was rescheduled due to a conflict with the fall G&T manager meeting.

**Board Action:** The Sunflower Board voted to move Sunflower's October Board meeting to October 24, 2024.

### PRESIDENT'S REPORT

#### **Generation, Power Supply, and Market Affairs**

##### *Clifton 1 Project*

Staff reviewed the current status of the Clifton replacement project. Staff continue to pursue replacement of the existing CL1 combustion turbine with GE LM6000 combustion turbine technology. Cost estimates for LM6000s are higher than expected, and the schedule for installation has been extended. Staff are working with Burns & McDonnell to better understand the reasons behind the cost and schedule changes while informing the Board of the latest developments.

##### *Balance of Loads and Resources and New Load Updates*

The Southwest Power Pool's (SPP) new resource adequacy requirements are projected to result in a 102 MW reduction of the accredited capacity in Sunflower system from 2025 to 2030. Simultaneous with the reduced capacity, Sunflower is projecting load increases.

Staff reviewed varying accredited planning reserve margins, loads (both retail and wholesale), and resource scenarios to project Sunflower's needs and solutions for additional accredited capacity through 2035. Next steps include making a final decision on Clifton replacement technology, completing a Request for Proposal (RFP) for capacity from renewable resources with NRCO, evaluating the demand response pilot project, and pursuing new load opportunities. Staff will continue to work with ACES to model resource plans as load and capacity projections change.

#### **Transmission Planning and Policy**

##### *Storm Restoration*

The storm on June 8 damaged 27 Sunflower structures and caused additional damage in Victory's territory. Sunflower and Victory had approximately 60 staff working in unison to restore outages, accomplished by 3:40 a.m. on Monday.

#### **Financial Services**

##### *May Financials*

Information will be posted to BoardPaq when available.

#### **Corporate Services**

##### *Communication Update*

Shelbi Wiles presented the proposed EPA messaging campaign, including completed steps and suggested initiatives. The campaign message focuses on the three descriptions NRECA has used for EPA's ruling: unlawful, unrealistic, and unachievable. The campaign's goal is to provide awareness to Sunflower staff and the general public, as well as prompting a call for action and promoting Voices for Cooperative Power. The campaign will be shared next with Member communicators. Sunflower staff are also collaborating with KEC communications staff to ensure we remain aligned with the statewide campaign.

### *Strategy Update*

Of the strategic actions identified by the Board, four have been completed, and 38 are currently in progress.

### **Legal**

#### *GC Water Contract*

The discussion continues on Wheatland's extended contract with the City of Garden City for water service to S2.

#### *KCC Application for Approval of City of Herndon Power Supply Contract*

**Board action:** The Sunflower Board approved Sunflower staff proceeding with Prairie Land on a joint application to the KCC to serve the City of Herndon.



## 8. General Manager / C.E.O. Report

### A. Rates and Reliability Dashboard

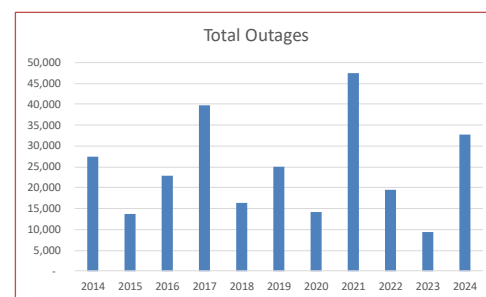
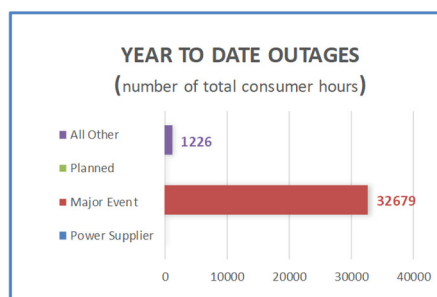
Form 7 Part O.		May 24			
		meters	kWh	\$s	\$s/kWh
1	Residential Sales	2,221	1,555,950	194,508	0.1250
2	Residential Seasonal	1,113	167,032	39,451	0.2362
3	Irrigation Sales	337	1,042,413	77,173	0.0740
4	C&I 1000 kVa or less	1,831	4,016,458	397,284	0.0989
5	C&I over 1000 kVa	175	6,194,110	490,908	0.0793
6	Public Street and Lighting	12	31,642	4,476	0.1415
7	Other Sales to Public Authorities	47	23,683	3,795	0.1603
8	Sales for Resale - RUS Borrowers	0	0	0	
9	Sales for Resale - Other	1	631,800	48,496	0.0768
		5,737	13,663,088	1,256,092	0.1240

May-24	meters	kWh	\$s	ratio
<i>Residential Sales</i>	38.7%	11.4%	15.5%	1.36
<i>Residential Seasonal</i>	19.4%	1.2%	3.1%	2.57
<i>Irrigation Sales</i>	5.9%	7.6%	6.1%	0.81
<i>C&amp;I 1000 kVa or less</i>	31.9%	29.4%	31.6%	1.08
<i>C&amp;I over 1000 kVa</i>	3.1%	45.3%	39.1%	0.86
<i>Public Street and Lighting</i>	0.2%	0.2%	0.4%	1.54
<i>Other Sales to Public Authorities</i>	0.8%	0.2%	0.3%	1.74
<i>Sales for Resale - RUS Borrowers</i>	0.0%	0.0%	0.0%	
<i>Sales for Resale - Other</i>	0.0%	4.6%	3.9%	0.83

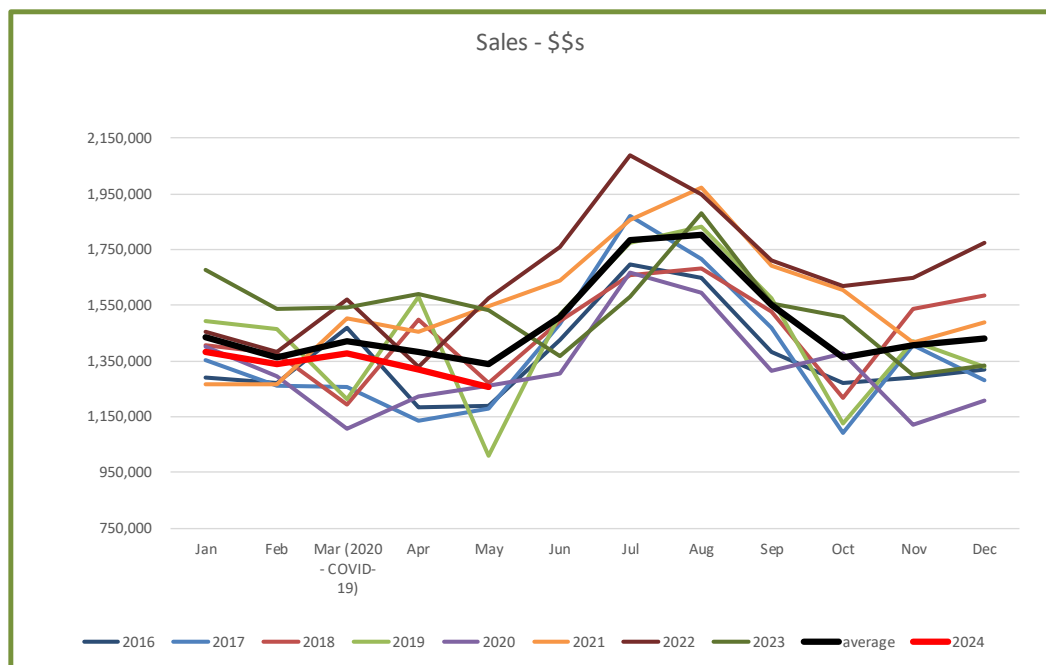
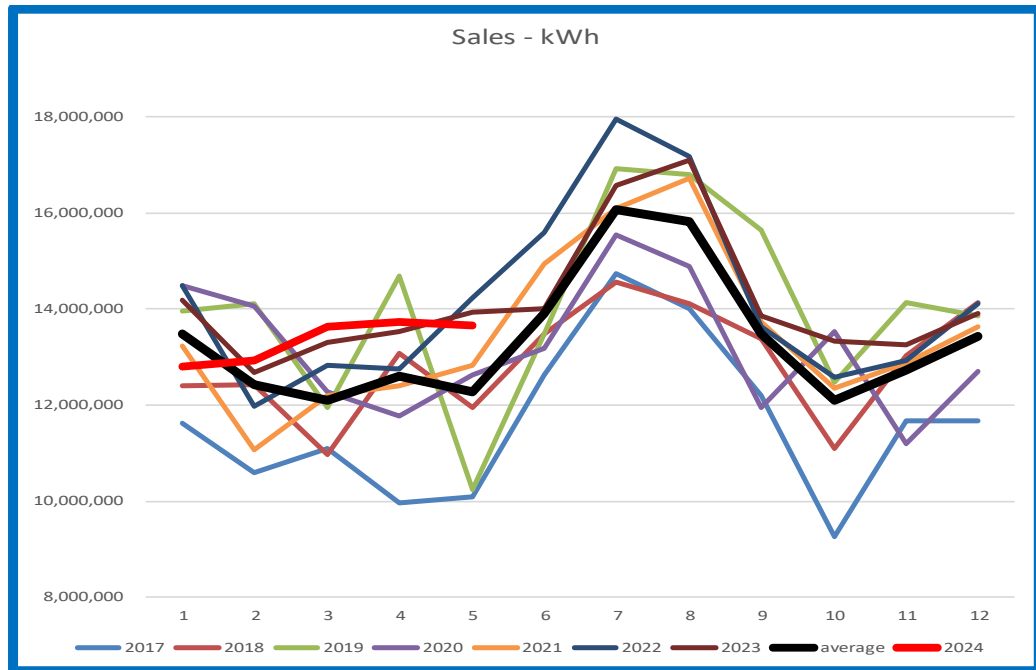
YTD kWh sales are 1.24% behind 2023 but 2.71% ahead of the 2019-2024 average.

YTD Distribution Revenue is \$3,229,517 which is 0.95% below 2023 and 1.31% above the 5-year average.

Distribution revenue is near normal. This is total revenue less wholesale power costs and represents the dollars we have for operating the cooperative.



YTD outages minutes per member are 354.7 which is a lot higher than last year's 60.5 YTD minutes per member. The Blizzard added 342.7 minutes per member.



## B. Succession planning

1. Continuity of Operations training. KEC coordinated this training with Dave Young (Director of the Kansas Intelligence Fusion Center) which was held here in Dighton with us, Midwest, and Nemaha-Marshall attending. The training was focused on getting supervisors and managers to critically think through operations to distinguish essential tasks from non-essential ones and to prioritize resources. Key personnel attended.

2. Emotional Intelligence training. Chris Robins returned to LSEC to give a refresher on the Myers-Briggs training we conducted last year and to introduce emotional intelligence skills. These “soft-skills” are essential to understand how you communicate in interpersonal relationships. All employees attended.
  3. Personnel. Cindy Fuentes has begun her training as Receptionist/Cashier. She has proven a quick study and will be cross trained in all aspects of accounting clerical functions. Our summer temporary help has begun as well. Our goal here is to get some needed laborer-level help as well as to raise awareness and image of the Cooperative in the Community.
- C. NRECA Regional Meeting. Registration has opened for the 2024 Region 7&9 meeting in Sacramento, CA September 24-26 (11:30). Here’s what we know so far:
1. Director training – all Tuesday 09/24
    - a. 960.1 Value of the Generation, Transmission, and Distribution relationship
    - b. 988.1 The Board’s Role in Safety
    - c. 975.1 Capital Credits Issues and Decisions
    - d. 909.1 Effective Governance in the Face of Crisis
  2. Hotels.
    - a. Hyatt Regency Sacramento (Primary)
    - b. Sheraton Grand Sacramento Hotel
- D. New loads. There are several new (and potential) loads in the works:
- a. Conine Hog Farm gas reclamation project ( $\pm$  2MW). They have sent the initial paperwork and funds to order materials and begin construction.
  - b. Beef Belt Feed lot expansion ( $\pm$ 500kV). They are exploring adding a new feed mill.
  - c. One Oak / Magellan. They are investigating doubling their existing footprint near Manning (6MW) and adding a new 3MW pumping station near Bazine.
- E. The Credit Card records are available for the Boards review.
- F. Departments / Sections (full reports are in the Supplemental file)
- 1) Accounting and Finance.
    - Property Tax filing. The State rejected our appeal (through MarksNeslon) for a reduction.
    - We have notified lenders that some of our 2023 Financial metrics were below required levels. CFC is working with us on their required paperwork to explain why our MDSC level is below requirements on the three-year average.
    - Our financial strength remains very good, although operating metrics remain low:
      - TIER – 1.40, OPTIER – 0.96
      - DSC – 1.72, ODSC – 1.48
      - Equity as a % of Assets – 40.10%
      - Equity as a % of Capitalization – 42.84%
      - Cash Balance - \$7,332,839
      - General Funds Level – 11.73%

- Current Ratio – 2.51
  - Cash to Debt Ratio – 20.37%
- 2) Operations Report (Dal). Operations encompasses construction, maintenance, and engineering. As usual, they were focused on distribution and substation maintenance and pole change-outs. We completed the remaining 2023 inspection poles for change-out and have several new connects. Chris has been named the new Vice-President of the KEC Safety Coordinators group.
  - 3) Information Technology and Cybersecurity (Carrie). Carrie was nominated to serve on the KEC IT Summit planning committee. She has been tied up with employee software and device issues but has completed DUO Proxy Software for identity and access to management programs as well as setting up Trustee TEAMS applications and Call to Order software. She will be at the July Board meeting to present these items to Trustees. Shae has provided Cybersecurity Awareness information from Federated in the supplemental packet.
  - 4) Communications (Ann Marie). Ann Marie has been very busy preparing for the Annual Meeting and educating members and employees on the new rate structures as well as an Annual Meeting voting procedure.
  - 5) Human Resources (Diana). Diana has been elected Vice President of the KEC HR group. She has been very busy setting up trainings, on-boarding new employees, and filling in as a Cashier / Receptionist.
  - 6) Retail Services / Warehouse Report (Scott).
    - Retail Non-operating margins YTD rose to \$14,363.30 on the strength of two Generac sales and extra work at Lane County Feeders.
    - Inventory levels remain “comfortable” but with the number and intensity of national storm events, we are closely monitoring the supply chain.

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  <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KS0042
	PERIOD ENDED May 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)*

☐ 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	7,061,178	7,258,306	7,886,662	1,330,286
2. Power Production Expense				
3. Cost of Purchased Power	3,804,269	4,032,159	4,431,224	784,167
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	460,443	473,264	458,619	29,330
7. Distribution Expense - Maintenance	416,267	521,387	486,658	120,946
8. Customer Accounts Expense	114,612	106,607	114,411	21,583
9. Customer Service and Informational Expense	30,033	29,387	30,126	7,560
10. Sales Expense	41,745	36,670	43,900	7,492
11. Administrative and General Expense	816,920	737,433	749,270	153,950
12. Total Operation & Maintenance Expense (2 thru 11)	5,684,289	5,936,907	6,314,208	1,125,028
13. Depreciation and Amortization Expense	807,717	843,467	828,040	168,998
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	503,490	486,140	489,695	97,175
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	2,303	2,227	2,216	444
19. Other Deductions	10,509	9,410	9,920	5,128
20. Total Cost of Electric Service (12 thru 19)	7,008,308	7,278,151	7,644,079	1,396,773
21. Patronage Capital & Operating Margins (1 minus 20)	52,870	(19,845)	242,583	(66,487)
22. Non Operating Margins - Interest	141,813	160,515	162,011	31,748
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	38,394	52,945	30,120	57,747
26. Generation and Transmission Capital Credits		(11,979)		
27. Other Capital Credits and Patronage Dividends	8,810	10,849	20,000	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	241,887	192,485	454,714	23,008

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  May 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	12	19	5. Miles Transmission		
2. Services Retired	35	14	6. Miles Distribution – Overhead	2,038.10	2,031.47
3. Total Services in Place	6,049	6,051	7. Miles Distribution - Underground	8.73	8.92
4. Idle Services (Exclude Seasonals)	273	314	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	63,567,911		30. Memberships	0	
2. Construction Work in Progress	889,919		31. Patronage Capital	23,655,067	
3. Total Utility Plant (1 + 2)	64,457,830		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	22,322,483		33. Operating Margins - Current Year	(19,844)	
5. Net Utility Plant (3 - 4)	42,135,347		34. Non-Operating Margins	2,163,188	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	360,579	
7. Investments in Subsidiary Companies	248,755		36. Total Margins & Equities (30 thru 35)	26,158,990	
8. Invest. in Assoc. Org. - Patronage Capital	12,321,738		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	30,384,464	
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)	4,522,307	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	13,243,413		43. Total Long-Term Debt (37 thru 41 - 42)	34,906,771	
15. Cash - General Funds	215,512		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	100		45. Accumulated Operating Provisions and Asset Retirement Obligations	0	
17. Special Deposits	25		46. Total Other Noncurrent Liabilities (44 + 45)	0	
18. Temporary Investments	6,895,244		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	921,738	
20. Accounts Receivable - Sales of Energy (Net)	969,709		49. Consumers Deposits	104,930	
21. Accounts Receivable - Other (Net)	239,145				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	1,435,167	
23. Materials and Supplies - Electric & Other	828,052		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	91,863		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	104,685		53. Other Current and Accrued Liabilities	1,257,478	
26. Total Current and Accrued Assets (15 thru 25)	9,344,335		54. Total Current & Accrued Liabilities (47 thru 53)	3,719,313	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	509,181		56. Other Deferred Credits	447,202	
29. Total Assets and Other Debits (5+14+26 thru 28)	65,232,276		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	65,232,276	

## 10. b. Board Policy 501 Employee Compensation

Staff requests that the Board consider the proposed amendments to Board Policy 501 Employee Compensation. There are four proposed amendments:

1. General (Item II. A.). This item proposes changing to the following:

*A. General. Employees are to be compensated for their performance ~~in such manner as may be within the limits of the Wage and Salary Budget~~ passed by the Board. It is the Board's intent that employees be compensated at, or above levels paid in the area for similar work in so far as is possible and practical.*

This shifts the management of the compensation from the Board to the General Manager / CEO while limiting the overall dollars to those approved by the Board in the annual Wage and Salary Budget.

2. Evaluations (Item II. B.). This item proposes the following:

*B. Evaluations. An Annual ~~salary~~ Performance Review will take place ~~at least one pay period prior to the employees work anniversary in September~~ with any salary adjustments to become effective ~~October 1 on their work anniversary. In order To~~ provide the maximum opportunity to achieve success, performance evaluations will be implemented with each employee ~~in September~~ six months before their Annual Performance Review. ~~A~~ The review will be done ~~in April with each employee~~ to update job descriptions, and to track the progress on the goals listed and discussed in the annual performance ~~appraisal~~ review. Employees will be evaluated by their department, section, or otherwise direct supervisor. ~~and department heads be evaluated by the General Manager.~~*

This Shifts the Annual Performance Review from September to the employee's work anniversary with the anniversary as the effective date. Having everyone's evaluation in the same month creates a challenge for supervisors with multiple employees and drops a lot of paperwork on HR at the same time. This proposal levels things out over the year. The April performance review creates the same problem.

Many years ago, some cooperatives set September as a firm date for salary adjustments because NRECA requires that payroll data be submitted October 1 to calculate the next years Retirement Plan budget. The problem is that employees hired in July could get a raise in 3 months while those hired in December must wait 10 months. The RS Budget balances out over time.

3. Compensation (Item II. C.2.). This item proposes the following:

*C. Compensation.*

2. *Travel. Employees traveling for the cooperative's business and benefit shall be ~~paid per diem according to US government guidelines or~~ reimbursed for actual expenses up to a reasonable level. Travel in personal cars shall be paid at the rate per mile currently allowable by the IRS as the standard mileage rate for personal automobiles used for business purposes.*

Employee travel is generally paid on per diem according to GSA Per Diem Rates. Employees have the option of actual expense with receipts in lieu of the GSA rates, but most choose the lesser per diem amount rather than tracking receipts. The “reasonable level” qualifier has not been questioned.

4. Responsibility (Item III).

*The General Manager/CEO shall ensure that this policy is implemented. All Supervisors are expected to serve as role models for proper compliance with the provisions of this Policy and to schedule evaluations as necessary with support from the Human Resources Section. It is ultimately the responsibility of all employees to comply with this policy. Violations of this policy including the fraudulent requests for compensation will be subject to discipline up to and including termination.*

This section adds and clarifies that the Board has placed the responsibility of implementation on the GM/CEO.

Staff proposes that any cost-of-living adjustment (COLA) would be effective January 1 and be separate from any wage or salary adjustment. Staff further proposes that this amendment, if approved, be effective January 1, 2025. Previous, red-line, and proposed versions follow.

**Staff requests that the Board of Trustee approve the amendments to Board Policy 501 Employee Compensation, as presented with an effective date of January 1, 2025.**

# **THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

## **POLICY**

**Dated:** January 01, 2025

**Policy No.:** 501

**SUBJECT:** Employee Compensation

### **I. OBJECTIVE:**

To establish wages and salaries that will attract and retain qualified personnel and encourage their superior performance, growth, and development.

### **II. POLICY:**

- A. General. Employees are to be compensated for their performance within the limits of the Wage and Salary Budget passed by the Board. It is the Board's intent that employees be compensated at, or above levels paid in the area for similar work in so far as is possible and practical.
- B. Evaluations. An Annual Performance Review will take place at least one pay period prior to the employees work anniversary with any salary adjustments to become effective on their work anniversary. To provide the maximum opportunity to achieve success, performance evaluations will be implemented with each employee six months before their Annual Performance Review. The review will be done to update job descriptions, and to track the progress on the goals listed and discussed in the annual performance review. Employees will be evaluated by their department, section, or otherwise direct supervisor.
- C. Compensation.
  - 1. Employees will be paid bi-monthly as near to the 1st and 16th of the month as possible.
  - 2. Travel. Employees traveling for the cooperative's business and benefit shall be paid per diem according to US government guidelines or reimbursed for actual expenses up to a reasonable level. Travel in personal cars shall be paid at the rate per mile currently allowable by the IRS as the standard mileage rate for personal automobiles used for business purposes.

### **III. Responsibility:**

The General Manager/CEO shall ensure that this policy is implemented. All Supervisors are expected to serve as role models for proper compliance with the provisions of this Policy and to schedule evaluations as necessary with support from the Human Resources Section. It is ultimately the responsibility of all employees to comply with this policy. Violations of this policy including the fraudulent requests for compensation will be subject to discipline up to and including termination.

ATTESTED: \_\_\_\_\_  
Secretary

date: \_\_\_\_\_

Seal

Revisions: January 1978  
November 1988  
April 26, 1993  
September 7, 2010

**The LANE-SCOTT ELECTRIC COOPERATIVE, INC.**  
**DIGHTON, KANSAS**

**RESOLUTION 2024 0624**

**RESOLUTION of APPRECIATION for Mr. Kalo Mann**

WHEREAS, Mr. Kalo Mann will retire as a Master Electrician with the Lane-Scott Electric Cooperative, Incorporated on August 09, 2024, and

WHEREAS, Kalo has served the members of this Cooperative and the communities we serve since starting his employment with the Lane-Scott Electric Cooperative, Incorporated on August 08, 1994.

NOTING, his concern for the well-being of the Cooperative, its employees, members, and our communities made him an important part of the Cooperative, and

REALIZING, that he has assisted numerous members, customers, and communities through 30 years of dedicated service come storm or shine, and

NOW, THEREFORE BE IT RESOLVED, that the Board of Trustees of the Lane-Scott Electric Cooperative Inc., expresses its sincere appreciation to Mr. Kalo Mann for his contributions to the overall growth, stability, and performance of the Cooperative: and

BE IT FURTHER RESOLVED that the Board of Trustees extends to Mr. Mann and his family its prayers for the blessings of peace, good health, and best wishes for the future.

**CERTIFICATION OF THE SECRETARY**

I, Harold Hoss, certify that I am Secretary of the Lane-Scott Electric Cooperative, Inc. Board of Trustees. I further certify that the above is a true excerpt from the Board of Trustees meeting held on the 24<sup>th</sup> day of June 2024, at which a quorum was present.

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Harold Hoss, Secretary

(Seal)

## **SAFETY PROGRAM**

### **SAFETY PROJECTS COMPLETED** AS OF June 2024

- Rubber gloves changed out.
  - Testing and adjusting digital truck inspections, designing facility inspection sheet.
- Ann Jennings's submitted report:
- Call 811 Before You Dig- KCL, Social media.
  - GFCI-Social media
  - Lightening Safety Awareness Week- Social media.
  - Electric Shock Drowning – Social media.
- Diana Kuhlman submitted reports:
- Attended Monthly Safety Meeting.
  - Coordinate Monthly Drug Testing.
  - Submitted No-Time Loss Report to KEC.
  - Viewed a webinar on OSHA 300 and safety in the workplace.
- In House Safety Meeting: Covered sections in the safety manual.

### **SAFETY PROJECTS IN PROGRESS** AS OF June 2024

1. SDS Sheets completed.
2. SafetyAmp software inspection forms in progress for main building first aid kit and pole yard.
3. FCC radios: Ordered repeater and antenna for Sunflower Tower to help with signal and redundancy.
4. Demo trailer installing reals and purchased a peddle tractor and other supplies to complete the project.
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 on moving connect for James Bergen grain bin site,



LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SAFETY MEETING

May 28th, 2024

Chris Terhune called the meeting to order at 10:32 a.m.

**Minutes were read:** Dal Hawkinson made a motion to approve the March 21st minutes, seconded by Leighton Ayers. 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, Rebecca Campbell, Ann Marie Jennings, Diana Kuhlman, and Jocelyn Walker.

**Absent:** Kalo Mann, Micheal Pollock, Mark McCulloch, Kathy Lewis, and Carrie Borell.

**Guest:** None

**Truck report of inspections:**

105	Taylor Cable	OK
110	Myron Seib	OK
112	Leighton Ayers	OK
123	Scott Briand	OK
132	Taylor Cable	OK
135	Nate Burns	OK
136	Kevin Bradstreet	OK
143	Scott Briand	OK
145	Dal Hawkinson	OK
150	Kasey Jenkinson	OK
173	Chad Rupp	OK
191	Scott Briand	OK
200	Ben Mann	OK
201	Blake McVicker	Bucket Cylinder replaced.
305	Myron Seib	OK
2401	Myron Seib	OK
2402	Chris Terhune	OK

**Trailer and Equipment report of inspections:**

502	Myron Seib	OK
507	Myron Seib	OK
515	Myron Seib	OK
504	Myron Seib	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

**Personal Tools:** All Passed

**Gloves Monthly Test Results:** All Passed

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

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

**Substation and Regulator Report:**

- ♦ Ben Mann: Regulator bypasses changed out in Bazine Substation. Mowing to be done soon on all Substations.
- ♦ **PCB Report:** None to Report

**Line Clearance:** City of Ness City, City of Bazine, Phil Habiger's Residence, Hodgeman County, And Solida is trimming trees in the city of Utica working there way west through the system.

**Accident and Near Misses:** Pole was hit on North Langer Tap by unknown person. Pole hit in the City of Ness City, by unknown person. Pole hit on Wheatland interconnect, by unknown person.

**Old Business:**

- ♦ Dal Hawkinson: Crew observations with office personal will be scheduled soon with warmer weather.

**New Business:**

- ♦ Richard McLeon: The Lane-Scott Electric will be sponsoring two park benches in the Ness City Park.
- ♦ Rebecca Campbell: Rates will be changing soon.
- ♦ Ann Marie Jennings: Annual meeting will be held July 16<sup>th</sup> at the Lane County Fairgrounds. Board election is going on right now. Annual Board meeting reports will be mailed out June 10<sup>th</sup>, included will be mail in ballots, and instructions on how to perform online voting.
- ♦ Diana Kuhlman: Chris Robbins will be conducting the six types of working genius with LSE Employees. Scheduling will be finalized soon. New Cashier Receptionist: Cindy Fuentes will start working June 4<sup>th</sup>.
- ♦ Kasey Jenkinson: Iron poles have all been set in the City of Ness City.
- ♦ Chris Terhune: Attended the NRECA Safety Summit. Working with Elderidge Fencing on Gate opener repairs.
- ♦ Myron Seib: Several people are very excited about the look of the steel poles in Ness City. Ness City public is extremely happy with LSE involvement on pool project.
- ♦ Mikee Goddard: Covered the Commit to Zero (Phase 2) results. Pole top and Bucket rescue was conducted by all linemen. Admin. covered office ergonomics.

Meeting adjourned.

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Chris Terhune  
Safety Coordinator

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Carrie Borell  
Safety Administrator