



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for February 26, 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. Purchasing and Retail Update, Scott Briand
 - b. Write-offs
 - c. Board Training proposal
11. Safety Program Report
12. Executive Session (if requested).
13. Adjourn

Upcoming Events:

LSEC Board of Trustees meeting	Dighton	Feb 26
Sunflower CEO Selection Meeting	Hays	Feb 28 - Mar 1
NRECA Power Exchange	San Antonio, TX	March 2-6
KEC Board Meeting	Wichita	March 13-14
Sunflower Board Meeting	Hays	March 22
LSEC Board Meeting	Dighton	March 25

2/24/2024

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**MINUTES OF THE REGULAR JANUARY 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, January 22, 2024, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:55 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Harold Hoss, Randy Evans, Susan Nuss, Chad Griffith, James Jordan and Craig Ramsey. Also present Richard McLeon IV, Mike Lewis of CFC, and Joseph D. Gasper, Attorney. Eric Doll appeared by telephone.

KRTA REPORT

Mike Lewis, of CFC presented an update on the Lane-Scott Key Ratio and Trend Analysis (KRTA) and highlights are as follows

- CFC compiles financial data submitted from cooperatives from across the country. The financial data is then analyzed to make comparisons of 145 financial and operational ratios. The ratios are compared to the state, consumer size, power supplier and consumer growth.
- The comparison made are based upon the median number for the cooperatives. LSEC is KS-42 in the analysis.
- The KRTA is a tool to help the cooperative to analyze past and current trends in various areas as compared to other cooperatives.
- Mike reviewed the various comparisons of LSEC as compared to the state, national and Sunflower members.
- The customer numbers are relatively flat for LSEC as are the kWh sales.
- Total Utility Plant is less than the state median but has shown growth.
- TIER, OTIER and MDSC are all good and have met the covenant requirements.
- Equity as a percent of plant has grown from 36.81% to 39.64% which is good growth.
- The blended interest rate is 3.43 which is at the national median.
- Electric revenue per kWh sold is 118.69 mills.

- Operating Margins per kWh sold is 3.31 mills with Non-Operating margins per kWh sold is 1.60 mills.
- MWh sold per mile is 83.15 as compared to the KS average of 50 which is indicative of a more rural customer base.
- Power cost is 71.35 mills which is lower than the KS median but consistent with the SF median.
- Power cost as percentage of revenue is 61.69% with total cost of electric service per total kWh sold is 119.58 mills.
- Line loss is 6%.
- Outage time is below the state and national average and similar to the SF power supplier group.

Mike 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 December 18, 2023. *Hearing no corrections to the minutes, President Jennison declared the minutes stand approved as printed.*

CASH DISBURSEMENTS

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

There were no questions on the checks.

PRESIDENT'S REPORT

President Jennison had no current items to report.

ATTORNEY'S REPORT

Attorney Gasper reported that a lawsuit has been filed by Salmans against LSEC from the fire that occurred on December 15, 2021. The claim by Salmans had been previously submitted to Federated and they denied the claim as an act of God. Federated has been contacted regarding legal defense of the claim.

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.

Manager McLeon added the following:

- The future of alternative generation options are uncertain. The transition towards clean energy is occurring and the impact on reliability is unknown at this time.
- Manager McLeon would like to review options such as the cost to refurbish Holcomb 2, cost of a new firm generation, and the cost:benefit of federal government grant money.
- A question regarding the macro wireless system was asked. Manager McLeon answered that it is the SF tower system, and that SF has offered member access to these towers.

KEC REPORT

There has been no KEC meeting since the last LSEC meeting. Craig Ramsey, KEC representative, had the following additions:

- The winter conference will be in February.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- The monthly overall rate is 13.23 cents.
- LSEC had an outstanding year for reliability. Our ASAI was the highest of the ten years tracked and the SAIDI, SAIFI, and CIADI are the lowest in the four years that have been tracked. There are multiple reasons for the improvement including mild weather, but faster response times and a hardened system certainly helps.
- C&I remains the largest revenue source.
- Manager McLeon met with J.P. Metzler (RMA Engineering) to discuss the City of Dighton Wholesale power contract Request for Proposal. The city has tasked J.P. with putting together an RFP for Sunflower and KMEA to prepare, then defend in a presentation to the council. The LSEC portion will be added onto whomever the city chooses, so we can be generally agnostic to the process. However, J.P. has allowed sharing his draft with Sunflower and they are helping him develop the RFP.
- Work on the COSS is well under way. The last COSS of 6.43% was implemented in 2022 using 2020 as the base year. Since January 1, 2020 through November 2023, inflation has increased 19.06% (BLS.gov). The

current study is using 2023 as the base year. It is hoped to have the process completed to implement any new rates May 1 to begin billing June 1.

- Total YTD revenue finished at \$17,836,488 producing a YTD Distribution revenue of \$7,490,163 which is \$784,470 which is \$34,642 or 0.46% below the five-year average. YTD revenue was 3,077,758 or 14.7% below last year.
- Total YTD expenses were \$14,517,981 or \$2,645,976 or 15.4% below last year. This figure includes wholesale power cost. If you exclude the wholesale power cost, 2023 controllable expenses are \$4,171,505, down from 2022 by \$89,444 or 2.1% despite inflationary pressures.
- YTD Operating margins increased to \$116,379 while Total Margins increased to \$1,240,343.
- Key Metrics are:
 - LSEC Financial Metrics remain minimal:
 - TIER – 2.02 (1.25 min.)
 - OPTIER – 1.10 (1.10 min)
 - DSC – 1.23 (1.25 min)
 - ODSC – 1.10 (1.10 min)
 - MDSC – 1.21 (1.35 min)
 - However, LSEC financial strength remains very good.
 - Equity as a % of Assets – 39.98%
 - Equity as a % of Capitalization – 43.15%
 - Cash Balance - \$6,753,549
 - General Funds Level – 12.11%
 - Current Ratio – 1.89
 - Cash to Debt Ratio – 20.08%
- 1st quarter CIAC updated pricing is Completed. Overhead line came down +/- 20% on avg. due to conductor pricing while Underground line is up +/- 20% also due to conductor pricing.
- The SmartHub update is scheduled for January.
- The prepaid promotion will begin in February.
- Retail Non-operating margins were \$14,078 for December and \$78,836 YTD.
- There were no Generacs sold but five were installed.

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. STRATEGIC PLAN UPDATE

- Manager McLeon discussed progress on the strategic plan with an overall increase of 12% to a total 61% complete.
- Safety is estimated at 77% complete. The KEC on-site regulatory report will be updated in 2024. Chris has done a good job as a part time safety coordinator.
- Cyber is 50% complete on the listed items. This area is constantly changing. Carrie does both the cybersecurity as well as hardware update/installs which does impact her time available for the cybersecurity. The primary goal for 2024 is to conduct the advanced cyber audit (Item 2. E.) by the end of 2024.
- The rates are 36% complete and are tied to the COSS. This item should be complete by the second quarter.
- Succession planning is up to 83% complete. LSEC has made pretty good strides in Staff training and development. LSEC is near completion on developing job descriptions and education options (Item 4. A.) as well as developing emergency, interim, and long-term plans for CEO and staff (Item 4. B.) and evaluating board processes (Item 4. C.).
- Technology is 87% complete. This is a hard area to keep ahead of and LSEC will be evaluating and updating specific items as needed. Most of the data analytics have been completed while AMI utilization and DER items are moving forward at a slower pace.

EXECUTIVE SESSION

A motion to enter executive session to discuss personnel matters was made, duly seconded and carried at 8:47 p.m. The board came out of executive session at 9:12 p.m.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 9:13 p.m., on Monday, January 22, 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
51043 01/09/2024	CHK	1	C.H. GUERNSEY & CO	Seminar fee	795.00
51044 01/09/2024	CHK	1	SCOTT CITY AREA C/C	SCC Membership Dues	550.00
51045 01/09/2024	CHK	20	BASIN ELECTRIC POWER COOP	Monitoring fees for December 2023	2,120.85
51046 01/09/2024	CHK	23	FEDERATED RURAL ELECTRIC	2nd annual premium	157,292.00
51047 01/09/2024	CHK	46	LANE COUNTY TREASURER	Fleet renewal	11,936.75
51048 01/09/2024	CHK	105	CITY OF NESS CITY	Dec Postage and pay Station	616.74
51049 01/09/2024	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Ness City	80.58
51050 01/09/2024	CHK	172	TYNDALE COMPANY, INC.	Clothing Allowance-Terhune	1,008.02
51051 01/09/2024	CHK	187	S&W SUPPLY DIVISION	Monthly Invoice	94.97
51052 01/09/2024	CHK	220	LANDIS+GYR TECHNOLOGY, INC	December Saas	922.61
51053 01/09/2024	CHK	269	ANIXTER INC	Monthly Invoice	2,699.48
51054 01/09/2024	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly Invoice	20.73
51055 01/09/2024	CHK	511	AXIO GLOBAL, INC	360 Assesment Platform	882.00
51056 01/09/2024	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fee	37.20
51057 01/09/2024	CHK	1225	CINTAS CORPORATION	Monthly Invoice	416.60
51058 01/09/2024	CHK	1251	TECHLINE, LTD	Monthly Invoice	632.02
51059 01/09/2024	CHK	1303	LANE COUNTY IMPLEMENT, INC	Monthly Invoice	933.10
51060 01/09/2024	CHK	1	NESS COUNTY CHAMBER	Membership dues- Gold member	100.00
51061 01/09/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	Bylaws booklets print	197.74
51062 01/09/2024	CHK	55	NESS COUNTY NEWS	Advertisments	144.55
51063 01/09/2024	CHK	194	POST ROCK	Advertisment	80.00
51064 01/09/2024	CHK	306	BORDER STATES INDUSTRIES INC	Monthly invoice	80,580.14
51065 01/09/2024	CHK	380	GRAINGER	Monthly invoice	1,011.02
51066 01/09/2024	CHK	427	DIGHTON HERALD LLC	Advertisment	80.00
51067 01/09/2024	CHK	439	BOLINGER, SEGARS, GILBERT & MOSS, 2023 Audit/ Year End		9,000.00
51068 01/09/2024	CHK	516	WESTERN KANSAS BROADCAST CENT	Advertisments	864.00

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
51069 01/09/2024	CHK	545	CIRCLE C COUNTRY SUPPLY	Ground rod driver	80.19
51070 01/09/2024	CHK	790	SUNBELT SOLOMON	Monthly invoice	2,311.06
51071 01/09/2024	CHK	1254	EAGLE RADIO	Advertisements	464.00
3205 01/10/2024	WIRE	18	CITY OF DIGHTON	Monthly invoice	1,317.87
3206 01/11/2024	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly phone and internet	874.93
3207 01/15/2024	WIRE	124	GOLDEN BELT TELEPHONE	Monthly phone and internet	303.35
51072 01/16/2024	CHK	5	BRYANT SCHULTZ	Check Rewrite	862.60
51073 01/16/2024	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll transfer	61,000.00
51074 01/16/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	Youth tour/ leadership camp deposit	3,000.00
51075 01/16/2024	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly invoice	1,005.96
51076 01/16/2024	CHK	46	LANE COUNTY TREASURER	Antique vehicle property tax	17.00
51077 01/16/2024	CHK	104	HOME OIL CO	Monthly fuel	706.06
51078 01/16/2024	CHK	105	CITY OF NESS CITY	Monthly city water	47.35
51079 01/16/2024	CHK	117	NESS CITY FARM & FEED	Monthly invoice	181.16
51080 01/16/2024	CHK	154	NESS COUNTY CLERK	2024 Antenna site rent	600.00
51081 01/16/2024	CHK	238	ILLINOIS MUTUAL	Monthly policy invoice	54.24
51082 01/16/2024	CHK	304	STECKLINE COMMUNICATIONS INC	Advertisement	200.00
51083 01/16/2024	CHK	387	WESTERN FUEL & SUPPLY	Monthly fuel	390.20
51084 01/16/2024	CHK	562	RESENHOUSE	Monthly invoice	1,566.05
51085 01/16/2024	CHK	1200	KASEY JENKINSON	DEF for truck #117	31.39
51086 01/16/2024	CHK	1248	COMPLIANCE ONE	Monthly drug and alcohol testing	394.80
51087 01/16/2024	CHK	1285	TIFCO INDUSTRIES	Monthly invoice	154.72
51088 01/16/2024	CHK	9999	PEDRO ROJAS	INACTIVE REFUND	112.57
51089 01/16/2024	CHK	9999	BRENT WHITLEY	INACTIVE REFUND	26.05
3208 01/18/2024	WIRE	1229	SCHABEN SANITATION	Monthly trash service	689.17
3215 01/22/2024	WIRE	265	HASLER - POSTAGE ACH	Hasler advance	250.00

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3210 01/24/2024	WIRE	101	ATMOS ENERGY	Monthly gas	242.49
3211 01/25/2024	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales tax	19,832.14
51090 01/25/2024	CHK	1	NESS CITY FUN RUN	Donation	100.00
51091 01/25/2024	CHK	15	ERIC DOLL	Jan Board Meeting- By Phone	50.00
51092 01/25/2024	CHK	20	BASIN ELECTRIC POWER COOP	Dispatch/ alarm fees- Nov 2023	2,123.02
51093 01/25/2024	CHK	30	HAROLD HOSS	Jan Board Meeting- ACRE/KCRE	190.20
51094 01/25/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	KCL subscriptions	2,628.00
51095 01/25/2024	CHK	63	RICHARD JENNISON	Jan Board Meeting- ACRE/KCRE	167.42
51096 01/25/2024	CHK	79	POSTMASTER	Newsletters	122.61
51097 01/25/2024	CHK	105	CITY OF NESS CITY	Franchise Fee	4,750.58
51098 01/25/2024	CHK	107	CINTAS CORPORATION #449	Monthly invoice	404.03
51099 01/25/2024	CHK	135	CITY OF BAZINE	Franchise Fee	1,582.94
51100 01/25/2024	CHK	138	CITY OF UTICA	Franchise Fee	2,018.25
51101 01/25/2024	CHK	139	CITY OF MCCRACKEN	Franchise Fee	2,056.46
51102 01/25/2024	CHK	140	CITY OF BROWNELL	Franchise Fee	566.43
51103 01/25/2024	CHK	141	CITY OF RANSOM	Franchise Fee	3,950.10
51104 01/25/2024	CHK	142	CITY OF ALEXANDER	Franchise Fee	791.94
51105 01/25/2024	CHK	179	RAD ROEHL	Jan Board Meeting- ACRE/KCRE	162.06
51106 01/25/2024	CHK	202	CHAD GRIFFITH	Jan Board Meeting- ACRE/KCRE	200.25
51107 01/25/2024	CHK	226	KANSAS CORPORATION COMMISSION	Quarterly Assessment	148.68
51108 01/25/2024	CHK	406	RICHARD MCLEON	Sunfloer Board of Directors Meeting	151.52
51109 01/25/2024	CHK	450	RANDALL G EVANS	Jan Board Meeting/ Sunflower- ACRE/KCRE	500.67
51110 01/25/2024	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly gas invoice	533.65
51111 01/25/2024	CHK	568	SUSAN NUSS	Jan Board Meeting- KCRE	326.38
51112 01/25/2024	CHK	570	JAMES W JORDAN	Jan Board Meeting- ACRE/KCRE	194.22
51113 01/25/2024	CHK	576	NESS COUNTY REGISTER OF DEEDS	Easement filling	874.00

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
51114 01/25/2024	CHK	903	NISC	Monthly invoices	13,126.51
51115 01/25/2024	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate fee- August 2023	92.40
51116 01/25/2024	CHK	1172	WESTERN SUPPLY COMPANY	Monthly invoice	744.99
51117 01/25/2024	CHK	1231	KMS&C	Membership dues	100.00
51118 01/25/2024	CHK	1299	DEANNE DECHANT	Cookies for board meeting	72.00
51119 01/25/2024	CHK	1300	CRAIG RAMSEY	Jan Board Meeting- ACRE/KCRE	183.50
3209 01/26/2024	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly water	143.77
3214 01/29/2024	WIRE	183	HIBU INC	Advertisment	11.00
3213 01/30/2024	WIRE	1187	MIDWEST ENERGY	Monthly gas	212.81
51120 01/31/2024	CHK	1	FIRST NATIONAL BANK	Safe Deposit Box Rent	15.00
51121 01/31/2024	CHK	1	NESS CITY AFTER PROM COMMITTEE	Donation for After Prom	50.00
51122 01/31/2024	CHK	1	WPHS POST PROM	Donation for post prom	50.00
51123 01/31/2024	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll transfer	64,500.00
51124 01/31/2024	CHK	46	LANE COUNTY TREASURER	Registration fees	236.25
51125 01/31/2024	CHK	73	STANION WHOLESALE ELEC CO INC	Monthly invoice	14,621.32
51126 01/31/2024	CHK	107	CINTAS CORPORATION #449	Monthly invoice	80.58
51127 01/31/2024	CHK	160	SHULL OIL COMPANY	Monthly invoice	5,847.48
51128 01/31/2024	CHK	309	KANSAS BG LLC	DFC for all trucks	421.25
51129 01/31/2024	CHK	380	GRAINGER	Monthly invoice	193.07
51130 01/31/2024	CHK	383	HUXFORD POLE AND TIMBER CO INC	Poles	45,618.70
51131 01/31/2024	CHK	392	TRUCK CENTER COMPANIES	Monthly invoice	1,182.85
51132 01/31/2024	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Equipment contract printers	65.25
51133 01/31/2024	CHK	559	RAINMAKER THINKING, INC.	Leadership development consulting	32,500.00
51134 01/31/2024	CHK	580	ABSOLUTE COMFORT LLC	Radio tower mini split repair	352.25
51135 01/31/2024	CHK	1225	CINTAS CORPORATION	Monthly invoice	127.53
51136 01/31/2024	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Monthly invoice	213.70

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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
51137 01/31/2024	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Monthly invoice	1,592.96
3212 02/01/2024	WIRE	1290	WEX BANK	Monthly fuel	62.75
3216 02/01/2024	WIRE	530	SNAP-ON CREDIT LLC	Software subscription	50.72
3217 02/01/2024	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly phone	1,009.01
3218 02/06/2024	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS- Group Insurance	60,198.85
3219 02/06/2024	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA- Group 1- Feb Group Ins	2,759.89
3220 02/06/2024	WIRE	180	NRECA	Feb Group Insurance Admin Fee	227.04
Total Payments for Bank Account - 2 :					(111) 641,068.29
Total Voids for Bank Account - 2 :					(0) 0.00
Total for Bank Account - 2 :					(111) 641,068.29
Grand Total for Payments :					(111) 641,068.29
Grand Total for Voids :					(0) 0.00
Grand Total :					(111) 641,068.29



SUNFLOWER ELECTRIC POWER CORPORATION

Board Meeting Summary

January 17, 2024

CURRENT ACTIVITIES

The topic of Sunflower's current staffing levels compared to levels prior to the Aquila acquisition arose in the recent strategic planning session. Sunflower staff are gathering this data, as well as looking into benchmarking our staffing levels against other G&Ts.

March Board Meeting Date

The March 2024 board meeting is rescheduled to Friday, March 22, due to CoBank meeting.

June Board Meeting Date

The June 2024 board meeting is rescheduled to Thursday, June 13, due to the CFC Forum.

November Board Meeting Date

The November 2024 board meeting is rescheduled to Wednesday, November 13, due to CFC Independent Borrowers Executive Summit.

PRESIDENT'S REPORT

Generation, Power Supply, and Market Affairs

The winter hedge resulted in a cost adder to the December energy cost adjustment (ECA). Natural gas prices are projected to remain low over the next couple of months.

Winter Storms

Corey Linville indicated power prices spiked due to the winter storm in January, but preliminary numbers indicated the January ECA may balance out and be close to budget.

Boot Hill Solar Update

Alluvial leased 2,400 acres, 1,000 of which are expected to be enclosed, for a 150 MW solar facility near Dodge City. The contracted solar energy price is significantly below recent market prices at \$37.40/MWh due to the use of Sunflower's surplus interconnection service from Fort Dodge for 42 years. On Tuesday, January 16, the Ford County Commission approved the conditional use permit for Boot Hill Solar. Engineering and procurement will begin as soon as agreements between Sunflower and Alluvial are signed. The goal is for the project to be online before June 6, 2026.

Board action: The Sunflower Board approved agreements with Alluvial, including the Breaker Letter Agreement, Easement and Easement Compensation Agreement, Power Purchase Agreement, and the Generator Coordination Agreement.

Board action: The Sunflower Board granted Sunflower authorization to negotiate the project guaranty provisions prior to executing the PPA agreement.

Transmission Planning and Policy

January 2024 Winter Storm

Considering the conditions, storm recovery was fast, and there were no safety incidents. The main cause of outages during Winter Storm Finn was from breakers tripping due to galloping lines. Galloping happens when lines (conductors) vibrate, or dance, with very large loops due to steady wind blowing over wires coated in ice. None of the lines with

galloping mitigation devices installed went out of service during the blizzard, and Sunflower has budgeted to install more mitigation devices to prevent galloping.

Al Tamimi proposed a potential task force to discuss lessons learned from the storm event, to include current strategies for installation of galloping mitigation devices; new line design consideration to minimize galloping; review of stuck breaker issues; review of crew dispatch and options that do not require hazard driving; discussion of installing GPS on trucks; and review of backup plans when communication is lost due to cell failure, radio, microwave. Discussion items related to communication include a central single point data hub for communication; differing awareness levels between teams of outages system; receipt of Southwest Power Pool (SPP) communications; receipt of state and county communications and they are shared; communication distribution methods and who received what information; data filtration and analysis; and development of a communication plan before/during/after storms.

Transmission Engineering Update

Sunflower's dashboard for monthly reporting by transmission engineering includes the value of all Sunflower projects, Member projects, and third-party projects. Two new Notices to Construct (NTC) for projects were added, one of which is to replace a transformer in Concordia. This project will be fully paid by the wind developer.

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

The C1 cost allocation method, a 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%. Since the C1 allocation method does not provide for reallocation of costs for Byway projects already built, Sunflower is still hoping for the Federal Energy Regulatory Commission's (FERC) approval of the C2 Waiver.

Grid Resilience and Innovation Partnerships (GRIP)

Sunflower submitted a concept paper and is pursuing funds through the Department of Energy (DOE) Grid Resilience and Innovation Partnerships (GRIP) Program for Project FoodSecure. Our project focuses on building resiliency and reliability around critical loads supporting the food and agriculture industry in the territory. Sunflower identified a transmission project in the Dodge City area that supports several critical theme-related loads, as well as several other key projects. The \$3.46 billion in GRIP award funds requires cost matching by the winners, and the DOE grants funding to one entity per state in each round of applications.

Technology Services

December was the most active month for attacks in recent history for the technology services department. Two events occurred around Christmas, the first being the compromise of a vendor account. There was no negative impact on the business because vendors have a very low level of authority access in our system, and it was caught quickly. Similar to how Sunflower issues every employee a user ID, vendors also receive a user ID. When employees leave the company, their user access is immediately deactivated. After this incident, Sunflower adapted our internal protocol to ensure vendor accounts receive the same level of scrutiny as employees. The system will alert Sunflower when a vendor user ID is inactive for a set period and that user ID will then be deactivated.

The second attack was a password spraying event, which is a type of brute force attack involving a malicious actor attempting to use the same password on multiple accounts before moving on to try another one. Due to the volume of requests, Sunflower staff quickly shut it down to reduce our risk and exposure.

Cyber, Fraud, and Sabotage Policy

Chad Wasinger reviewed the new Cyber, Fraud, and Sabotage Policy. The policy's purpose is to create a one-stop document to effectively guide frontline responders through incidents impacting the organization. The policy focuses on three areas: cyber security attacks (e.g., ransomware), financial crime (e.g., wire fraud), and sabotage (e.g., physical attacks). It differentiates between information technology and operational technology response and recovery steps (e.g., communication protocols, reporting timeframes) and is intended to reinforce, prioritize, and provide a roadmap to establish communications with key personnel during and/or after an incident. During the next few months, technology

services staff will incorporate feedback from the policy review, update other corporate policy documents, and train technology services staff. Finalizing the policy is scheduled for April, followed by a tabletop exercise and company-wide training in June and July.

Cimarron River Station Chargeback

The antiquated technical control system supporting industrial customer steam generation at CRS possesses replacement components no longer manufactured and lacks vendor support. Sunflower reviewed program details, cost information, and a delivery plan to each industrial customer. Each industrial customer is contractually responsible for costs related to steam generation including associated platform upgrades and highly incented to maintain stable operations for which the new control system will provide.

Financial Services

December Preliminary Financials

Overall Member loads were down 0.26% from budget for the month and down 1.09% from budget year to date. The December Member rate was \$9/MWh, unfavorable to budget; the year-to-date Member rate was down \$13/MWh. Large industrial loads were up 1.98% from budget for the month and up 0.45% from budget year to date. O&M expenses were down 94.69% from budget for the month and down 10.09% from budget year to date.

Russell Capacitor Bank Cost Recovery

Sunflower began work on the Russell Capacitor Bank NTC project prior to the project withdrawal on March 29, 2023. The SPP tariff allows for the recovery of abandoned costs. A cost recovery totaling \$718,359.20 was filed with the FERC on May 31, 2023, and was accepted by FERC July 19, 2023, in Docket ER23-2007. The cost recovery is effective January-December 2024 with interest.

Board Action: The Sunflower Board approved Sunflower staff to record a regulatory asset in the amount of \$718,359, effective for year 2023 for the recovery of costs incurred on the Russell Capacitor Bank SPP NTC that was subsequently cancelled by SPP during 2023.

Corporate Services

The communications strategy meeting with Member CEOs and their communication staff to discuss Sunflower's communication focus and Member needs, originally scheduled for Tuesday, January 16, was postponed.

Safety

Quarterly Safety Performance Report

The six Occupational Safety and Health Administration (OSHA) recordable incidents in 2023 were all preventable. Staff indicated there is not enough respect given to the potential of hazards, and using TapRoot investigation methodology, staff identified gaps for both Sunflower and employees. Sunflower is outperforming high-performing peers for its annual incident rate (recordable incidents), but there is always room for improvement. Sunflower experienced an increased volume of safety reporting, which signals strengthening of the safety culture and trust.

In Q1 of 2024, Sunflower will perform safety performance reviews and host recognition luncheons with all employees, reinstate plant-wide safety meetings at Holcomb, offer OSHA10 training and certification courses, perform annual respiratory surveillance and fit testing, and prepare for the Holcomb spring outage.

Legal

S2 Water Service

Legal counsel updated the Board on the expiring effluent water service contract between Wheatland and the City of Garden City for the S2 unit. The Board was presented with five options for consideration. Moving forward, Sunflower and Wheatland will continue to evaluate water service options for S2 before the June 21 contract between Wheatland and Garden City expires.

KANSAS ELECTRIC COOPERATIVES (KEC) REPORT

Legislative Update

The 2024 Kansas legislative session began on Monday, January 8. In her State of the State Address on January 10, Gov. Laura Kelly said many of her 2024 agenda items are related to rural initiatives across the state. The focus of this legislative session will be the tax plan. KEC is assisting with draft language on eminent domain.

Winter Conference

KEC's Winter Conference in Topeka is scheduled for February 3-5. As a part of the Winter Conference activities, KEC is hosting their *Day at the Capitol* event on Monday, February 5. Co-ops are encouraged to contact your individual legislators and set up a time to visit on February 5 between 12:30-4 pm. The *Day at the Capitol* event concludes with the annual KEC Legislative Reception at the Townsite Ballroom starting at 4:30 p.m.

KEC Delegate Election

Board action: The Sunflower Board elected Bruce Mueller as the Sunflower delegate on the KEC Board and Shane Laws as alternate delegate.



TOPEKA, KANSAS

FEB. 3-5, 2024



KEC Winter Conference Summary

Feb. 5, 2024, at the Cyrus Hotel, Topeka

To: KEC Trustees,
Alternate Trustees and
Member System
Managers

From: Shana Read,
Director of Education and
Training

Click for a
printable version
of this summary

KEC Winter Conference Photos

View and download
the [photos from the
Winter Conference.](#)

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

KEC Winter Conference Presentations

The presentations and
resources from the
KEC Winter
Conference will be
archived on [KEC's
Members-Only site.](#)

NRECA Governance Links

Those who took the
990.1 course with Pat
Mangan saw a series

KEC Winter Conference Summary

Directors were given several training options prior to convening the 2024 KEC Winter Conference. Pat Mangan facilitated both the **929.1 Current Governance Issues in Policy Development** and the new **990.1 CCD Refresher Overview**. Scott Luecal facilitated the **2630 Strategic Planning** and the **977.1 Equity Management and Boardroom Decision Making** courses.

On Sunday, Feb. 4, attendees had the opportunity to network at the KEC social sponsored by CFC.

More than 150 electric cooperative trustees, managers, and key staff registered for the KEC Winter Conference. The day started with a legislative update by **Sen. Michael Fagg**, Chair of the Utilities Committee, who discussed the future of energy and emphasized that the abundance of energy is something on which we need to stay focused. He also said that imminent domain will become an issue and will be talked about this session along with net metering.

There were several recorded messages from our Platinum-level sponsors.

Teresa Miller, KEC Board President, conducted the **KEC Annual Meeting Business Session**. The membership heard a financial report from **John George**, KEC Treasurer, and then watched the State of the Statewide video, presented by CEO **Lee Tafanelli**. The video featured the highlights from the various KEC departments. The video will be available to watch on KEC's members-only site. Mr. Tafanelli presented Ms. Miller with a gift for her years of service on the KEC Board.

Rep. Leo Delperdang, House Energy Chair, discussed various bills from last year that addressed transmission rates and net metering and they talked extensively about parallel generation. In the upcoming legislative session, Rep. Delperdang anticipates the introduction of a follow-up bill related to House Bill 2228, which pertains to net metering. Importantly, this proposed legislation would not apply to cooperatives or municipalities. He covered a variety of other topics including the impact of rooftop solar installations on electric utility infrastructures, transmission cost allocations and its impact on Kansans, and a bill that would mandate the Kansas Corporation Commission (KCC) to conduct a comprehensive study on the effects of Southwest Power Pool

of NRECA's Governance Talk videos. [You can view that series on Cooperative.com.](#)



Upcoming KEC Meetings

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

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

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

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

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

(SPP) transmission cost allocations.

Leslie Kaufman, KEC's Vice President of Government Relations and Legal Counsel, and **Reagan McCloud**, KEC's Manager of Government Relations, gave a legislative update. They reviewed key issues in preparation for conversations with legislators and other state officials later in the day.

The Luncheon Keynote Speaker was **Sue Peterson**, Amethyst Axiom. In a thought-provoking dialogue, she engaged with Mr. Tafanelli on matters of politics and philosophical divergence within the statehouse. Notably, Ms. Peterson observed, "Somehow, Washington politics have permeated Kansas." Their discussion covered a comparative analysis of the Kansas Legislature—both its current composition and its dynamics during Ms. Peterson's tenure under the dome in Topeka. Specifically, they explored how legislative collaboration across party lines has evolved. Ms. Peterson said she believes the difference is because the agenda drives everything. The conversation delved into the critical implications of population shifts for rural Kansas. Ms. Peterson's perspective was that people choose to reside where they wish, and they make it work.

Attendees traveled to the Kansas Statehouse for office visits, committee meetings, and other **Day at the Capitol** activities.

The group convened at Townsite Tower for the **Legislative Reception**, co-hosted by Federated Rural Electric Insurance Exchange and all Kansas electric cooperatives. The event drew more than 300 Kansas elected officials, cooperative trustees, managers, spouses, and guests. Attendees were able to network with industry partners through a **Sponsor Showcase**.

The **KCRE Silent Auction** results were announced, and the event raised \$16,650.

Attendees were invited to watch the Sunflower Showdown basketball game between Kansas State University and the University of Kansas, as the final event of the KEC Winter Conference.

The winners of the \$250 drawings, sponsored by KEPCo and Sunflower, were **Jason Rabe**, Rolling Hills, and **Bruce Mueller**, Wheatland.

The winners of the KEC Auxiliary scholarships were announced. **Reagan Bales**, sponsored by Rolling Hills, and **Hayley Keller**, sponsored by Western, will each be awarded \$1,000.

January Board Meeting Summary

Feb. 5, 2023

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

1. Elected **Kirk Thompson**, CMS, as President; **Jim Christopher**, DSO, as Vice President; **John George**, Rolling Hills, as

Secretary; and **Bruce Mueller**, Sunflower, as Treasurer.



KCRE Annual Meeting and Executive Committee Summary

Feb. 5, 2023

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

1. Elected **Mike Morton**, Bluestem; **Chuck Goeckel**, Flint Hills; and **James McMullin**, Sumner Cowley; as at-large members to the KCRE Executive Committee.

During the KCRE Annual Meeting the KCRE Chairman's report was provided by Mike Morton. Mr. Morton thanked the members for their continued support and explained how their donations are used to make a positive impact in the political area for the benefit of co-op consumer-members. Secretary/Treasurer Kirk Thompson provided a financial report.

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

1. Elected **Mike Morton**, Bluestem, as Chair; **Chuck Goeckel**, Flint Hills, as Vice Chair; **Kirk Thompson**, CMS, as Secretary-Treasurer; and **Pat Morse**, Victory, as the America's Electric Cooperatives PAC Board Representative.



SunPowered Student Challenge

In addition to the KEC Winter Conference and Day at the Capitol events, the inaugural **SunPowered Student Challenge**, a state-wide solar energy competition, was held at the Hotel Topeka on Feb. 5. The student teams were sponsored by Bluestem, Butler, DSO, FreeState, Heartland, Midwest Energy, Rolling Hills, Sumner-Cowley, and Twin Valley electric cooperatives.



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

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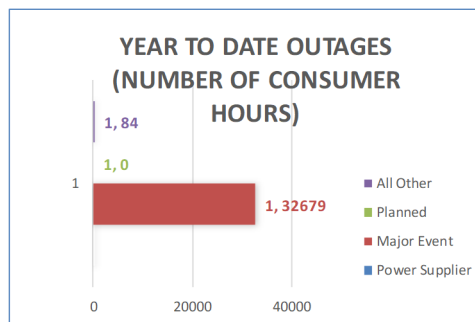
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9. General Manager's Report

A. Rates and Reliability Dashboard

Rate Summary - Jan	current month (\$/kWh)	ytd average (\$/kWh)	ytd avg dist rev. /kWh	demand charge	monthly charge
Residential	0.1193	0.1193	0.050	-	28.00
Residential - Seasonal	0.1896	0.1896	0.120	-	28.00
Irrigation	0.0861	0.0861	0.016	hp charge	-
C&I 1000kVa or less	0.1135	0.1135	0.044	-	28.00
C&I over 1000 kVA	0.1023	0.1023	0.033	12.80-13.00	65-100
Public Street and Lighting	0.1517	0.1517	0.082	-	varies
Other Sales to Public Authorities	0.1306	0.1306	0.061	-	-
Sales for Resale - Other	0.0648	0.0648	n/a	2.80	150.00
average	0.1197	0.1197	0.0578		



Form 7 Part O. Jan-24

1	Residential Sales
2	Residential Seasonal
3	Irrigation Sales
4	C&I 1000 kVa or less
5	C&I over 1000 kVa
6	Public Street and Lighting
7	Other Sales to Public Authorities
8	Sales for Resale - RUS Borrowers
9	Sales for Resale - Other

meters	kWh	\$s	\$/kWh
2,227	2,325,917	277,484	0.1193
1,106	260,674	49,426	0.1896
338	34,458	2,966	0.0861
1,831	3,189,900	362,047	0.1135
173	6,114,790	625,362	0.1023
13	31,954	4,847	0.1517
47	48,505	6,333	0.1306
0	0	0	
1	791,872	51,292	0.0648
5,736	12,798,070	1,379,757	0.1197

Jan-24	meters	kWh	\$\$s	ratio
Residential Sales	38.8%	18.2%	20.1%	1.11
Residential Seasonal	19.3%	2.0%	3.6%	1.76
Irrigation Sales	5.9%	0.3%	0.2%	0.80
C&I 1000 kVa or less	31.9%	24.9%	26.2%	1.05
C&I over 1000 kVa	3.0%	47.8%	45.3%	0.95
Public Street and Lighting	0.2%	0.2%	0.4%	1.41
Other Sales to Public Authorities	0.8%	0.4%	0.5%	1.21
Sales for Resale - RUS Borrowers	0.0%	0.0%	0.0%	
Sales for Resale - Other	0.0%	6.2%	3.7%	0.60

- B. Cost of Service Study. Dan Josh has provided some preliminary numbers and asked for Board guidance. They are looking at two concepts for rate design (shown on attached pages):

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.

These are designed to be revenue neutral between proposed Customer Charge and Demand Charge. For example, the COSS has determined that the Residential rate Customer Charge should increase by \$5.00 per month to cover fixed charges. Under the current rate structure that would be a \$5.00 increase in the Customer Charge (\$28.00 to \$33.00). Under Concept #2, the Customer charge will increase by \$2.50 to \$30.50, and the balance will be picked up in the demand charge.

Some Concept 2 pros and cons for the members are:

- | | |
|------|--|
| Pros | lower Customer charge increase.
Low demand members will see less increase. |
| Cons | High demand users will pay more.
LSEC will increase consumer education on demand charges. |

Staff recommends changing the format to Concept #2 for the following reasons:

- This is more in line with the new Sunflower bifurcated rate schedule that places more billing emphasis on demand.
- Concept #2 more accurately captures costs related with high demand low kWh usage accounts such as EV charging.
- Educating members on aggregate demand and monitoring through SmartHub will allow members to take more control of their monthly billings.

Staff seeks the Boards guidance for the rate design structure.

Based on current information, I anticipate the following schedule:

January		COSS by Guernsey
February		Draft rates for review
March	25	Guernsey at Board Meeting
April	1	Billing stuffer with Notice of LSEC Public Meetings and LSEC Special Meeting (Mar. 25) to approve the new rates
	11	Public Meeting in Ness City (6:30-7:30)
	12	Public Meeting in Dighton (6:30-7:30)
		Open meeting info provided to Board (Special meeting?)
	25	Trustees Special Meeting to approve rates (Open Meeting to Members)
	25	Trustees Regular Board Meeting
May	1	New rates apply
June	1	First billing on new rates

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

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

1) Accounting and Finance.

- 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, our 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%

2) Operations Report. (Kasey / Dal / Nate)

- Maintenance
Retire connects for Fossil Creek Ranch, Mable Glunt and Golden Belt Telephone.
Tightened low hanging secondary at the Ransom Hospital.
Repaired bad pole top at Burke Goebel's.
Changed out bad meter can on Randy Roemer's irrigation.
Fixed lights at David Grothusen's and Tony Whipple's
Fixed Burndown at Doll's Feedlot.
Changed out bad transformers on the Habiger lease.
Changed out bad capacitor on the Lane County Feeders 3-phase.
- New Connects.
Set 2, 3-phase poles and built new 3 phase connect for Michael Weilert Oil, Horace lease.
Built new 3 phase connect for Wiechman Land & Cattle irrigation.
- Blizzard.
On Monday Jan 8, our system was hit with blowing snow and high winds causing system wide outages. Our crews did all they could to keep the lights on during this storm. Zero visibility made it nearly impossible to patrol the line to find the cause of the outages. Tuesday morning when the wind had let up some, we were able to get to work. I feel very fortunate to have made it through this storm with only 2 broken poles. One on the double circuit, west of the Manning substation and one north of Dighton on the Shields circuit. The biggest problem we had was floaters and burn downs, caused from the lines galloping in the high winds. I am very proud of our crew and office members with the work they put in. It takes a team to make everything run smoothly.
- Engineering Coordinator (Nate)

Weskan grain facility Scott Co.: They are still working with landowners to procure easements.

Conine Farms gas reclamation project: Ongoing 70%, Contracts and easements have been delivered. Still awaiting return of contracts. Will reach out to remind of 90-day contract deadline.

Meter model upgrades: L&G has informed us of needed upgrades to a meter model we have currently deployed in need of firmware/DCW upgrades. In process 20%

2022 pole testing replacements: In process 95%. Ness City 34.5kv and alley projects being scheduled with line crew.

2023 Pole testing data delivery: In process – Ongoing 60%. 44 total red tagged. 22 set, 7 left to stake.

AMI system optimization: Completed.

MDM training for 2024: Training set for the week of April 15th 2024.

Easement filings: Ongoing 27% Ness County 8 of 30 sections filed or in process.

Prospective new load request. OneOK has purchased Magellan Midstream and has requested budgetary costs for (2) 2700kva additions. In Process 30%, gathering data and preparing for PSE study.

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

- Youth Tour 2024: We received 5 applications. I am putting together a committee to review and rank them to fill our 4 spots and an alternative.
- Pay Ahead Power (Prepaid Billing): Article published in February KCL, ready to go internally with a new service agreement, member brochure to give to members, and confirmed with NISC we are set up correctly for notifications and billing.
- CoBank Grants & Scholarships – Being promoted until the application deadline of April 1. Scholarship information sent to all schools.
- Blizzard Outage Communication
- Calculated the 2023 net meters & 150% wholesale average cost payment.
- Worked out the Annual Meeting report and election schedule/deadlines with KEC & OSG.
- Radio for 2024 scheduled with stations and streaming tv ads tagged and sent to KWCH for 2024 schedule.

4) Retail Services / Warehouse Report. (Scott)

- Retail Non-operating margins = \$1,650.
- Generac. Sold 8 units in January.
- Materials. We in good shape. Inventory Turns are increasing:
 - Line Material – 0.55
 - Resale Materials – 1.1

Respectfully submitted,

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

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SUMMARY OF RATES

	Existing	Concept 1	Concept 2	Change 1	Change 2
Residential					
Customer Charge	\$28.00	\$33.00	\$30.50	\$5.00	\$2.50
Demand Charge, per Billing kW	\$0.00	\$0.00	\$0.65	\$0.00	\$0.65
Residential - Religious Org					
Customer Charge	\$28.00	\$33.00	\$30.50	\$5.00	\$2.50
Demand Charge, per Billing kW	\$0.00	\$0.00	\$0.65	\$0.00	\$0.65
Seasonal					
Customer Charge	\$28.00	\$33.00	\$30.50	\$5.00	\$2.50
Demand Charge, per Billing kW	\$0.00	\$0.00	\$0.65	\$0.00	\$0.65
Non-Domestic					
Customer Charge	\$22.00	\$27.00	\$24.50	\$5.00	\$2.50
Demand Charge, per Billing kW	\$0.00	\$0.00	\$0.65	\$0.00	\$0.65
Irrigation					
Customer Charge	\$0.00	\$0.00		\$0.00	
Annual HP, per Billing HP	\$40.00	\$42.50		\$2.50	

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SUMMARY OF RATES

	Existing	Concept 1	Concept 2	Change 1	Change 2
General Service Small					
Customer Charge	\$28.00	\$35.00	\$32.50	\$7.00	\$4.50
Demand Charge, per Billing kW	\$0.00	\$0.00	\$0.65	\$0.00	\$0.65
GS Small - Farm					
Customer Charge	\$28.00	\$35.00	\$32.50	\$7.00	\$4.50
Demand Charge, per Billing kW	\$0.00	\$0.00	\$0.65	\$0.00	\$0.65
GS Small - Government					
Customer Charge	\$28.00	\$35.00	\$32.50	\$7.00	\$4.50
Demand Charge, per Billing kW	\$0.00	\$0.00	\$0.65	\$0.00	\$0.65
GS Small - Oil Well					
Customer Charge	\$28.00	\$35.00	\$32.50	\$7.00	\$4.50
Demand Charge, per Billing kW	\$0.00	\$0.00	\$0.65	\$0.00	\$0.65
GS Small - School					
Customer Charge	\$28.00	\$35.00	\$32.50	\$7.00	\$4.50
Demand Charge, per Billing kW	\$0.00	\$0.00	\$0.65	\$0.00	\$0.65
GS Small - Religious Org					
Customer Charge	\$28.00	\$35.00	\$32.50	\$7.00	\$4.50
Demand Charge, per Billing kW	\$0.00	\$0.00	\$0.65	\$0.00	\$0.65

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SUMMARY OF RATES

	Existing	Concept 1	Concept 2	Change 1	Change 2
General Service Large					
Customer Charge	\$65.00	\$65.00		\$0.00	
Annual kW, per Billing kW	\$13.00	\$15.00		\$2.00	
GS Large - >50 kVA					
Customer Charge	\$65.00	\$65.00		\$0.00	
Annual kW, per Billing kW	\$13.00	\$15.00		\$2.00	
GS Large - Government					
Customer Charge	\$65.00	\$65.00		\$0.00	
Annual kW, per Billing kW	\$13.00	\$15.00		\$2.00	
GS Large - Oil Well (Primary)					
Customer Charge	\$65.00	\$65.00		\$0.00	
Annual kW, per Billing kW	\$13.00	\$15.00		\$2.00	
Primary Discount	2.00%	2.00%		0.00%	
GS Large - Oil Well					
Customer Charge	\$65.00	\$65.00		\$0.00	
Annual kW, per Billing kW	\$13.00	\$15.00		\$2.00	
GS Large - Oil Well > 50kVA					
Customer Charge	\$65.00	\$65.00		\$0.00	
Annual kW, per Billing kW	\$13.00	\$15.00		\$2.00	
GS Large - School					
Customer Charge	\$65.00	\$65.00		\$0.00	
Annual kW, per Billing kW	\$13.00	\$15.00		\$2.00	
GS Large - Religious Org					
Customer Charge	\$65.00	\$65.00		\$0.00	
Annual kW, per Billing kW	\$13.00	\$15.00		\$2.00	

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SUMMARY OF RATES

	Existing	Concept 1	Concept 2	Change 1	Change 2
Large Industrial					
Customer Charge	\$100.00	\$150.00		\$50.00	
Demand Charge, per Billing kW	\$12.80	\$15.50		\$2.70	
Large Industrial Primary					
Customer Charge	\$100.00	\$150.00		\$50.00	
Demand Charge, per Billing kW	\$12.80	\$15.50		\$2.70	
Primary Discount	2.00%	2.00%		0.00%	

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

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION KS0042
	PERIOD ENDED January 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	1,359,910	1,433,711	1,577,332	1,433,711
2. Power Production Expense				
3. Cost of Purchased Power	775,122	815,994	886,245	815,994
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	155,463	124,103	91,724	124,103
7. Distribution Expense - Maintenance	103,038	148,521	97,332	148,521
8. Customer Accounts Expense	21,042	21,771	22,882	21,771
9. Customer Service and Informational Expense	3,619	4,906	6,025	4,906
10. Sales Expense	7,146	7,901	8,780	7,901
11. Administrative and General Expense	155,689	111,618	149,854	111,618
12. Total Operation & Maintenance Expense (2 thru 11)	1,221,119	1,234,814	1,262,842	1,234,814
13. Depreciation and Amortization Expense	160,887	168,170	165,608	168,170
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	99,919	80,997	97,939	80,997
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	453	452	443	452
19. Other Deductions	1,099	655	1,984	655
20. Total Cost of Electric Service (12 thru 19)	1,483,477	1,485,088	1,528,816	1,485,088
21. Patronage Capital & Operating Margins (1 minus 20)	(123,567)	(51,377)	48,516	(51,377)
22. Non Operating Margins - Interest	20,128	33,936	32,402	33,936
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	7,012	1,650	6,024	1,650
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends		1,345		1,345
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	(96,427)	(14,446)	86,942	(14,446)

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 January 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	4	2	5. Miles Transmission		
2. Services Retired	13	0	6. Miles Distribution – Overhead	2,038.10	2,031.47
3. Total Services in Place	6,063	6,048	7. Miles Distribution - Underground	8.73	8.92
4. Idle Services (Exclude Seasonals)	274	312	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	63,178,923		30. Memberships	0	
2. Construction Work in Progress	912,961		31. Patronage Capital	23,325,388	
3. Total Utility Plant (1 + 2)	64,091,884		32. Operating Margins - Prior Years	145,595	
4. Accum. Provision for Depreciation and Amort.	22,052,962		33. Operating Margins - Current Year	(51,377)	
5. Net Utility Plant (3 - 4)	42,038,922		34. Non-Operating Margins	2,632,662	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	330,794	
7. Investments in Subsidiary Companies	248,755		36. Total Margins & Equities (30 thru 35)	26,383,062	
8. Invest. in Assoc. Org. - Patronage Capital	12,457,634		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	31,183,966	
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)	4,321,772	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	76,121	
14. Total Other Property & Investments (6 thru 13)	13,379,309		43. Total Long-Term Debt (37 thru 41 - 42)	35,429,617	
15. Cash - General Funds	(66,192)		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	7,030,599		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	772,520	
20. Accounts Receivable - Sales of Energy (Net)	1,283,029		49. Consumers Deposits	107,030	
21. Accounts Receivable - Other (Net)	231,135				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	1,518,827	
23. Materials and Supplies - Electric & Other	722,419		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	151,872		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	146,023		53. Other Current and Accrued Liabilities	1,493,229	
26. Total Current and Accrued Assets (15 thru 25)	9,499,010		54. Total Current & Accrued Liabilities (47 thru 53)	3,891,606	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	787,044		56. Other Deferred Credits	0	
29. Total Assets and Other Debits (5+14+26 thru 28)	65,704,285		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	65,704,285	



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Hereby Certifies That

Diana Fay Kuhlman

ACHIEVED THE SHRM CERTIFIED PROFESSIONAL

SHRM-CP®

By meeting the experience, education, and demonstrated HR Competency
and Knowledge requirements as established by SHRM.

Witness the signature of the duly authorized officer of SHRM:
Attest:

A handwritten signature in black ink, appearing to read "Johnny C. Taylor, Jr.", written over a horizontal line.

Johnny C. Taylor, Jr.
President and Chief Executive Officer

CERTIFIED SINCE: 05 February 2024

This certificate alone does not guarantee current certification status.
Visit the SHRM Certified Directory at <http://bit.ly/2HPCgev> to verify certification status.



10. b. Write-offs

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

<u>LSEC ELECTRICAL ACCOUNTS TO BE WRITTEN OFF IN 2024</u>						
ACCOUNT	NAME	DISCONNECT DATE	CURRENT BALANCE	SERVICE	CAPITAL CREDITS	
Filed Bankruptcy						
none						
			SUBTOTAL	\$	-	
Deceased						
150076001	Gail Oberhelman	1-Jan-2023	\$ 324.15	LSEC	\$ 129.91	
				MKEC	\$ 815.63	
			SUBTOTAL	\$	324.15	
Too Small to Send to Collections						
none						
			SUBTOTAL	\$	-	
Sent to Collections - Uncollectible						
40504001	Jessica Daniels	31-Aug-2022	\$ 217.57		\$ 17.16	
			SUBTOTAL	\$	217.57	
(Payment plan from the Cold Weather Period & Feb 21 WWE and then Skipped Town.)						
60223002	Zachariah Foster	21-Apr-2023	\$ 157.31	LSEC	\$ 110.28	
				MKEC	\$ 354.78	
130714001	Fred L Muffitt Jr	30-Apr-2023	\$ 566.36	LSEC	\$ 172.27	
160461001	Ashley Powell	13-Feb-2023	\$ 198.07	LSEC	\$ 68.30	
191190002	Kristie Sullivan	12-Jun-2023	\$ 423.89	LSEC	\$ 207.90	
191252001	Joe Schultz	1-Mar-2023	\$ 177.04	LSEC	\$ 90.09	
230587001	Anthony Watson	11-Nov-2022	\$ 565.27	LSEC	249.84	
			SUBTOTAL	\$	2,087.94	
			LSEC Write Off Grand Total	\$	2,629.66	

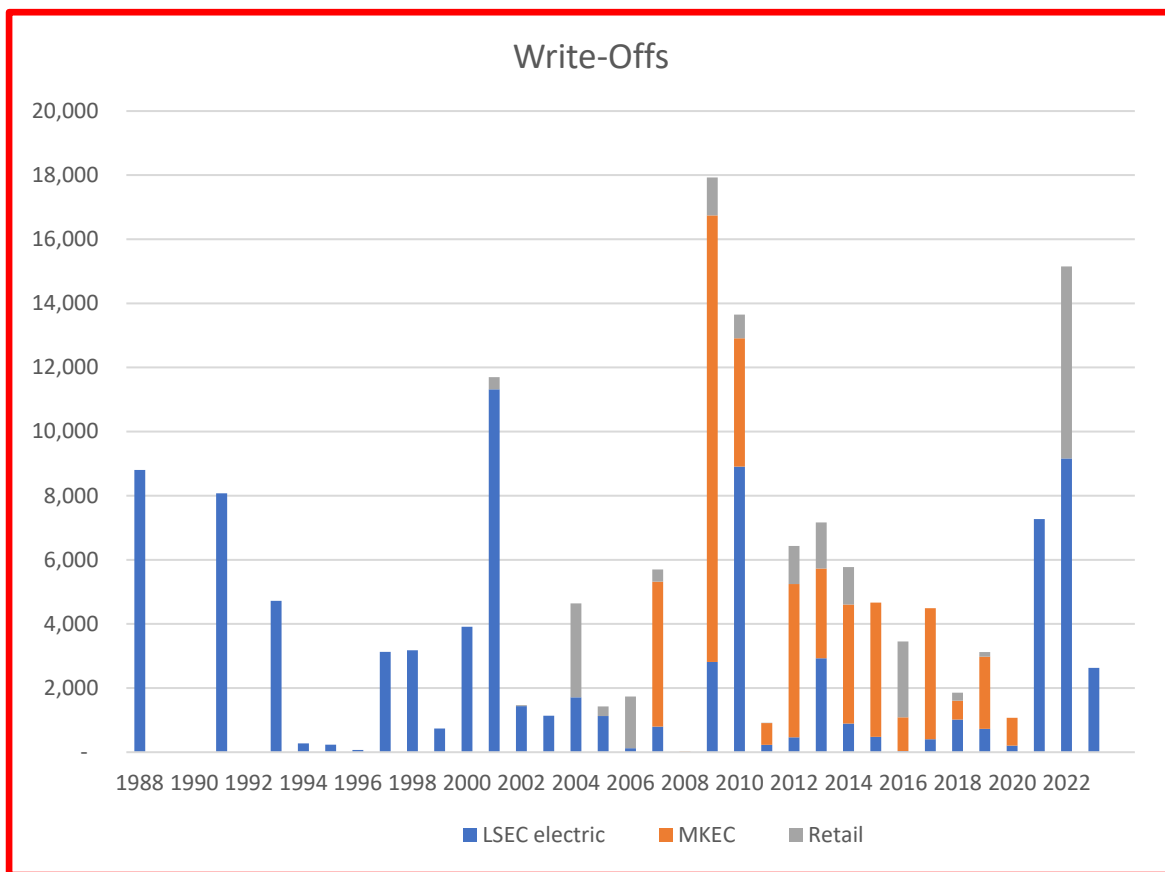
Electric Write-offs

The electric balance of \$2,629.99 represents less than 0.015% of unaudited 2023 electric revenue.

Retail Write-offs

There are no Retail or non-operating debt submitted for write-off.

The 10-year average write-off is \$2,281 for electric (0.022% of electric revenues) and \$992 for retail (2.16% of non-operating margins).



Staff requests that the Board of Trustees approve a 2023 total debt write-off amount of \$2,629.22.

Luecal Consulting

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

February 19, 2024

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

Dear Richard:

Thank you for your email of February 9, 2024, 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.” in a one or two-day training session this fall or winter. 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 and Session
2. Input and Information
3. Fees and Expenses
4. Possible Dates
5. Consultant Biography
6. 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 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, exercises and case studies.
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

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.

One-day vs. Two-day Session

A two-day session would allow us to thoroughly address all the topics outlined above, address questions and topics submitted to me prior to the session and identify actions the board may want to pursue to improve governance processes. A one-day session would require us to do some prioritizing of topics, but we would still be quite effective in a one-day session.

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 per day would be billed for each session day. A professional fee of \$1,000 would be billed for session development. Therefore, fees of \$3,500 would be billed for development and delivery of a one-day session; fees of \$6,000 would be billed for development and delivery of a two-day session. 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.

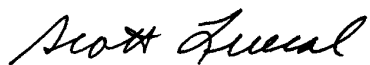
Scott was employed at Coles – Moultrie Electric Cooperative, an Illinois distribution cooperative, from 1981 – 1990, serving in the capacities of Accountant, Office Manager, and General Manager. From 1990 – 1998 Scott was the Manager of University Programs for NRECA and provided director and management 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 February 2024

- Rubber gloves changed out.
- Sleeves were changed out.
- Testing and adjusting digital truck inspections, designing facility inspection sheet.
- Ann Jennings's submitted report:
 - Do you know what back feed is? K.C.L. magazine & social media.
 - Burn Awareness Week: stovetop cooking safety-social media.
 - Metallic Balloons: K.C.L. magazine & social media.
 - Safety is the backbone of reliability: social media.
- Diana Kuhlman submitted reports:
 - Prepare and submit the OSHA 300 to Federated Insurance and posted it at Dighton and Ness Offices.
 - Attended monthly Safety Meeting.
 - Submitted Work Compensation Audit.
 - Coordinate Monthly Drug Testing.
 - Submitted No-Time Koss Report to Federated and KEC.
- KEC Safety Meeting: Topics: Gloving Theory, Practices & Minimum Approach Distances. Digger Derricks (Operator Training) administration: Driving on Hazardous Road Conditions.

SAFETY PROJECTS IN PROGRESS AS OF January 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 given to Susan Nuss for coverage survey. And to Mobile Radio Services.
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 from the grain bin sight will be collected when the ground dries up for access.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SAFETY MEETING

January 17th,2024

Chris Terhune called the meeting to order at 9:07am.

Minutes were read: Dal Hawkinson made a motion to approve the December 17th minutes and Kathy Lewis seconded. Minutes were read and approved as printed.

Present: 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, Ann Marie Jennings, Diana Kuhlman, Katie Riffle, and Jocelyn Walker

Absent: Richard McLeon, Kalo Mann, Mark McCulloch, and Rebecca Campbell

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

Warehouse, building, and pole yard inspections:

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

Pole Yard & Transformer Dock
Office

Scott Briand OK
Diana Kuhlman OK

Personal Tools: All Passed

Gloves Monthly Test Results: Rejected: #35 hole.

Line Hoses Annual Test Results: N/A

Sleeves Quarterly Test Results: N/A

Substation and Regulator Report:

- ♦ Ben Mann: Regulators have been inspected. Arrester in Dighton Hi replaced. Three Arresters have been replaced in Manning Substation.
- ♦ Dal Hawkinson: Creating a list of high-cost equipment for items that have been removed from the service. Updated list needs to be to Kathy by the end of June.
- ♦ **PCB Report:** None to Report

Line Clearance: N/A

Accident and Near Misses: Chad Rupp: Someone hit a pole on Lake Rd., Kasey and Kevin were in manning sub. When arrester on riser structure blew. Blake McVicker: Reported a Dodge pickup hit guy wire by Goodman Dam.

Old Business:

- ♦ Chris Terhune: Let Katie know if you take something out of the supply closet, and it's the last one.

New Business:

- ♦ Carrie Borell: Smart Hub design is finished. Updated some features on the phone app. Sync features to look the same now on the website and app.
- ♦ Diana Kuhlman: Zoom meeting with Bruce Tulgan Scheduled for January 25th. There will be a follow-up meeting on February 7th. Employee survey to be sent out to all employees, please answer truthfully. W-2 will be sent out to employees next week. Thank you, guys, for your hard work through the storm!
- ♦ Ann Marie Jennings: Silent auction ends by end of business day on January 22nd, please have your bids turned in by then.
- ♦ Kasey Jenkinson: If there is any work being done on Magellan's line, please notify key admin. at their facility.
- ♦ Chris Terhune: Discussed what safety council had discussed and presented the 2024 goals. Having trouble with the snow and cold weather with the automatic gate openers. Discussion was held on using the new radio system for energizing and switching of lines.
- ♦ Mikey Goddard from KEC: Discussed importance of using radio to communicate and shared some near miss situations from his prior career. Covered Bloodborne Pathogens, Hazard Communications, and Prevention of Back Injuries.

Meeting adjourned.

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Administrator