

To: **Board of Trustees and Attorney**

Lane-Scott Electric Cooperative, Inc.

A regular meeting of the Board of Trustees has been set for April 6, 2020 at 7:00 p.m. The meeting will be conducted via Skype. To join:

Call: : +1 (785) 289-4399, 31248473# (Dial-in Number)

Conference ID: 31248473

Please call-in to test before the meeting. You may need to download an app to join. Please call me or Carrie if you have any questions. This is an Audio-only connection so you will need to have your Board Packet up on your system.

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
 - a. Hineman Tower Lease – Joe Gasper
 - b. Board Districts – Joe Gasper
10. New Business
 - a. Nominating Committee Approval
 - b. Capital Credit Estates April 2020
 - c. Proposed Board Policy 206
 - d. Sunflower Annual Meeting Delegate and Alternate
11. Safety Meeting Report
12. Executive Session

Upcoming Meetings:

Sunflower Board Meeting	April 17	Conference Call
Lane-Scott Board Meeting	May 4	Dighton, KS
KEC Board Meeting	May 7	Conference Call

**MINUTES OF THE REGULAR FEBRUARY 2020
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, March 9, 2020, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 7:00 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Harold Hoss, Ed Gough, Richard Sorem, Chad Griffith, Paul Seib Jr. and Craig Ramsey. Also present Richard McLeon IV and Joseph Gasper, Attorney. Eric Doll was absent.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on February 3, 2020. *Hearing no corrections or additions, 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 regarding 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.

Paul Seib Jr., Lane-Scott's delegate to Sunflower, had no further items to report.

KEC REPORT

Trustee Hoss reported that the next KEC meeting will be Wednesday and Thursday in Salina.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- A copy of the credit card statement was passed to the board.
- Vehicle #105 traveled 1,781 miles in December with 15 miles being personal miles.
- NISC capital credits of \$2,480.56 were received.
- Data recovery and mitigation has been tested and passed.
- The transition from the old ASP web proxy server to the new one has been completed.
- A new 5G tower is being installed at Highway 83 and 4 in Scott County and should be completed in April.
- The wet weather has allowed for staking of clearance improvement projects to be completed once the ground has dried out. The goal is to have the identified projects completed before farmers begin to work in the fields.
- Several internal processes are being reviewed, including recloser settings, inventory levels and mapping procedures.
- Lane-Scott is assisting the City of Dighton with their new meter reading system.
- Jobi Roemer, Healy and Carlee Flax, Ransom were selected for the youth tour. Kayler Getz, Quinter and Anabeth Ratzlaff, Ingalls were selected for the Leadership camp. Caitlin Smee, Ness City and Hailey Hunter, Ness City were selected as alternates.
- The SmartHub notification program has been established. This will allow communication with members through email or SmartHub. Members will be able to opt out of the notification if they wish. Once the outage management system is completed and communicating with NISC, members will be able to be notified of outages and restoration efforts.
- The USDA LIEAP applications have been distributed to senior centers and churches.
- January was a good financial month with Gross Margins up \$159,826 over December and up \$46,668 over January 2019.
- Controllable expenses were down \$24,575 from December and up \$250 from January 2019.
- General Funds level is 12.94% compared to the 5 year of 7.31%.
- Resale had revenue of \$15,472.59 in January but an overall loss of \$12,095.30 for January. The loss included \$6,375.00 in payroll worked on

the LSEC system and all LSEC overhead. A 2019 profit/loss analysis will be presented at the April meeting.

- The largest outstanding resale balance remain the Black Dog restaurant at \$2,166.58.
- The Dighton O&M agreement showed a profit of \$3,852.12 for the month which is a 31% margin.

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.

There were no additions to the safety report.

OLD BUSINESS

1. Hineman Tower Lease

- Attorney Gasper discussed the Hineman tower lease proposed agreement. The current lease has been in effect since 1992 and is for \$100 per year. The landowner has requested an increase to \$1,000 per year for five years and 10% on any rentals received by Lane-Scott for rentals. A counter proposal in the amount of \$750 per month for a period of five years has been made to the landowner and a response has not yet been received.
- Prior to the discussion regarding the tower lease, Trustee Roehl disclosed that he had a license for an attachment to the Hineman tower. This license is not currently being used by Trustee Roehl. The board discussed whether this license would arise to a conflict of interest which would require Trustee Roehl to abstain from discussion and decisions regarding the Hineman tower. The consensus of the board was that no conflict of interest was present and Trustee Roehls was allowed to participate in the discussion.

2. Strategic plan update

- The goals for implementation of the five primary strategic goals were set according to importance as 1,3,2,4, and 5.

- Goal 1: Continuous improvement of the safety program is 85% complete;
- Goal 3: Develop a financial plan to include a long-term forecast, equity management plan, rates and capital credits is 40% complete;
- Goal 2: Craft a long term comprehensive technology plan is 80% complete;
- Goal 4: Craft a comprehensive member communication/engagement plan is 100% complete;
- Goal 5: Implement a succession plan for key employees is 20% complete.
- Safety benchmarks have been established with the assistance of Federated to assist with determinations of whether employees are getting hurt on the job. OSHA information is available from 2016 to 2018 and Workman's compensation information is available from 2012 to 2019.
- The cooperative has developed a safety program strategic plan to meet board goals and address deficiencies noted by KEC during compliance inspections.
- Communication with members regarding line clearance is being made by bill stuffers, Country Living articles, Facebook posts, website updates and safety demonstrations. Employees are being educated and a guide for clearances is provided for each employee. A specific work order number has been established for line clearance improvements.
- NISC maximization is being worked on and is 40% complete. NISC has long lead times which delays some implementations.
- The ABS merger was completed in January, 2020 and the CIS merger is scheduled for April/May 2020. NISC will review the system in regards to the NISC system communicating with the CIS system in June.
- The MDMS system costs \$300 per month which provides information on meters. The information is not currently being mined. Manager McLeon met with engineers and they recommended to keep this service at this time so the data will be available for the long range engineering plan and cost of service study.
- The SCADA implementation and integration is 10% complete
- The cyber security comprehensive plan is 80% completed. The ESP has been created and the IT assets have been moved to a server room. A redundant daily backup is done and data is backed up on the NISC cloud and a LSEC server. A test hack will be done over the summer to test the system.
- A depreciation study has been completed and implemented and the LSEC and MKEC assets combined has been completed.
- The equity management goal to determine adequate equity levels is 50% completed.
- The capital credit plan development is 15% complete. The financial forecast includes a retirement of capital credits in 2022 in the amount of \$750,000.
- The 10 year financial forecast was completed in 2019.

- The member communication and engagement plan to include social media, information content and outage notification is completed.
- Communication regarding retail wheeling has been developed and will continue to be maintained.
- The succession planning is 20% completed. Key employees have begun working with other employees on training for additional duties and delegation of authority. This will continue to progress so that various employees can have knowledge in different tasks.
- An evaluation of the profitability of the retail services will be completed for the April meeting.
- A cost of service study is scheduled for 2022.

NEW BUSINESS

1. IES Contract

- IES has been hired in the past for line construction and maintenance. The pole replacements in Ness City require more employee assets since they are in town. Staff recommends the board approve the proposal to have IES replace the identified poles and ordinary replacements as well as other projects while on the system for an expected cost of \$20,000-\$25,000 which will be included in the 2020 construction budget which has \$472,000 for ordinary replacement project and will be reimbursed in the existing FFB loan. *A motion to approve IES Commercial as a contractor to perform ordinary replacement, including the change out of identified poles in Ness City at an estimated cost of between \$20,000 to \$25,000, to be reimbursed by the existing FFB loan was made, duly seconded and carried.*

2. Annual meeting gift and caterer

- A bamboo cutting board and scraper at a cost of \$1,992.50 for the cutting boards and \$977.50 for the scrapers as annual meeting gifts. Proposals for food included John Ross at a cost of \$7,999.00 for whole hog and \$6,024 for pulled pork and Webs BBQ at a cost of \$4,861 for pulled pork.
- *A motion to approve the annual meeting gift of a bamboo cutting board and stainless steel scraper was made duly seconded and carried.*
- The board discussed the catering options including the cost difference between whole hog and other option. The tradition for the annual meeting is to have whole hogs at the meal.
- *A motion to approve John Ross as the caterer and whole hog as the meal at a cost of \$7,999.00 was made, duly seconded and carried.*

3. Ness City High School Scoreboard

- Ness City High School is replacing their football and basketball scoreboards and are raising funds for the replacement. An advertising panel can be placed on a scoreboard for a \$3,000 donation or a banner to be hung in the gym or football field for a donation of \$1,000. The scoreboard has an expected lifetime of 15-20 years. This is a unique opportunity for Lane-Scott to increase its presence in Ness City.
- *A motion to sponsor a scoreboard at the Ness City High School with a donation of \$3,000 was made, duly seconded and carried.* The board then discussed which scoreboard to donate to. *A motion to sponsor the football scoreboard was made, duly seconded and carried.*

4. End of Year Report

- The end of year report was included in the board packet and an executive summary was presented by Manager McLeon.
- Operating revenue is growing faster than total expenses. The wholesale power costs are helping in this area keeping expenses down.
- The statement of operations shows the slope of the normalization line is increasing.
- The total long term debt is \$36 million with 82% of the debt with RUS FFB and \$6.3 million with CFC. The utility plant is growing faster than the debt.
- The wholesale power cost decreased in 2019 and is expected to decrease in 2020 as well.
- The trend has been decreasing meters but increase in usage per meter.
- The outages have a longer time to repair due in part to the long drive time to many of the outages.
- The safety incident rate has been decreasing and the workman's compensation rate remains under 1 which is good.
- General funds are on a growing trend.
- The overall financial health is good.
- The following areas are areas that need to improve upon:
 - Outage reporting
 - Controllable expenses
 - \$3.2 million remaining on the current FFB loan
- The highest increase in payroll expenses are due to increases in benefits. In discussion with employees, Manager McLeon believes they understand the value of the benefits.
- The cash on hand is getting close to the \$3.3 million recommended.
- Ed Gough reported to the board that he will not be running for another term at the expiration of his current term this year.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 8:37 p.m., on Monday, March 9, 2020.

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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
1965 02/12/2020	WIRE	168	ONLINE INFORMATION SERVICES, INC	Monthly Invoice	52.35
1967 02/12/2020	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Invoice	184.45
1968 02/13/2020	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Invoice	871.72
45364 02/17/2020	CHK	1	NESS CITY ROTARY CLUB	Rotary Club Mtgs	21.00
45365 02/17/2020	CHK	1	SCOTT CITY AREA C/C	Membership	500.00
45366 02/17/2020	CHK	20	BASIN ELECTRIC POWER COOP	Jan Dispatch Fees	1,977.14
45367 02/17/2020	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	42,500.00
45368 02/17/2020	CHK	105	CITY OF NESS CITY	Monthly Invoice	26.00
45369 02/17/2020	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	262.59
45370 02/17/2020	CHK	172	TYNDALE COMPANY, INC.	Clothing Allowance-Dave & Leighton	1,476.36
45371 02/17/2020	CHK	220	LANDIS+GYR TECHNOLOGY, INC	SaaS Monthly Fee	750.00
45372 02/17/2020	CHK	279	IT1 SOURCE LLC	Portable Laptop Monitor-Richard	275.38
45373 02/17/2020	CHK	294	AIRGAS USA LLC	Nitrogen	107.56
45374 02/17/2020	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly Invoice-supplies	60.72
45375 02/17/2020	CHK	411	J HARLEN COMPANY, INC.	Protective gloves	688.34
45376 02/17/2020	CHK	427	DIGHTON HERALD LLC	Advertising	117.20
45377 02/17/2020	CHK	429	IT1 CONSULTING LLC	SaaS	60.03
45378 02/17/2020	CHK	430	COMMERCIAL SIGN	LSEC vinyl stickers	145.70
45379 02/17/2020	CHK	903	NISC	Monthly Invoice	10,466.04
45380 02/17/2020	CHK	1225	CINTAS CORPORATION	Monthly Invoice -Dighton	201.29
45381 02/17/2020	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Monthly Invoice-supplies	269.92
1970 02/18/2020	WIRE	1229	SCHABEN SANITATION	Monthly Invoice	452.03
1969 02/20/2020	WIRE	274	VERIZON WIRELESS	Monthly Invoice	704.81
1966 02/21/2020	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Invoice	102.37
1971 02/21/2020	WIRE	1271	CARDMEMBER SERVICE	Monthly Credit Card Bill	9,322.30
1972 02/24/2020	WIRE	101	ATMOS ENERGY	Monthly Invoice	144.47
1974 02/25/2020	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	18,597.15
1975 02/25/2020	WIRE	264	KS DEPT OF REVENUE - USE TAX	Use Tax	43.40
1973 02/26/2020	WIRE	121	FED-EX	Frt Invoice	101.69
1976 02/26/2020	WIRE	1290	WEX BANK	Monthly Fuel Invoice	391.09

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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
45382 02/26/2020	CHK	1	NESS CITY AFTER PROM COMMITTEE	After Prom Donation	50.00
45383 02/26/2020	CHK	1	RELAY FOR LIFE OF NESS COUNTY	Donation	50.00
45384 02/26/2020	CHK	1	JORGEN LUNDGREN	MR Refund	27.88
45385 02/26/2020	CHK	32	WESCO RECEIVABLES INC	Crimper & Crimp Jaw Unit	4,643.80
45386 02/26/2020	CHK	46	LANE COUNTY TREASURER	Vehicle Registrations	253.25
45387 02/26/2020	CHK	105	CITY OF NESS CITY	Franchise Fee	4,968.78
45388 02/26/2020	CHK	134	SOLIDA TREE SERVICE, INC.	Tree trimming and removal	13,879.29
45389 02/26/2020	CHK	135	CITY OF BAZINE	Franchise Fee	1,266.89
45390 02/26/2020	CHK	147	DIGHTON HIGH SCHOOL	Electrathon Donation	500.00
45391 02/26/2020	CHK	150	CHRIS TERHUNE	Clothing allowance	53.94
45392 02/26/2020	CHK	160	SHULL OIL COMPANY	Monthly fuel invoice	4,280.21
45393 02/26/2020	CHK	177	MARK MCCULLOCH	Clothing Allowance-boots	185.20
45394 02/26/2020	CHK	211	GABEL LEASE SERVICE INC	Sewer Line	419.22
45395 02/26/2020	CHK	226	KANSAS CORPORATION COMMISSION	Docket Expense	22.55
45396 02/26/2020	CHK	238	ILLINOIS MUTUAL	Premiums	98.96
45397 02/26/2020	CHK	253	FARM CREDIT LEASING SERVICES COR	Truck Lease Payments	14,562.28
45398 02/26/2020	CHK	428	WILSON BOHANNAN PADLOCK COMPA	Brass Padlocks	486.17VOID
45399 02/26/2020	CHK	429	IT1 CONSULTING LLC	Office 365	828.00
45400 02/26/2020	CHK	431	LANE COUNTY EMS	CPR/AED/First Aid Class	500.00
45401 02/26/2020	CHK	998	LANE COUNTY 4-H COUNCIL	Donations	100.00
45402 02/26/2020	CHK	1139	LANE COUNTY HOSPITAL	DOT Physical-Kevin Bradstreet	189.50
45403 03/02/2020	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	45,500.00
45404 03/02/2020	CHK	32	WESCO RECEIVABLES INC	Monthly Invoice	10,212.03
45405 03/02/2020	CHK	73	STANION WHOLESALE ELEC CO INC	Monthly Invoice	16,261.54
45406 03/02/2020	CHK	79	POSTMASTER	Postage-Newletter	110.68
45407 03/02/2020	CHK	96	STEPHENS LUMBER - DIGHTON	Metal for tire rack	901.84VOID
45408 03/02/2020	CHK	172	TYNDALE COMPANY, INC.	Clothing Allowance - Dellon Shelton	10.82
45409 03/02/2020	CHK	294	AIRGAS USA LLC	Monthly Invoice	32.55
45410 03/02/2020	CHK	311	ELDRIDGE FENCING INC	Gate switch & adj chains on gate	215.00
45411 03/02/2020	CHK	317	JOHN DEERE FINANCIAL	Chain saw, chain and case	562.00

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Accounts Payable Check Register

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
45412 03/02/2020	CHK	336	TECH PRODUCTS, INC.	Everlast signs	649.42
45413 03/02/2020	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Gloves & Sleeves	1,265.19
1977 03/03/2020	WIRE	1187	MIDWEST ENERGY	Monthly Invoice	830.00
1978 03/04/2020	WIRE	274	VERIZON WIRELESS	Monthly Invoice	288.72
1982 03/05/2020	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS- March Group Insurance	58,408.41
1983 03/05/2020	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA Grp 1 Ins - March	2,587.16
1984 03/05/2020	WIRE	180	NRECA	NRECA Grp 1 Admin Fee - March	208.09
1979 03/09/2020	WIRE	1267	AFLAC	Monthly Invoice	473.54
1980 03/10/2020	WIRE	168	ONLINE INFORMATION SERVICES, INC	Monthly invoice	44.25
1981 03/10/2020	WIRE	18	CITY OF DIGHTON	Monthly Invoice	1,754.27
45414 03/10/2020	CHK	1	AMERICAN LEGION POST 392	Donation	100.00
45415 03/10/2020	CHK	1	PHEASANTS FOREVER	Donation/Sponsorship	250.00
45416 03/10/2020	CHK	1	WPHS POST PROM	Donation	50.00
45417 03/10/2020	CHK	14	OFFICE SOLUTIONS, INC	supplies	220.08
45418 03/10/2020	CHK	32	WESCO RECEIVABLES INC	Monthly Invoice	28.83
45419 03/10/2020	CHK	39	NEOPOST USA INC	Hasler Postage Meter Expense	285.83
45420 03/10/2020	CHK	40	KANSAS ELECTRIC COOPERATIVES	KEC dues	9,326.80
45421 03/10/2020	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Invoice	230.24
45422 03/10/2020	CHK	55	NESS COUNTY NEWS	Advertising	98.00
45423 03/10/2020	CHK	96	STEPHENS LUMBER - DIGHTON	Monthly Invoice	199.66
45424 03/10/2020	CHK	104	HOME OIL CO	Fuel	603.20
45425 03/10/2020	CHK	105	CITY OF NESS CITY	February Pay Station and postage	615.25
45426 03/10/2020	CHK	117	NESS CITY FARM & FEED	Monthly Invoice	396.07
45427 03/10/2020	CHK	124	GOLDEN BELT TELEPHONE	Boring & pulling pipe	4,297.27
45428 03/10/2020	CHK	126	CARRIE BORELL	Mileage and supplies	37.57
45429 03/10/2020	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming and Removal	6,708.20
45430 03/10/2020	CHK	172	TYNDALE COMPANY, INC.	Clothing allowance - Leighton Ayers	276.83
45431 03/10/2020	CHK	182	G.E.M.S. INC	Monthly Invoices	2,008.07
45432 03/10/2020	CHK	184	JOHNSTONE SUPPLY	Monthly Invoice	242.49
45433 03/10/2020	CHK	187	S&W SUPPLY DIVISION	Monthly Invoice	21.59

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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
45434 03/10/2020	CHK	220	LANDIS+GYR TECHNOLOGY, INC	SaaS Monthly Fee	750.00
45435 03/10/2020	CHK	272	LEWIS AUTOMOTIVE GROUP INC	Monthly Invoice	988.93
45436 03/10/2020	CHK	287	BEAVER EXPRESS SERVICE LLC	Freight	43.53
45437 03/10/2020	CHK	304	STECKLINE COMMUNICATIONS INC	Advertising	100.00
45438 03/10/2020	CHK	306	BORDER STATES INDUSTRIES INC	Monthly Invoice	2,690.90
45439 03/10/2020	CHK	346	HYSPECO, INC.	Monthly Invoice	414.96
45440 03/10/2020	CHK	359	WEBBER-GROSS WELDING, LLC	Metal for tire rack	901.84
45441 03/10/2020	CHK	380	GRAINGER	Monthly Invoice	135.89
45442 03/10/2020	CHK	387	WESTERN FUEL & SUPPLY	Fuel	100.90
45443 03/10/2020	CHK	424	FOOS AUTO & TIRE LLC	Repairs for Truck 191	332.00
45444 03/10/2020	CHK	427	DIGHTON HERALD LLC	Advertising	65.00
45445 03/10/2020	CHK	428	WILSON BOHANNAN PADLOCK COMPA	Brass padlocks	449.53
45446 03/10/2020	CHK	429	IT1 CONSULTING LLC	Microsoft licenses	10.73
45447 03/10/2020	CHK	432	ENERSPECT MEDICAL SOLUTIONS, LLC	Defibrillators	6,584.96
45448 03/10/2020	CHK	506	K&J FOODS	Monthly Invoice-supplies	152.71
45449 03/10/2020	CHK	773	BRETZ'S INC	Monthly Invoice	8.91
45450 03/10/2020	CHK	803	ALTEC INDUSTRIES, INC	Parts for truck # 150	413.39
45451 03/10/2020	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate fee	39.60
45452 03/10/2020	CHK	1030	THE SCOTT COUNTY RECORD	Subscription	46.33
45453 03/10/2020	CHK	1139	LANE COUNTY HOSPITAL	DOT Physical Dellon Shelton	126.91
45454 03/10/2020	CHK	1169	WASHER SPECIALTIES CO.	Monthly Invoice	110.80
45455 03/10/2020	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	124.89
45456 03/10/2020	CHK	1197	GARDEN CITY WHOLESALE SUPPLY	Monthly Invoice	985.84
45457 03/10/2020	CHK	1213	NRECA GROUP ADMIN	FSA	15.00
45458 03/10/2020	CHK	1225	CINTAS CORPORATION	Monthly Invoice - Dighton	107.24
45459 03/10/2020	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Supplies	27.91
45460 03/10/2020	CHK	1248	COMPLIANCE ONE	Monthly Charge	115.50
45461 03/10/2020	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	55.06
45462 03/10/2020	CHK	1287	COLLINS STEEL	Loft	36.90
45463 03/10/2020	CHK	1292	COMFORT PRODUCTS DISTRIBUTING L	Monthly invoice	100.50

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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
Total Payments for Bank Account - 2 :					(118) 319,199.16
Total Voids for Bank Account - 2 :					(2) 1,388.01
Total for Bank Account - 2 :					(120) 320,587.17
Grand Total for Payments :					(118) 319,199.16
Grand Total for Voids :					(2) 1,388.01
Grand Total :					(120) 320,587.17

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Payroll/Labor Check Register

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Pay Date: 02/01/2020 To 02/29/2020

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
5	KATHERINE E LEWIS	02/13/2020		4,958.76	80.00	0.00	1,287.32	33.00	1,214.37	2,457.07	
			4876				370.37	0.00	2,916.03	715.00	DD
										100.00	DD
										1,642.07	DD
17	DAVID L HOWARD	02/13/2020	4877	3,528.00	80.00	0.00	415.26	37.00	1,006.69	2,106.05	DD
							272.53	0.00	2,111.01		
21	CARRIE M BORELL	02/13/2020	4878	2,744.56	96.00	0.00	289.08	10.93	495.21	1,960.27	DD
							207.69	0.00	1,816.86		
22	REBECCA L CAMPBELL	02/13/2020		1,975.21	80.00	0.00	343.79	5.50	342.18	1,289.24	
			4879				155.20	0.00	1,758.09	300.00	DD
										989.24	DD
26	RICHARD A MCLEON	02/13/2020	4880	8,250.00	80.00	0.00	353.27	109.64	2,853.20	5,043.53	DD
							639.50	0.00	3,211.97		
34	KALO M MANN	02/13/2020	4881	1,203.20	32.00	0.00	549.91	44.32	204.38	448.91	DD
							99.90	0.00	1,772.52		
35	NATHAN A BURNS	02/13/2020	4882	4,803.13	80.00	0.00	884.35	37.47	1,187.38	2,731.40	DD
							372.86	0.00	2,171.47		
50	KASEY R JENKINSON	02/13/2020	4883	3,424.00	80.00	0.00	633.26	15.73	700.31	2,090.43	DD
							260.72	0.00	2,401.95		
55	BENJAMIN L MANN	02/13/2020	4884	3,424.00	80.00	0.00	648.76	15.48	627.75	2,147.49	DD
							264.70	0.00	1,764.66		
74	DAL S HAWKINSON	02/13/2020	4885	3,304.80	80.00	0.00	472.66	5.49	907.04	1,925.10	DD
							250.70	0.00	2,350.59		
81	DEANNE R SHULL	02/13/2020	4886	1,628.00	80.00	0.00	231.50	34.17	299.02	1,097.48	DD
							134.38	0.00	993.73		
84	MICHAEL S POLLOCK	02/13/2020		3,008.00	80.00	0.00	681.34	6.81	486.39	1,840.27	
			4887				230.23	0.00	2,223.36	100.00	DD
										25.00	DD
										25.00	DD
										25.00	DD
										1,665.27	DD
85	CHAD A RUPP	02/13/2020	4888	3,304.81	80.00	0.00	483.28	21.67	658.03	2,163.50	DD
							248.07	0.00	2,350.59		
89	CHRIS R TERHUNE	02/13/2020	4889	3,304.80	80.00	0.00	450.71	15.83	985.68	1,868.41	DD
							251.48	0.00	2,317.54		
91	LARRY D KRAFT	02/13/2020	4890	3,304.80	80.00	0.00	415.97	40.01	619.22	2,269.61	DD
							253.36	0.00	2,350.59		
93	MYRON E SEIB	02/13/2020	4891	3,304.80	80.00	0.00	579.03	26.58	581.60	2,144.17	DD
							252.32	0.00	2,350.59		
99	KEVIN A BRADSTREET	02/13/2020	4892	3,304.80	80.00	0.00	383.07	17.16	908.12	2,013.61	DD
							257.46	0.00	1,418.48		

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Payroll/Labor Check Register

Page 2

Pay Date: 02/01/2020 To 02/29/2020

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
108	MARK R MCCULLOCH	02/13/2020	4893	2,701.60	80.00	0.00	749.01	19.78	597.53	1,355.06	DD
							215.44	0.00	1,374.06		
117	LEIGHTON J AYERS	02/13/2020		3,304.80	80.00	0.00	620.54	11.73	669.35	2,014.91	
			4894				251.17	0.00	2,350.59	150.00	DD
										1,864.91	DD
129	STACEY L FOOS	02/13/2020	4895	115.58	7.50	0.00	0.00	0.00	8.83	106.75	DD
							9.63	0.00	0.00		
130	ANN MARIE JENNINGS	02/13/2020	4896	1,802.41	80.00	0.00	245.37	6.67	321.43	1,235.61	DD
							139.52	0.00	1,701.99		
131	DIANA KUHLMAN	02/13/2020	4897	1,738.40	80.00	0.00	311.98	4.83	259.90	1,166.52	DD
							141.27	0.00	1,382.12		
132	DELLON SHELTON	02/13/2020	4898	1,929.60	80.00	0.00	0.00	1.30	466.12	1,463.48	DD
							161.21	0.00	10.54		
5	KATHERINE E LEWIS	02/27/2020		4,958.76	80.00	0.00	1,287.32	33.00	1,214.38	2,457.06	
			4899				368.51	0.00	2,916.03	1,795.00	DD
										100.00	DD
										562.06	DD
17	DAVID L HOWARD	02/27/2020	4900	4,123.35	89.00	0.00	415.26	37.00	1,224.95	2,483.14	DD
							317.12	0.00	2,111.01		
21	CARRIE M BORELL	02/27/2020	4901	2,447.67	88.50	0.00	289.08	10.93	421.28	1,737.31	DD
							184.68	0.00	1,816.86		
22	REBECCA L CAMPBELL	02/27/2020		1,975.20	80.00	0.00	343.79	5.50	342.19	1,289.22	
			4902				149.78	0.00	1,758.09	300.00	DD
										989.22	DD
26	RICHARD A MCLEON	02/27/2020	4903	8,250.00	80.00	0.00	353.27	109.64	2,853.22	5,043.51	DD
							639.52	0.00	3,211.97		
34	KALO M MANN	02/27/2020	4904	3,120.80	82.00	0.00	549.91	44.32	687.23	1,883.66	DD
							260.00	0.00	1,772.52		
35	NATHAN A BURNS	02/27/2020	4905	4,803.13	80.00	0.00	809.35	37.47	1,209.64	2,784.14	DD
							368.47	0.00	2,171.47		
50	KASEY R JENKINSON	02/27/2020	4906	3,424.00	80.00	0.00	633.26	15.73	700.31	2,090.43	DD
							260.39	0.00	2,401.95		
55	BENJAMIN L MANN	02/27/2020	4907	3,659.40	83.00	0.00	648.76	15.48	687.43	2,323.21	DD
							282.21	0.00	1,764.66		
74	DAL S HAWKINSON	02/27/2020	4908	3,490.70	83.00	0.00	472.66	5.49	972.74	2,045.30	DD
							264.53	0.00	2,350.59		
81	DEANNE R SHULL	02/27/2020	4909	1,628.00	80.00	0.00	231.50	34.17	299.03	1,097.47	DD
							134.40	0.00	993.73		
84	MICHAEL S POLLOCK	02/27/2020		3,008.00	80.00	0.00	681.34	6.81	486.38	1,840.28	

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Payroll/Labor Check Register

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Pay Date: 02/01/2020 To 02/29/2020

Empl	Name	Pay Date	Dir Dep/Check	Gross Pay	Hours	Advances	Deductions/ ER Taxes	Txbl Benefits/ ER PTO	Taxes/ ER Benefits	Net Pay	Type
			4910				227.78	0.00	2,223.36	100.00	DD
										25.00	DD
										25.00	DD
										25.00	DD
										1,665.28	DD
85	CHAD A RUPP	02/27/2020	4911	3,304.80	80.00	0.00	483.28	21.67	658.03	2,163.49	DD
							248.07	0.00	2,350.59		
89	CHRIS R TERHUNE	02/27/2020	4912	3,862.49	89.00	0.00	450.71	15.83	1,184.45	2,227.33	DD
							294.02	0.00	2,317.54		
91	LARRY D KRAFT	02/27/2020	4913	3,304.80	80.00	0.00	415.97	40.01	619.23	2,269.60	DD
							253.37	0.00	2,350.59		
93	MYRON E SEIB	02/27/2020	4914	3,304.80	80.00	0.00	579.03	26.58	581.60	2,144.17	DD
							252.18	0.00	2,350.59		
99	KEVIN A BRADSTREET	02/27/2020	4915	3,304.81	80.00	0.00	383.07	17.16	908.13	2,013.61	DD
							257.46	0.00	1,418.48		
108	MARK R MCCULLOCH	02/27/2020	4916	2,701.60	80.00	0.00	910.53	19.78	597.53	1,193.54	DD
							209.06	0.00	1,374.06		
117	LEIGHTON J AYERS	02/27/2020		3,490.70	83.00	0.00	620.54	11.73	716.48	2,153.68	
			4917				265.22	0.00	2,350.59	150.00	DD
										2,003.68	DD
129	STACEY L FOOS	02/27/2020	4918	142.54	9.25	0.00	0.00	0.00	11.45	131.09	DD
							11.92	0.00	0.00		
130	ANN MARIE JENNINGS	02/27/2020	4919	1,802.40	80.00	0.00	245.37	6.67	321.44	1,235.59	DD
							139.26	0.00	1,701.99		
131	DIANA KUHLMAN	02/27/2020	4920	1,738.40	80.00	0.00	311.98	4.83	259.91	1,166.51	DD
							140.60	0.00	1,382.12		
132	DELLON SHELTON	02/27/2020	4921	2,062.26	83.00	0.00	0.00	1.30	513.05	1,549.21	DD
							162.82	0.00	10.54		
Grand Total:				\$ 144,276.67	3,545.25	\$ 0.00	\$ 22,145.44	\$ 1,042.20	\$ 33,869.81	\$ 88,261.42	
							\$ 11,131.08	\$ 0.00	\$ 86,198.66		



SUNFLOWER BOARD MEETING SUMMARY

March 20, 2020

SUNFLOWER ELECTRIC POWER CORPORATION MONTHLY BOARD MEETING

CURRENT ACTIVITIES/STRATEGY

Coronavirus-19

Sunflower is following state and federal guidelines and implementing suggested best practices to combat the Coronavirus. Sunflower's Business Continuity Committee (BCON) has a daily call to discuss pandemic development, identify risks and mitigation strategies, and determine necessary communication with staff. Business travel has been restricted, online channels are being used for meetings, and staff who have scheduled personal travel have been asked to communicate their plans with their supervisors. Some staff are working from home. Sunflower continues to track sickness-related work absences and currently is not experiencing absenteeism much higher than in previous cold and flu seasons.

Sunflower's Members are encouraged to communicate any information they may get regarding their C&I customers' load during the pandemic and moving forward.

Strategy Execution

The current ICARE2020 vision statement, attaining wholesale rates in the lower quartile among peers, was accomplished prior to the conclusion of 2020. Considering the vision statement for the next five years, Members via a Board meeting survey indicated that the post-2020 strategic vision should focus on low rates, managing risk, and helping Members and those they serve be successful.

Staff are developing vision statements that will be presented to the Board for consideration and approval. The development process will include four phases: determining themes, such as the three listed above; drivers (i.e., what would impact Members' view of success within each theme); measures; and methodology. Once the 2025 vision is finalized, the Executive Team wants staff to have more line of sight visibility and understanding of how their daily work impacts the vision.

Presentations on strategic initiatives of high interest to the Members will be delivered in future Board meetings: April, Project Cost Accounting; May, Transmission Project Costs; June, Demarcation; and July, Member Leases/Interconnection.

Board Policy Review Committee

The Board Policy Review Committee has meeting conflicts that prevent a policy review for the April Board meeting. The Committee will review and recommend policies for the May Board meeting.

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Rate Study

Since January, staff have been examining various rate design and tariff options to produce a rate structure that best meets the future needs of the combined Sunflower membership. Staff reviewed rate strategy options and explained each in detail. Three approaches to recovering fixed costs were discussed, as well as other options. Members were encouraged to contact Sunflower staff if they would like additional approaches analyzed. In April, the Board will determine the detailed project scope with a deeper look into the project during the summer. The Board may conclude that its current rate structure is appropriate, and changes are not necessary.

Capacity and Energy Hedging Policy

Staff reviewed the results of the Board meeting exercise of power supply costs and risks to determine whether changes to the current hedging policy is needed, such as if it is better from a cost/risk perspective to focus on short-term energy and capacity options or focus on long-term energy and capacity options. Five observations, along with possible follow-up actions, were discussed:

- The trend toward increasing cost and risk;
- The trend toward increasing demand for renewable energy driven by non-economic factors;
- The need to increase Sunflower's nimbleness in our response to large changes in the drivers that impact power supply costs (load forecast, energy costs, regulation, etc.);
- Concern about aging assets; and
- Concern with system reliability as renewable energy penetration continues to increase.

Integrated Resource Plan (IRP)

ACES is developing software for a baseline case for modeling. Once completed, different scenarios and sensitivities will be compared with the baseline. Staff will continue to update the Board on the progress of the IRP, which is expected to be completed by early fall.

PRESIDENT'S REPORT

Operations

The planned eight-week maintenance outage at Holcomb Station continues and entails more people being on site. Sunflower staff continue to message safety precautions, including those related to COVID-19, to contractors and internal staff.

A significant storm occurred in the northwest part of the service territory on March 19, and the system held up well.

Power Supply and Delivery

Staff reviewed the state's statutes for parallel generation and net metering and federal rules for Qualifying Facilities, as well as Sunflower's Avoided Cost Rider. The Board will be asked to approve the Avoided Cost Rider, clearly defining the Members' retail tariff, in April.

Subsequently, staff will review the PURPA Implementation Plan with the Board and file it. Staff will also continue working with Power System Engineering and Members on the distribution and transmission rate applicable to generators that interconnect to a Member's distribution facilities for access to the transmission grid.

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Board action: The Sunflower Board approved Policy 319, which states that Sunflower will always exercise the option to purchase from the Members the capacity or energy they are required to purchase from generators other than Sunflower.

Transmission Policy and Planning

The second meeting of the 34.5 kV Taskforce Meeting scheduled on April 30 is postponed due to the pandemic. Staff recommended moving the meeting to the month of May or June. One-on-one meetings with each Member will also be delayed due to the pandemic. Staff will reschedule the meetings but will make sure they occur before the second taskforce meeting. The second meeting will include reviewing solutions and each Member's score of options; developing a final all "Members" score; developing a special contract for each load at risk; and identifying rewards and risks of uplifting the entire 34.5 kV system or only the wholesale circuits.

Discussion with FEMA has begun regarding the possibility of funds being available to mitigate transmission outages between west Dodge and Garden City. Staff proposed building infrastructure out of BlueJay Substation and presented five options for looping it. Staff will use FEMA's tool kit to develop a benefit/cost analysis.

34.5 Local Access Charge (LAC) Update

Sunflower completed a transmission loss study in 2019 to create loss factors for the merged transmission zone. During the study, it was determined that a new loss study needed to be completed on the 34.5 kV system to fill in any gaps in the loss calculations. The Sunflower Board engaged Power System Engineering (PSE) to complete a 34.5 kV loss study in October 2019. The 34.5 kV loss study is nearing completion and the updated loss factors now need to be approved by the Kansas Corporation Commission (KCC) in order to be implemented into the Member LAC tariffs.

Staff recommended that Sunflower file support for updating the loss factors as part of the 34.5 kV formula-based rate renewal filings for Prairie Land, Victory, and Western. Sunflower and Southern Pioneer would make a separate filing requesting to update the loss factor for Southern Pioneer

Testimony will be provided by PSE, Sunflower (as the tariff administrator and billing agent), and each of the Members' Chief Executive Officers. The filing will be considered a rate case, requiring a 240-day review period.

Board action: The Sunflower Board approved a filing with KCC as recommended to update the new transmission loss factors.

Corporate Services

Five Sunflower staff have been asked to self-quarantine for 14 days due to having traveled to areas where the coronavirus is now confirmed.

Seven Board policies were revised by the Policy Review Committee.

Board action: The Sunflower Board approved changes to Board policies 107 and 111-116 as presented.

Member Services and External Affairs

The mock Request for Information (RFI) training to assist communities in responding to economic development opportunities has been changed to an online workshop on April 8. Thus, the number of people who can participate is no longer limited.

Staff explained a program for residential energy audits that included three approaches for delivering the service. After discussion, the consensus of the Board was that residential energy audit services are best left to the Members.

Finance

ER19-2273 Update

Discussion continues at FERC on the formula rate. Intervenors have asked for more time and more information. Sunflower proposed a 2.45 TIER; staff expect a lower TIER and Return on Rate (ROR), but not far from what were originally proposed.

Legal

Counsel requested Board approval to file Certificates of Convenience and Necessity Filings for two transmission projects with the KCC. Both transmission projects are necessary to feed new customers.

Board action: The Sunflower Board approved making applications as presented to the KCC for approval.

Richard McLeon

From: Kansas Electric Cooperatives <kec@kselectric.ccsend.com> on behalf of Kansas Electric Cooperatives <kec@kec.org>
Sent: Friday, March 13, 2020 1:40 PM
To: Richard McLeon
Subject: KEC March Board Meeting Summary

Having trouble viewing this email? [Click here](#)

KEC Board Meeting Summary

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

From: Shana Read, Director of Education and Training

Summary of the KEC Board Meeting

March 11-12, 2020, in Salina, KS

KEC Meetings

May 6-7

Marriott, Wichita

Aug. 1-3

Summer Meeting
Marriott,
Overland Park

Oct. 7-8

Marriott, Wichita

Dec. 2-3

Marriott, Wichita

Jan. 23-26, 2021

Annual Meeting
Capitol Plaza, Topeka

Meeting Summary

In official action, the KEC Board of Trustees

1. **Ratified the President's Board Committee assignments.**
2. **Reassigned Ark Valley from KEC District 4 to KEC District 1.** This move will better balance the four KEC districts following the Lyon-Coffey and Radiant consolidation.
3. **Accepted the audit report for the year ended December 31, 2019.**

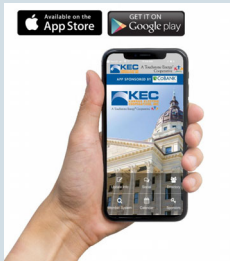
KEC Board Meeting Summary

Three of the KEC standing committees met the day prior to the board meeting. The **Strategic Planning Committee** reviewed the the KEC Strategic Plan and received a status update on those initiatives. The **Regulatory Review and Tax Committee** reviewed several KCC dockets including Electric Line (EL) filings. The committee also heard updates on property tax issues, capitalization rate studies, and the status of the Property Valuation Division (PVD) annual rendition software. The committee also discussed rates for customer-owned generation, residential rates, and an 811 proposed rule change. The **Legislative Committee** met to review the KEC Legislative Reception and Day at the Capitol events, to discuss the NRECA Legislative Conference and the KEC Congressional Fall Fly-in, and to hear updates on current legislative issues. The **Executive Committee** met March 12 to review general association activities, the KEC Annual Meeting evaluations, and other matters.

The KEC Board of Trustees heard department reports from KEC staff and committee reports from the following: Executive, Strategic Planning, Regulatory Review and Tax, and Legislative. Kevin Kelso gave an audit report. Keith Ross reviewed NRECA activities, and the KEC Board expressed its appreciation to Mr. Ross for his service on the NRECA Board. The KEC Board was encouraged to contact Charlotte Provo if they plan to attend Lee

KEC App

[View the](#)



[instructions for the KEC App](#)



Kansas Electric Cooperatives
PO Box 4267
Topeka, Kansas 66604
785-478-4554
Fax: 785-478-4852

Tafanelli's transfer of authority ceremony at the Kansas Statehouse on April 4. The board also held a roundtable discussion regarding cooperative response efforts to COVID-19.

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

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8. General Manager's Report – for the month of March (except financials):

A. Administration

- 1) KIOGA has reached out to the Kansas electric cooperatives requesting rate reductions of 35% to 75% due to "... a devastating economic impact...." due to the COVID-19 crisis. This is the main contributing factor to Philips 66 postponing construction of the Liberty project to 2021. KEC is handling the KIOGA response currently. We expect a significant downturn in Oil and Gas electricity sales.
- 2) We are preparing for the COVID-19 pandemic response to last until June 1 and monitoring state and federal laws and regulations.
- 3) The loss of the City of Dighton O&M contract led us to prepare a Notice of Restricted Access to the three Dighton substations. After talking with Craig, we discovered that while LSEC owns all the major substation equipment, we own the land in one substation. The City of Dighton owns the land under another, and the third is on a lease that expires in 2027.
- 4) Credit Card Statement. The Credit Card records will be available for the Boards review at the next "in person" meeting.
- 5) Mileage Log. Vehicle #105 traveled 1,024 miles in February with 84 miles personal miles.

B. Information Technology / Cybersecurity highlights

- 1) Carrie put in a lot of hours updating software and security processes.
- 2) We were approved and scheduled for the NRECA RC3 vulnerability assessment. Carrie has begun classes to prepare.
- 3) COVID-19 dominated IT as we prepared for "stay home" orders. Carrie did an outstanding job of setting up protocols for remote access, member notifications, remote payroll entry, remote backup, firewalls, internet phone, audio conferencing, etc. We would not be functional without her.

C. Operations.

- 1) Tree trimming in the McCracken area
- 2) Reject pole changes in Finney County
- 3) The 5G tower in Scott county (Hwy 4, east of Hwy 83) should be energized in April
- 4) Scott park: some new home connects and addressed some clearance issues
- 5) Maintenance items:
 - i. Systemwide underground inspection and labeling
 - ii. Substations are sprayed
 - iii. OCR annual maintenance – about ½ sent off
- 6) Ness City pole changes (IES) should begin in April
- 7) Border States – working on file exchange and formats

D. Member Services

- 1) Annual Preparations are underway. The caterer is confirmed, gifts are ordered, and Nominating Member participation is confirmed.
- 2) Safety Message: Beginning April 6th we will begin a 1-month radio ad campaign promoting agriculture safety and power lines.

- 3) COVID-19. Ann Marie has been updating members through social and print media and through SmartHub and Messaging. Our intent is to assure members that the safety of our employees and members, as well as power reliability are our primary concerns
 - 4) We continue guiding people through the process of applying for USDA LEAP grants for energy efficient business upgrades. Ann Marie is also looking into various SBA loans and grants for our members that are affected by the pandemic.
- E. Finance. February was a below average month for revenues.
- 1) I am pushing to get a draw on our current FFB loan while rates are historically low. We have about \$3.2MM left on the note and I would like to make two draws before the loan closes in August.
 - 2) February sales of \$1,267,701 were down \$39,281 from our 9-year average which lead to an Operating Margin loss of \$12,940. However, we remain above average in YTD total Margins.
 - 3) I expect March through June to be tough months. Some oil connects are scaling down and some small businesses have asked for payment plans due to COVID-19. The Governors Order to suspend disconnects will contribute to losses.
 - 4) General Funds level. 12.92%. This includes \$3.1MM in temporary investments C18) so we can weather it for a while. Nevertheless, I have asked Sunflower if there are plans for emergency relief if any of us get in a bind.
 - 5) We are also looking into the Paycheck Protection Program that is being offered to businesses affected by the pandemic.
- F. Non-Operating Margins
- 1) Retail Services. Financial information is not available at time of posting.
 - i. Resale Hours. There were 303 hours worked and 223.5 billed (73.76%).
 - ii. Resale Outstanding Balances. The open balance down to \$3,457.61. The biggest piece remains the Black Dog Restaurant downtown Dighton at \$2,224.46. Rebecca and I planned to send them to collection on March 25th but have delayed due to the COVID-19 crisis and public perception.
 - 2) City of Dighton. Financial information is not available at time of posting.

Respectfully submitted,

Richard

Richard McLeon, MBA
General Manager

TOWER AND GROUND LEASE AGREEMENT

THIS AGREEMENT, is entered into effective the 1 day of April, 2020, by and between **ANN E. HINEMAN-FAY as Conservator of ELIZABETH C. HINEMAN**, Owner-Landlord ("Hineman"), and **LANE-SCOTT ELECTRIC COOPERATIVE, INC., a Kansas Corporation**, Tenant-Lessee ("Lane-Scott").

1. **Premises:** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, certain land on which the Tenant has previously constructed a radio tower on (collectively, the "Premises"), more accurately described as follows:

A tract of land situated in the Northwest Quarter of Section 6, Township 19 South, Range 28 West of the 6th P.M. Lane, County, Kansas, together with right of ingress and egress therefrom, more particularly described as follows:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 6, TOWNSHIP 19 SOUTH, RANGE 28 WEST AND THENCE SOUTH ALONG THE CENTER LINE OF HIGHWAY NUMBER 23, 2,040 FEET; THENCE EAST 287 FEET; THENCE SOUTH 120 FEET TO THE BASE OF THE TOWER.

THE GUY WIRES WILL EXTEND THREE DIRECTIONS FROM THE ABOVE TOWER WITH DIMENSIONS SHOWN ON THE ATTACHED SKETCH;

2. **Uses:** The premises as described herein shall be used by Tenant for the constructing, maintaining, upgrading, repairing, operating, inspecting, and removing the radio tower and attachments thereto as well as for guy wires for the said tower.
3. **Term:** The term of the lease shall be Five (5) years from the date of this agreement unless terminated pursuant to the terms of this agreement.
4. **Access:** Tenant and sub lessees of space on the tower shall have the right of ingress and egress to the tower across Landlord's property. Tenant shall be responsible for maintenance of the road, including mowing if necessary.
5. **Notice:** All notices or demands are deemed to have been given or made when delivered in person or mailed by certified, registered, or express mail, return receipt requested postage prepaid, United States mail, and addressed to the applicable party as follows:
- | | |
|---------------------|------------------------|
| Lane-Scott Electric | Elizabeth C. Hineman |
| 410 S. High Street | c/o Ann E. Hineman-Fay |
| P.O. Box 758 | P.O. Box 962 |
| Dighton, KS 67839 | Dighton, KS 67839 |
6. **Rental Payment:** Tenant in consideration of leasing of the premises as set forth herein, covenants and agrees with Landlord to pay Landlord, or Landlord's successors in interest, as rent for the same, the annual rate of Seven-Hundred-Fifty Dollars (\$750.00) due and payable on the 1st day of April of each year.

7. Sublease of Tower Space: The parties agree that space on the Tower placed on the premises by Tenant is currently sub-leased to parties outside of this agreement. The parties agree that Tenant shall have the right to sub-lease space on the Tower for placement of equipment without further permission from Landlord. Landlord shall be entitled to a list of all sub-lessees and the type of equipment they have placed upon the Tower upon any request made by Tenant.
8. Airport Construction: Lane-County Kansas has explored the possibility of construction of a new airport near the existing Tower. In the event that a new airport shall be constructed, and the Tower will have to be removed from the premises due to it being located in proximity to the new airport, then this lease agreement shall terminate upon the time the Tower is removed from the premises and remediation is complete.
9. Utilities: Landlord shall not be responsible for any utilities associated with the Tower.
10. Maintenance: Tenant shall be solely responsible for maintenance of the Tower, fencing, access road, and accessory buildings on the premises. Tenant shall be responsible for mowing of grass and weeds on the premises.
11. Remediation: Tenant further covenants and agrees that at the expiration of the term of this lease, it will give peaceable possession of the premises to Landlord in as good condition as it originally was, and will not make or suffer any waste thereof, nor assign this lease (except to any other electrical cooperative corporation organized and operating under the provisions of K.S.A. 76-4601 et seq.)
12. Fixtures: Landlord covenants and agrees that no part of the improvements constructed, erected, or placed by Tenant on the Leased Premises shall be or become, or be considered as being, affixed to or a part of Landlord's real property; and any and all provisions and principles of law to the contrary notwithstanding, Landlord specifically intends to covenant and agree and does hereby covenant and agree that all personal property and improvements of every kind and nature constructed, erected, or placed by Tenant on the Leased Premises shall be and remain the property of Tenant.
13. Default: If Tenant shall fail to compensate Landlord for the use of the premises, or if Tenant shall fail in the performance of any of the other terms, covenants or conditions of this lease, Tenant shall be deemed in default, and if such default shall continue uncured for a period of thirty (30) days after written notice from Landlord to cure such default, Landlord at its option may declare, without further demand, declare Tenant's tenancy terminated, and all the right, title and interest of Tenant hereunder shall wholly cease and expire, and Tenant shall immediately quit and surrender the leased premises to Landlord and Landlord may enter or take possession of the premises.
14. Governing Law: This agreement shall be construed and enforced in accordance with the laws of the state of Kansas.
15. Binding: The covenants herein shall extend and be binding upon the heirs, executors, administrators, successors and assigns (if any) of the parties to this lease.

IN WITNESS WHEREOF, Landlord has hereunto set their hands and has caused this lease to be signed and Tenant has caused this lease to be signed on its behalf by its President thereunto duly authorized to do so, and to be attested by its secretary, and has caused its corporate seal to be thereunto affixed, the day and year first above written.

Ann E. Hineman-Fay, Conservator of Elizabeth C. Hineman
ANN E. HINEMAN-FAY, Conservator of Elizabeth C.
Hineman
Owner-Landlord

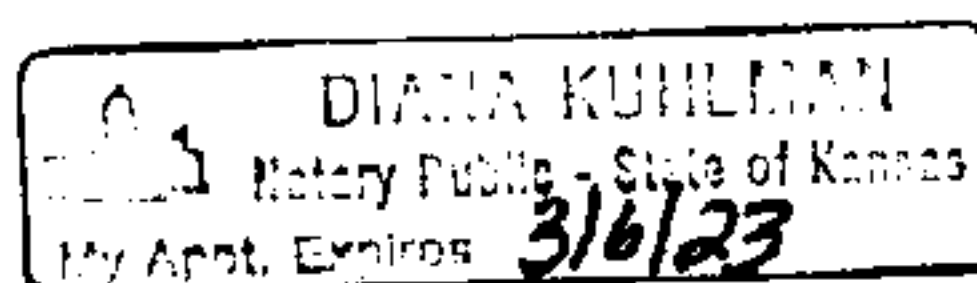
STATE OF KANSAS, COUNTY OF LANE, ss:

The foregoing instrument was acknowledged before me on the 31 day of
March, 2020, by ANN E. HINEMAN-FAY, as Conservator of the Elizabeth C.
Hineman.

Diana Kuhlman

Notary Public

My Appointment Expires: 3/6/23



LANE-SCOTT ELECTRIC COOPERATIVE, INC.
By Richard Jennison, President,
Tenant-Lessee

Attest:

Paul Seib, Jr., Secretary

STATE OF KANSAS, COUNTY OF LANE, ss:

BE IT REMEMBERED, that on this _____ day of _____, 2020,
before me, the undersigned, a Notary Public, in and for the County and State aforesaid,
came RICHARD JENNISON, President of Lane-Scott Electric Cooperative, Inc. a
corporation duly incorporated and existing under and by virtue of the laws of the State of
Kansas, who is personally known to me to be such officer, and who is personally known
to me to be the same person who executed, as such officer, the foregoing agreement on
behalf of said corporation, and such person duly acknowledged the execution of the
same to be the act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed
my official seal on the day and year last above written.

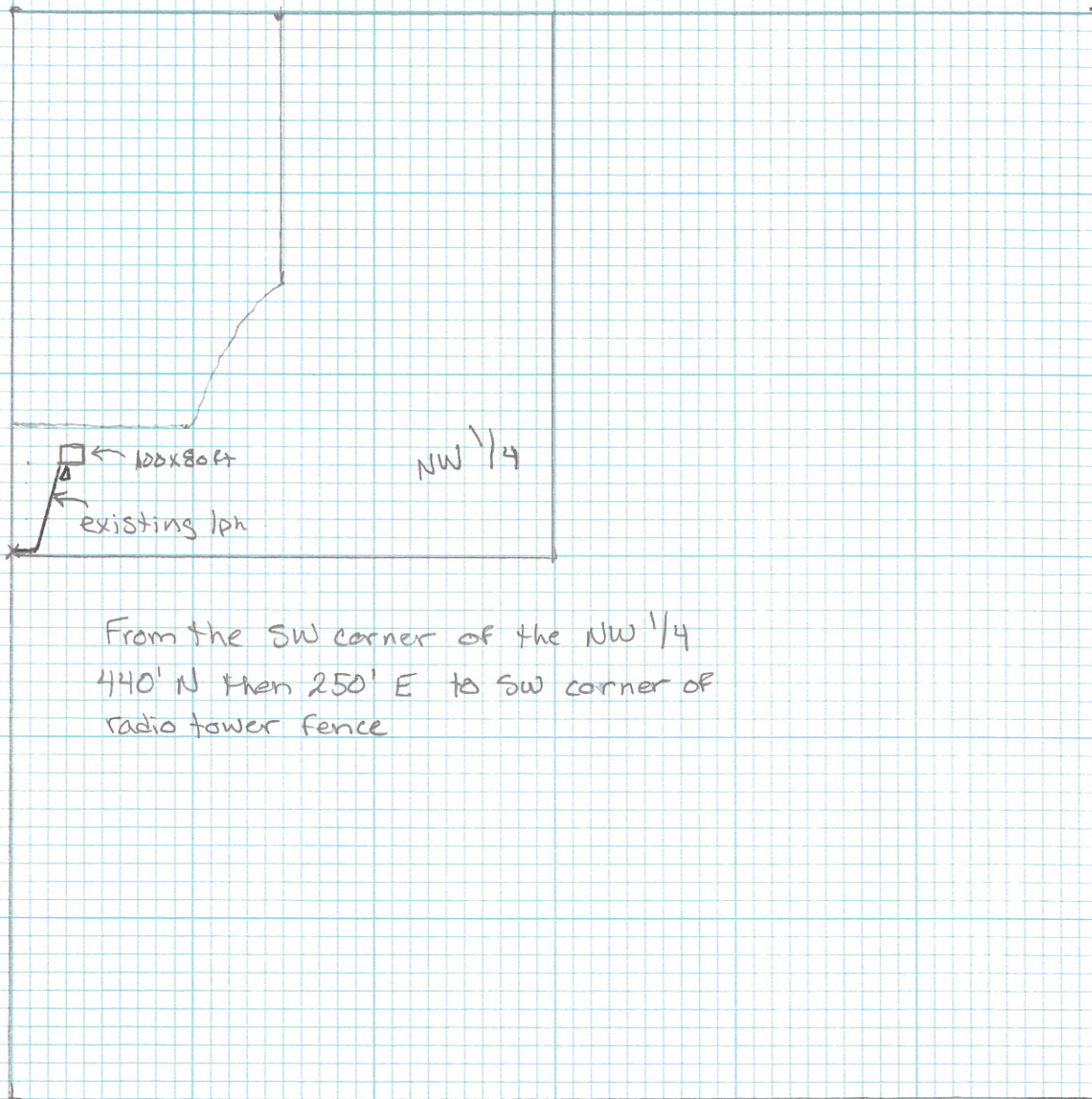
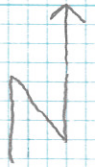
NOTARY PUBLIC

My Appointment Expires: _____

Page 4 of 4

Lane-Scott Electric Radio tower

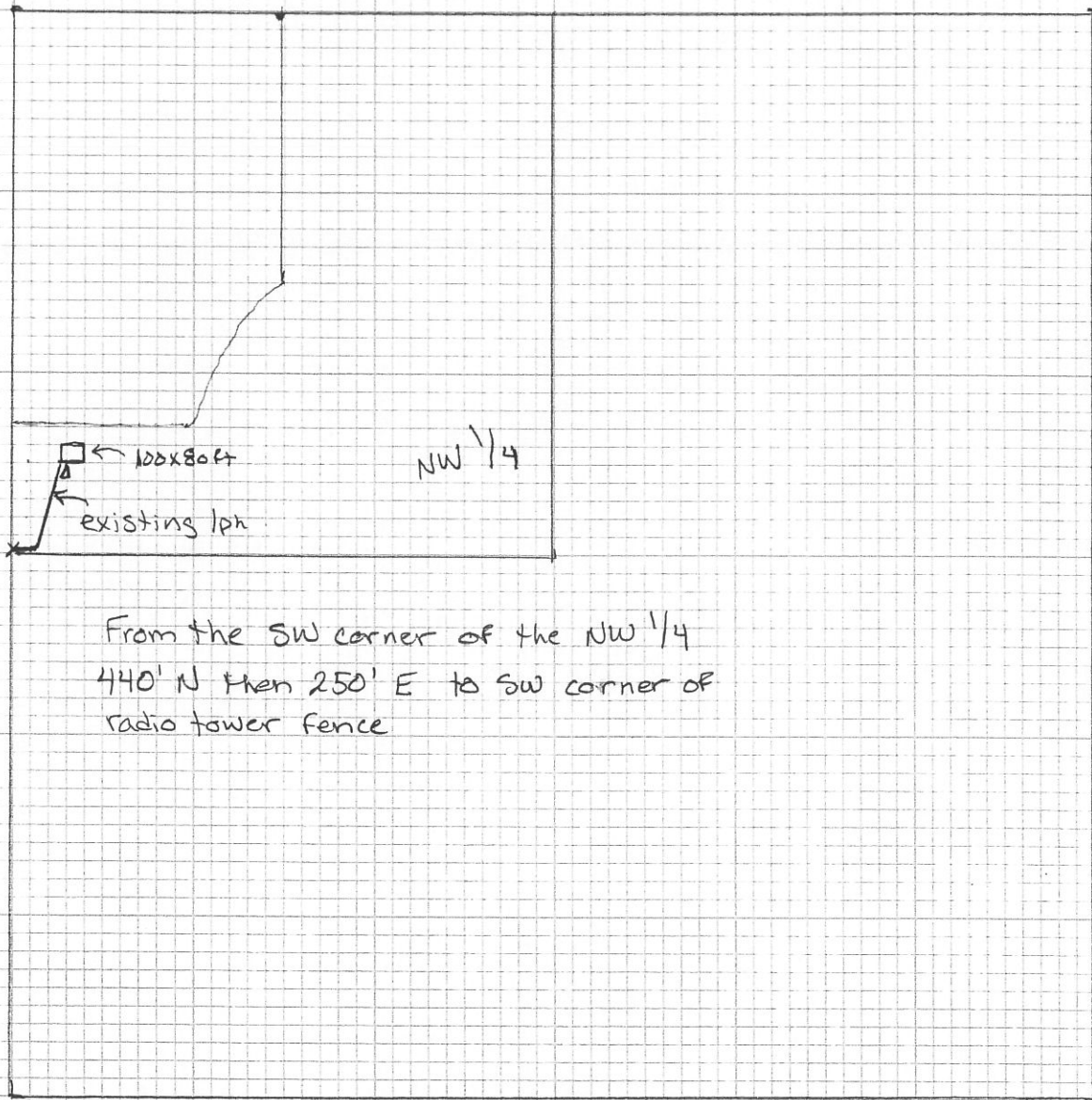
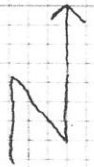
NW $\frac{1}{4}$ Section 6 T19S - R28W



From the SW corner of the NW $\frac{1}{4}$
440' N then 250' E to SW corner of
radio tower fence

Lane-Scott Electric Radio tower

NW $\frac{1}{4}$ Section 6 T19S - R28W



9.b. Board Districts

A question arose at the last Board Meeting about the number of members located in each Board District.

As of March 13, 2020, that number was:

Finney Hodgeman	177
Lane Gove	520
Ness Rush	1,769 (1620 in Ness)
Scott Logan	238

Total of these numbers is 2,704 but the total on the membership report is 2,661 members. We believe that this difference is because some members have LSEC and MKEC memberships.

NOMINATING COMMITTEE 2020

<u>Name</u>	<u>Phone</u>	<u>Mileage</u>	<u>Counties</u>
JAY SCHMALZRIED	620-397-3173	0	Lane/Gove
DAN WEHKAMP	620-335-0040	72	Finney/Hodgeman
DOUG VIEUX	620-357-5396	41	Finney/Hodgeman
LEX BUSH	620-397-3002	18	Lane/Gove
RANDY SCHEUERMAN	620-874-5274	52	Logan/Scott
JOHN BEATON	620-872-3956	52.4	Logan/Scott
LANE COPELAND	785-798-2418	75	Ness/Rush
BEN CRAMER	620-397-3268	20	Lane/Gove
KENNEY SCHLEGEL	785-798-3543	64	Ness/Rush
9 Total			

Nominating Committee meeting will be June 1, 2020 at 6:30pm.

Please review the list and let me know if we will use the existing nominating committee or if there will be a change.

Thank you for your time,
Rebecca Campbell

Notification letters to nominating committee have to be mailed by April 30, 2020.

TRUSTEE NOMINATION TERM 2020			
County Trustees			
Finney -Hodgeman	Lane-Gove	Logan-Scott	Ness-Rush
Richard Sorem	Need a Nominee		Paul Seib

CAPITAL CREDIT LIQUIDATION REQUESTS SUBMITTED FOR BOARD APPROVAL APRIL 2020								
Last Name	First Name	Cust No.	ELEC-COOP	ELEC-MKEC	Total ELEC Amount	Form W-9	G&T	
Bennett	Terry D.	2204	\$ 380.76	\$ -	\$ 380.76	N/A	\$ -	
Borthwick	Robert E.	20071	\$ 1,209.97	\$ -	\$ 1,209.97	Received	\$ 278.26	
Dague	Robert A.	40079	\$ 205.73	\$ -	\$ 205.73	N/A	\$ 239.23	
Davis	Donald G.	40307	\$ -	\$ 66.89	\$ 66.89	N/A	\$ -	
Dirks	Floyd M.	40119	\$ 1,644.35	\$ -	\$ 1,644.35	Received	\$ 231.54	
Edwards	Verla J.	50127	\$ -	\$ 145.15	\$ 145.15	N/A	\$ -	
Fehrenbach	Albertina A.	60331	\$ -	\$ 22.64	\$ 22.64	N/A	\$ -	
Harper	Galen R.	80385	\$ 1,438.44	\$ -	\$ 1,438.44	Received	\$ 923.66	
Hemel	Ronald D.	80474	\$ 9.97	\$ 267.03	\$ 277.00	N/A	\$ -	
House	Kenneth	80520	\$ -	\$ 31.32	\$ 31.32	N/A	\$ -	
Johnson Rev Trust	Daniel & Elaine	100218	\$ 5.28	\$ 366.48	\$ 371.76	N/A	\$ -	
Harkness	Robert W.	80027	\$ 33,640.17	\$ -	\$ 33,640.17	Received	\$ 1,429.10	
Kerr	Howard L.	110064	\$ 328.72	\$ 3.51	\$ 332.23	N/A	\$ -	
Moore	Harvey E.	130507	\$ -	\$ 76.40	\$ 76.40	N/A	\$ -	
Norman	Kurt A.	140053	\$ 539.50	\$ -	\$ 539.50	N/A	\$ -	
Norton	Lee	14051	\$ 1,765.94	\$ 270.12	\$ 2,036.06	Received	\$ -	
Parrott	Ray T.	16158	\$ 205.46	\$ -	\$ 205.46	N/A	\$ -	
Rues	Arline C.	180402	\$ -	\$ 441.44	\$ 441.44	N/A	\$ -	
Sekavec	Thomas L.	191007	\$ -	\$ 100.70	\$ 100.70	N/A	\$ -	
Schlegel	Doug	190490	\$ 2,714.64	\$ -	\$ 2,714.64	Received	\$ 2,510.89	
Schwartz	Larry D.	19285	\$ 274.96	\$ -	\$ 274.96	N/A	\$ -	
Slagle	J. Vyrl	190844	\$ -	\$ 229.07	\$ 229.07	N/A	\$ -	
Stutz	W. R.	190922	\$ -	\$ 413.66	\$ 413.66	N/A	\$ -	
Tillitson	Jennie	200154	\$ -	\$ 197.57	\$ 197.57	N/A	\$ -	
Total LSEC Coop Pay Outs					<u>\$ 46,995.87</u>			

**LANE-SCOTT ELECTRIC COOPERATIVE, INC.
POLICY**

Dated: April 6, 2020

Policy No: 206

Subject: Trustee Duties, Responsibilities, Standards of Conduct, and Professional Development Policy

I. OBJECTIVE

To describe the duties and responsibilities of the Board of Trustees, as well as the standard of conduct and professional development expected of individual board members.

II. POLICY

The Board of Trustees shall direct the affairs of the Lane-Scott Electric Cooperative, Inc. (LSEC). All the powers of this corporation are held solely by the Board of Trustees, excluding those vested to the Chief Executive Officer /General Manager (CEO/GM) by Board Policy, and such powers that have been conferred upon or reserved for the member-owners by statute or by the cooperative's Articles of Incorporation or Bylaws.

Herein is a listing of these duties and responsibilities. In addition, this policy will establish standards whereby these powers may be exercised in the best interests of the cooperative. Further, it shall be the policy of LSEC to expect its trustees to gain and maintain the knowledge and skills necessary to function actively and effectively as members of the Board of Trustees.

III. EXPECTATIONS

A. Fiduciary Duty: The Board of Trustees has a fiduciary duty to the cooperative and its member- owners. This duty is described as follows:

A trustee of LSEC shall discharge his or her duties of Obedience, Loyalty and Care as a trustee, including his or her duties as a member of a committee:

1. in good faith,
2. with the care an ordinarily prudent person in a like position would exercise under similar circumstances,
3. in a manner the trustee reasonably believes to be in the best interests of the cooperative and its member-owners,
4. consistent with State and Federal Law, Rules and Regulations and the Bylaws of the cooperative, and

5. To avoid conflicts of interest and the appearance of conflicts of interest with the cooperative.

B. Key Responsibilities and Functions of the board:

1. Select, regularly evaluate the performance of, give direction to, and fix the compensation of the CEO/GM,
2. Review, monitor, and report to the membership regarding the critical operating and financial performance of the cooperative,
3. Ensure effective planning and adequacy of resources,
4. Set the Rates, Rules, and Regulations of the cooperative,
5. Contract for and approve an annual independent financial audit, and
6. Provide program oversight and support, including the adoption of policies and monitoring for compliance with legal and regulatory requirements, as well as the adequacy of internal controls.

C. Access to Cooperative Management and Information and the Duty to Maintain Confidentiality

Trustees are entitled to reasonable access to the cooperative's management, data, or other information. A trustee shall keep confidential all matters involving the cooperative that have not been disclosed to the general public.

1. Requests for access to information or staff shall be made to and through the CEO/GM. In some instances, however, it may be appropriate for trustees to seek information directly from other employees, outside consultants, or experts. Such requests will be made through the Board President.
2. When a trustee has sought access to information not generally available to the public or reported to the board, the CEO/GM shall report on this at the next meeting of the board to ensure that all board members have equal access to the information.

IV. LIMITATIONS

A. Conduct with Respect to Fellow Trustees

Regardless of any personal differences, trustees shall always:

1. Demonstrate mutual respect,
2. Allow opportunity for every other trustee to be heard on any matter being considered by the board,
3. Refrain from revealing to persons other than trustees, the CEO/GM, or the cooperative's attorney any differences of opinion among trustees on matters considered and acted upon by the board. (This standard does not preclude fair and accurate publication of such differences to the cooperative's

members in relation to contests, elections, or other matters to be voted upon by the members. Nor does it impinge upon a trustee's right to dissent and to have his or her dissenting vote recorded in the minutes.)

4. Recognize that the Board President has the responsibility and authority to enforce these standards of behavior, through reminders of the standards and expectations and the issuance of a reprimand to the trustee who has breached these standards.
5. Publicly support decisions of the board except in extraordinary circumstances where the trustee can demonstrate that a decision and/or action will bring harm to the cooperative or threaten the cooperative's survival.

B. Board Self-Evaluation

The Board of Trustees shall regularly engage in a self-evaluation of its performance and accomplishments in relation to the goals and mission of LSEC.

C. Board Orientation

Upon appointment or election to the Board of Trustees, a new trustee will receive a thorough orientation on the responsibilities of his/her position, conducted by the Board President, the CEO/GM, and the management staff, as appropriate.

D. Board Training and Development

Training and educational programs in the areas of governance responsibilities, utility operations and management oversight are desirable and necessary for a trustee to function most effectively in his/ her responsibilities.

1. Each trustee is required to become credentialed under the Credentialed Cooperative Trustee program of the National Rural Electric Cooperative Association (NRECA) within two (2) years.
2. In addition to formal board training programs, trustees are urged to attend Kansas Electric Cooperatives (KEC) Annual and NRECA Annual and/or Regional and other activities designed to improve the skills and knowledge of board members. The expenses of enrollment and attendance at board training programs are paid by the cooperative in accordance with board policy.
3. The board training programs shall be conducted within the confines of an annual budget established by the Board of Trustees for this purpose.
4. Each member of the Board shall fully participate in Strategic Planning Sessions when the sessions occur.

V. RESPONSIBILITY

- A. All trustees serving on, and candidates, nominees, or appointees to the board, shall receive a copy of this policy and attest by their signatures to having received the policy.
- B. LSEC's legal counsel shall inform all candidates, nominees, or appointees to the board regarding the terms and conditions of this policy and the personal liability implications resulting from policy violations.
- C. LSEC's legal counsel shall review this policy with the board on an annual basis and discuss any personal liability implications resulting from violations.
- D. Upon the establishment of the fact that a trustee is holding office in violation of any forgoing provisions of this policy, the Board shall immediately remove such trustee from office as provided for in the Bylaws.
- E. The Board President shall ensure that this policy is followed.

Attested: _____
Secretary

(SEAL)

CERTIFICATION OF DELEGATE AND ALTERNATE DELEGATE

ANNUAL MEETING OF MEMBERS
OF
SUNFLOWER ELECTRIC POWER CORPORATION

Friday, May 15, 2020

MEMBER SYSTEM NAME: Lane-Scott Electric Cooperative, Inc.

Name of **DELEGATE**: _____

ADDRESS: _____

EMAIL: _____

Name of **ALTERNATE**: _____

ADDRESS: _____

EMAIL: _____

This certifies that the above named persons have been duly authorized to represent this Member System as Delegate and Alternate Delegate for the Annual Meeting of Members of Sunflower Electric Power Corporation, to be held Friday, May 15, 2020 and such other meetings of Members called by the Corporation.

Date

Title:

PLEASE RETURN THIS CERTIFICATION TO:

Brent A. Mitchell
Sunflower Electric Power Corporation
PO Box 1020
Hays, KS 67601-1020
dlewis@sunflower.net

CERTIFICATION OF DELEGATE AND ALTERNATE DELEGATE

ANNUAL MEETING OF MEMBERS
OF
SUNFLOWER ELECTRIC HOLDINGS, INC.

Friday, May 15, 2020

MEMBER SYSTEM NAME: Lane-Scott Electric Cooperative, Inc.

Name of **DELEGATE**:

ADDRESS:

EMAIL:

Name of **ALTERNATE**:

ADDRESS:

EMAIL:

This certifies that the above named persons have been duly authorized to represent this Member System as Delegate and Alternate Delegate for the Annual Meeting of Members of Sunflower Electric Holdings, Inc., to be held Friday, May 15, 2020 and such other meetings of Members called by the Corporation.

Date

Secretary:

PLEASE RETURN THIS CERTIFICATION TO:

Brent A. Mitchell
Board Counsel
Sunflower Electric Holdings, Inc.
PO Box 1020
Hays, KS 67601-1020
dlewis@sunflower.net

SAFETY MEETING

March 17, 2020

Chris Terhune called the meeting to order at 10:00 am.

Minutes were read: Dal Hawkinson made a motion to approve the February minutes and Kalo Mann seconded. February 12th safety meeting minutes were read and approved as printed.

Present: Richard McLeon, David Howard, Kasey Jenkinson, Ben Mann, Dal Hawkinson, Chad Rupp, Chris Terhune, Larry Kraft, Myron Seib, Kevin Bradstreet, Leighton Ayers, Dellon Shelton, Dee Shull, Kalo Mann, Michael Pollock, Mark McCulloch, Kathy Lewis, Carrie Borell, Rebecca Campbell, Ann Marie Jennings, and Diana Kuhlman

Absent: Nate Burns

Truck report of inspections:

105	Richard McLeon	OK
110	Myron Seib	OK
112	Leighton Ayers	OK
117	David Howard	Altec will replace boom cylinder and bucket when parts arrive.
123	Mark McCulloch	OK
124	Michael Pollock	OK
132	Chris Terhune	OK
135	Kevin Bradstreet	OK
136	Dellon Shelton	OK
143	Mark McCulloch	OK
144	Kalo Mann	OK
145	Nate Burns	OK
150	Kasey Jenkinson	OK
155	Ben Mann	OK
173	Chad Rupp	OK
174	Dal Hawkinson	OK
191	Myron Seib	OK
193	Myron Seib	OK
304	Myron Seib	OK
305	Myron Seib	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
512	Dee Shull	OK
514	Dee Shull	OK

Warehouse, building, and pole yard inspections:

Ness City Warehouse	Myron Seib	OK
Ness Pole Yard & Transformer Dock	Myron Seib	OK
Warehouse	Dee Shull	OK
Pole Yard & Transformer Dock	Dee Shull	OK

Personal Tools: All Passed

Gloves Monthly Test Results: 73, 85, and 89 rejected for voltage and replaced.

Substation and Regulator Report: Nothing new to report.

PCB Report: None to report

Line Clearance: Bazine and Healy

Accident and Near Misses: Chad Rupp reported Nelson Schwartz backed over a meter pole with his loader and started fire. Ben Mann reported Solidi kicked line off at Ross Potter's old house.

Old Business:

- ◆ Chad Rupp replaced Phillips AEDs that were on recall.
- ◆ Carrie Borell checked to see if everyone had their first aid/CPR renewal cards. Dellon Shelton stated he still did not get his. Diana Kuhlman will follow up on this.
- ◆ Chris Terhune discussed the progress of salt shed and Morton building improvements. Kevin Bradstreet reported shelving installation for PPE designated storage area is still in progress. Dal Hawkinson reported Zach Dowell gave a quote on repairs, tin replacement, and repainting of the north end of the salt shed. Ranger Feeders overhead line demonstration will be postponed due to the COVID-19.

New Business:

- ◆ Richard McLeon discussed COVID-19 emergency preparedness and recovery plans priorities for employee and family safety, keeping the lights on, and business continuity. Discussed transferal process, testing areas, company internal employee station isolation, personal hygiene and work environment cleaning. Updated on locations impacted and community actions already taken. No disconnects allowed until May 1. Time entry and payroll process, remote office work, front lobby closed, and travel quarantine. SRS phone dispatch processes were discussed. Carrie Borell will email all employees contact list information. Line material needs for outages. Resale closed and will do only emergency work. Confirm employee access to Outlook email for internal communication. Employees who would like this added on to their cell phones need to contact Carrie Borell to install the mobile app.
- ◆ Richard McLeon discussed City of Dighton O&M contract termination. Lane-Scott duties no longer required and substation processes.
- ◆ Carrie Borell discussed the increase of phishing and hacking attempts in hopes of COVID-19 preparations delay detection. Reviewed examples of some exploitations attempted and encouraged employee and management awareness.
- ◆ KEC cancelled their safety program because of the COVID-19 travel restrictions.
- ◆ Reviewed safety summary.

Meeting adjourned

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Secretary

INSIDE

- 1, 4-6 The Role of Discipline in Leading Safety Performance
- 2 Accident Summary
- 3 Accidents & Upcoming Events
- 7-8 Overcoming Slip, Trip and Fall Hazards on the ROW

SAFETY SUMMARY

Safety Summary is published monthly by the Loss Control, Safety & Compliance Department at Kansas Electric Cooperatives, Inc., Topeka, Kansas.

EDITOR: Larry Detwiler,
Director, Loss Control, Safety & Compliance

LOSS CONTROL, SAFETY & COMPLIANCE COMMITTEE

CHAIRPERSON: Mark Scheibe, Heartland

Tim Diederich, Bluestem
Jim Currie, Brown-Atchison
Allen Zadorozny, Caney Valley
Kent Davis, CMS
Brian Lang, DS&O
Chuck Goeckel, Flint Hills
Ralph Phillips, FreeState
Mark Scheibe, Heartland
Harold Hoss, Lane-Scott
Steve Epperson, Pioneer
Marc Martin, Rolling Hills
Gene Scheer, Sedgwick County
Adam Myers, Twin Valley
Randy Quint, Victory
Tom Ruth, Western
Bruce Mueller, Wheatland

KEC STAFF LIAISONS

Larry Detwiler
Bruce Graham

The Role of Discipline in Leading Safety Performance

Months after a devastating accident, we were interviewing the Distribution Cooperative's Operations Manager trying to determine what their current approach was for improving safety performance. The manager's response was quick and direct, "What we need around here enforcement. We may have to fire a few people but we will get their attention. I would rather fire them than bury them."

Many cooperative leaders undoubtedly feel this way. No one wants to lose a co-worker, an employee, or a friend due to an accident at work. No cooperative leader ever wants to make that phone call to an employee's family. To avoid it, leadership often turns to a "do it or else" mentality in an effort to stop unsafe acts and hopefully reduce the possibility of another serious accident.

Many of us have shared this same frustration at one time or another. The complexity of trying to control the variability of all the factors and events that increase employee exposure to injury can be overwhelming. With poor safety results, frustration frequently sets in, and leaders often turn to an enforcement strategy as the best "quick fix" method to improve. Yet time and time again, experience and data have proven that an over emphasis on enforcement and discipline for safety can actually have a harmful effect on organizational culture, thus actually hindering, rather than achieving, sustainable safety improvement results.

A key component to achieving great performance is increasing field interaction at all levels of the organization. This is achieved by an engaged work force providing regular and consistent feedback (coaching) in the field, both positive and constructive, to motivate safe work practices and

reduce hazards.

The effective utilization of discipline to improve safety performance must be done fairly and consistently balanced within the context of this coaching process, to achieve the highest possible results.

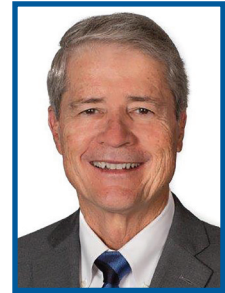
The prototypical enforcement strategy generally occurs as outlined in Figure 1.

This approach can also be described as safety improvement through forced compliance: "we audit you - comply or else" and is usually created by some version of the following actions:

1. Creation of a specific disciplinary policy for the critical "thou shall not" rule violations – usually 5 to 8 rules.
2. Strong disciplinary action for each violation (a "cook book" approach).
3. A safety audit form to document crew audits and compliance.
4. A supervisory expectation to conduct a certain number of crew visits per week, with emphasis on finding violations, turning in forms for tracking, and taking appropriate discipline action as outlined in the policy.

When considering this approach we must candidly ask ourselves a few key questions:

- ▶ Does this type of approach ultimately achieve our intended purpose?
- ▶ Over time what are the REAL effects on our team?
- ▶ What behaviors are we creating by adopting such a strategy?
- ▶ What type of safety culture do you



Bud Branham
Director, Safety
Programs, NRECA

Continued on page 4 ▶

SAFETY SUMMARY

Accident Summary *January 2020*

	No Lost Time	Lost Time	Days Lost	Employees		Hours Worked	Vehicles Used	Miles Driven	Vehicle Accidents
				Full-time	Part-time				
4 Rivers	0	0	0	46	0	5,046	33	39,492	0
Ark Valley	0	0	0	15	0	1,926	13	11,003	0
Bluestem	0	0	0	32	0	6,220	29	24,720	0
Brown-Atchison	0	0	18	11	1	1,958	9	6,281	0
Butler	0	0	0	47	2	8,169	15	18,725	1
Caney Valley	0	0	0	18	0	3,338	16	13,556	0
CMS	0	0	0	33	0	5,364	20	24,521	2
DS&O	0	0	0	30	0	5,344	26	18,846	0
Doniphan	0	0	0	8	0	1,583	5	3,824	0
Flint Hills	0	1	21	21	0	3,624	18	13,182	0
FreeState	0	0	0	78	0	13,184	46	41,235	0
Heartland	0	0	0	42	1	8,186	29	37,952	1
KEC	0	0	0	15	1	3,127	6	8,091	0
KEPCo	0	0	0	24	0	3,675	9	13,559	0
Lane-Scott	0	0	0	22	1	3,423	21	13,520	0
Nemaha-Marshall	0	0	0	14	1	2,635	10	9,050	0
Ninnescah	0	0	0	17	0	3,293	12	12,150	0
Pioneer	0	0	0	69	3	14,044	46	56,890	0
Prairie Land	1	1	4	86	0	13,615	61	70,024	0
Rolling Hills	2	0	0	42	1	6,891	37	53,348	0
Sedgwick County	0	0	0	19	0	3,325	16	8,431	0
Southern Pioneer	NO REPORT								
Sumner-Cowley	NO REPORT								
Twin Valley	0	0	0	13	1	2,217	12	7,838	0
Victory	0	0	0	73	0	13,530	39	33,276	0
Western	0	0	0	57	0	10,837	37	33,114	0
Wheatland	0	0	0	134	2	NA	NA	NA	0
Total	3	2	43	966	14	144,554	565	572,628	5

*Accident Previously Reported +Reflects Cumulative Lost Time

Accident Reports *January 2020*

January 2020

BUTLER, EL DORADO

Vehicle accident

Lost time: No

January 2020

FLINT HILLS, COUNCIL GROVE

Lost time: Yes (21 days)

January 2020

ROLLING HILLS, BELOIT

Lost time: (2) No

January 2020

ROLLING HILLS, BELOIT

Vehicle accident

Lost time: No

January 7, 2020

HEARTLAND, MOUND CITY

Vehicle accident: Cooperative employees were raising tilt trailer to dump trees at landfill, side swinging door was not latch to side of trailer, causing door to be damaged.

Lost time: No

January 11, 2020

HEARTLAND, MOUND CITY

Vehicle accident: Cooperative employee was turning into a gas station in the cooperative's utility vehicle,

bumped the curb and bent the rim on the passenger outside dual.

Lost time: No

January 14, 2020

CMS, MEADE

Vehicle accident: Cooperative employee was pulling cooperative's aerial device into cooperative's warehouse. Garage door was not completely raised and boom on aerial device struck the door.

Lost time: No

January 15, 2020

PRAIRIE LAND, PHILLIPSBURG

Lineman

Injury: Fiberglass sliver in right pinky.

Cause: Moving safety equipment in cooperative's warehouse.

Lost time: No

January 27, 2020

PRAIRIE LAND, NORTON

HVAC Technician

Injury: Puncture/laceration to right thumb causing tendon damage.

Cause: Cooperative employee was moving sheet metal venting causing laceration that required surgery.

Lost time: Yes (4 days)

UPCOMING EVENTS

OIL SPILL WORKSHOPS

(postponed until 2021)

APRIL 14-15, 2020

APRIL 16-17, 2020

APRIL 21-22, 2020

APRIL 23-24, 2020

MAY 26-27, 2020

MAY 28-29, 2020

APRIL 24, 2020 (CANCELED)

**Line Supervisors Roundtable
(Wamego)**

AUGUST 6-7, 2020

**Safety Coordinators/Material
Managers Meeting (Wichita)**

SEPTEMBER 9-11, 2020

KEC Hot Line School (Pratt)

SEPTEMBER 15-17, 2020

**KEC Hot Line School
(Manhattan)**

SEPTEMBER 24-25, 2020

**Line Supervisors Meeting
(Wichita)**

NOVEMBER 17-18, 2020

Transformer Workshop (Topeka)

NOVEMBER 19-20, 2020

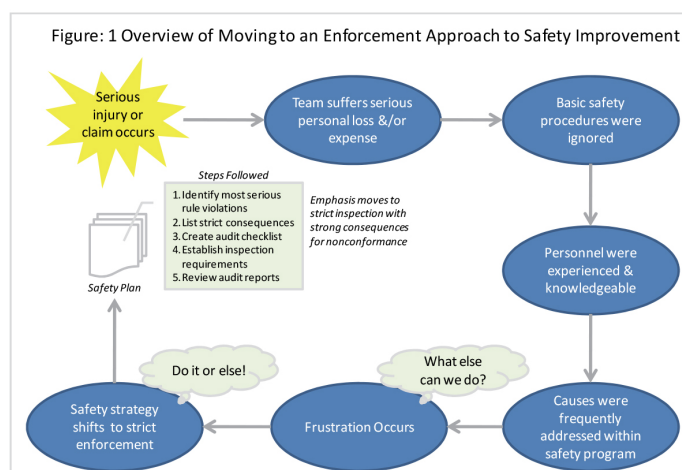
Metering Workshop (Topeka)

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The Role of Discipline in Leading Safety Performance *Continued from page 1*



want to establish to BEST protect employees from injury?

The answers to these questions should help provide understanding regarding the use of a strong disciplinary approach as an accident prevention strategy and what the proper role of discipline should be.

Many times as leaders we feel the need to “get tougher”, “send a strong message”, let all employees know “we will not tolerate unsafe behaviors” and are willing to back it up with strong action. The rationale behind this approach is forced compliance to rules without regard to motivating the inherent behaviors toward safe work practices. Our goal is for employees to follow safe work practice even when no one is around. Leaders must realize that history and experience establishes that the outcomes of implementing an “enforcement strategy” are negative.

When the primary focus to improving safety results becomes an overemphasis on discipline, employees disengage and organizational leaders tend to become isolated from what is really occurring “on the field”. These outcomes tend to drive a wedge between organizational leaders and line employees, creating an ever-widening separation that, over time, weakens communications, trust, and working relationships. (Figure 2). This ultimately has a profoundly negative effect on the cooperative’s

safety culture.

Research establishes that great safety performance is built on a strong organizational safety culture, owned and driven by great leadership. It starts at the top, with a strategic focus on safety, supported by clear rules, policies and procedures. On this foundation, the workforce can be engaged in prevention based safety systems to reduce exposure to at-risk behaviors and conditions (see Figure 3.). A prevention-based safety system engages both leaders and employees to create an environment behaviors, practices and safety processes work together to prevent injuries from occurring. Without an engaged workforce, a safety culture and prevention based safety system can never reach its full potential.

A strong disciplinary mandate may have short term effects on behaviors. When leaders commit to an enforcement based strategy, employees perceive safety as finding people doing something wrong and enforcing compliance through threats and intimidation. Leaders must step back and honestly ask themselves whether or not this is the BEST approach. Studies regarding the psychology of human behavior have shown that for discipline to consistently modify undesirable behaviors to desirable ones, it must be viewed as being delivered soon after the undesirable behavior occurs and with certainty; otherwise the act of discipline will have little effect on making lasting changes to the

Typical Outcomes of an enforcement strategy (over emphasis on discipline) as the PRIMARY driver for safety improvement

1. Stifles employee participation
2. Effects the quality of field reporting
3. Supervision may perform LESS on-the-field coaching (or worse yet “pencil whip” the audit reports)
4. May create or strengthen adversarial relationships
5. Tends to create mistrust
6. Weakens communication
7. Shifts team focus from risk mitigation to the discipline itself (NOT getting caught verse working safer/hazard recognition)

Figure 2: Typical Outcomes of an Enforcement Safety Strategy

Continued on page 5

The Role of Discipline in Leading Safety Performance *Continued from page 4*

undesired behavior. An example of this phenomenon is the threat of a speeding ticket to prevent the undesirable behavior of speeding. Few of us really believe with certainty that, when we speed, we will instantaneously receive a speeding ticket (although road side technology may soon change this). Therefore, we continue to speed on a regular basis. If we did believe however, that each time we exceeded the speed limit we would receive a speeding ticket immediately, we would quickly modify our behaviors and drive within the speed limits. The threat of discipline by itself, without consistent and certain application day in and day out will make little difference in the way our employees act.

This is not to be taken as a suggestion of “softness” regarding discipline for safety violations. To the contrary, great leadership deals with the courage to engage and act, and to care enough to take responsibility for safety outcomes. The easy path is for a leader to isolate themselves from the team, fail to take ownership, abdicate responsibility, and allow blame or excuses to be the primary countermeasure for poor performance. True courage is not shown by a knee jerk reaction to use power and authority to drive behaviors through intimidation. We only wish it was that easy. The point is, even if we took our best shot at threatening the highest level of discipline for safety rules violations, the odds are our threats would have little long term effect on reducing at-risk behaviors, and even worse yet may drive those behaviors underground.

So what should be the role of discipline when leading safety performance? Any GREAT coach uses discipline as a tool (not a weapon) with laser accuracy, after normal coaching and setting of clear expectations has failed to correct a player's undesirable behaviors. Discipline should be applied for safety performance issues in the same manner as all other job performance issues. Discipline, when applied justly, with dignity and respect, in

Figure 3: The Building Blocks of Safety Performance



What would you think of adding a layer at the top with "Strategic Safety Focus" in it?

a quick and consistent manner can be a powerful motivator and over time can actually strengthen organizational culture.

Motivating safe behaviors is a difficult leadership challenge, but consider for a moment the methods football coaches use to instill certain behaviors and techniques into their players. Do we see football coaches in their offices, spending a majority of their time on administrative tasks? Certainly not. They are on the field. Every practice. Every game. Actively involved. They constantly use positive and constructive feedback to shape their players performance.

Candid feedback, consistently applied against fair and reasonable expectations, is the fuel that drives great player performance. Front line supervision should be constantly “on the field” interacting with field personnel. This should be a clear leadership expectation for front line supervision and monitored on a regular basis. When knowledgeable front line supervisors are consistently “on the field” coaching and supporting employees in their daily work, there

Do we see football coaches in their offices, spending a majority of their time on administrative tasks? Certainly not. They are on the field. Every practice. Every game. Actively involved.

Continued

The Role of Discipline in Leading Safety Performance *Continued from page 5 ►*

Front line supervision should be constantly "on the field" interacting with field personnel

are consistently higher levels of mutual respect, meaningful employee to supervisor interaction, and positive working relationships. This typically translates to stronger safety culture translating to higher safety and production performance.

To reach best-in-class levels of safety performance however, coaching must move beyond even the front line supervisor to all levels of the organization – to crew leaders, journeyman, stakers, and other front line employees. Everyone must be engaged to provide constant feedback to their teammates and to help identify hazardous conditions that create risk of injury. This is our most difficult leadership challenge. Cooperative leaders are constantly being pulled in multiple directions. Time is at an all time premium. Yet real engagement in the safety process must be led and modeled by the top leaders of the organization so that employees at all levels of the organization direct their attention and action towards improving safety on a daily basis.

Hence, a safety improvement strategy based primarily on enforcement is at best a short term fix and runs a high risk of severely weakening an organizations safety culture. As a safety culture weakens, the overall effectiveness of prevention-based safety system also declines. Research shows that these factors will, over time, lead to higher injury rates.

For a more effective approach that leads to positive results, leaders should focus instead on motivating and engaging all levels of the workforce to actively participate in “on the field” coaching emphasizing constant positive and constructive feedback regarding safety performance and conditions. The role of discipline for safety performance should be used as a tool to correct undesirable behaviors, when normal coaching and setting of clear expectations has failed to improve the employee's safety performance. Discipline when applied consistently and properly, can be a powerful motivator of behaviors and actually strengthen an organizational safety culture.

With all cooperative “players” – from top leadership to front-line employees in the field – coaching to “win the game”, no one should ever have to make that phone call.

CHARLES "BUD" BRANHAM is a Principal with the Utility Management Practice of NRECA's National Consulting Group. He works with member cooperatives on a wide range of projects, including organizational assessments, operational efficiency, safety improvement planning, process reengineering, and project management. His experience in safety leadership and management has crossed both organizational staff functions as well as direct line responsibility. Prior to joining NRECA, Bud was Region Operations Manager for Utility Lines Construction Services, a subsidiary of Utilicon Solutions, and he also spent over 25 years, with Florida Power & Light.

Overcoming Slip, Trip and Fall Hazards on the ROW

BY JESSE HARDY, CSP, CIT, CUSP

It was a beautiful morning. The sun was shining. The birds were chirping. It wasn't too hot or too cold, and Jim, a new worker, was listening to the plan for the day with Jack and Mary as they walked on the right-of-way (ROW) to the drilling pad they would be working on. As they were walking, Jim stepped on a rock that caused his ankle to roll. Instinctively, he put his hand out to catch himself, but his arm didn't quite make it to the right position before he hit the ground. Everyone heard a snap, and Jim felt the fracture in his left wrist. He knew that pain because he had sustained a similar injury a few years before, and he knew that it would affect his work for the next six to eight weeks. But what he didn't know until he saw the doctor was that he also had torn two ligaments in his ankle. Regrettably, the surgery required to fix this mess wouldn't go as well as planned, which would put Jim out of work for the next six months. In addition, this injury occurred in a non-employee friendly workers' compensation state, and Jim and his family would face severe financial issues as his take-home pay would be cut from \$1,100 per week to exactly \$442.28. The end. Not all fairy tales have a happy ending.

In real life, the contractor I work for — Supreme Industries — grew by 42% in 2017, which required us to hire many new workers. Surprisingly, of all the issues that could have arisen from this growth, it was slip, trip and fall (STF) injuries that popped up on our safety radar. Upon

investigation, we found that approximately 70% of these injuries involved workers who had been with our company for less than six months and may not have been accustomed to working on a ROW. In response, we developed an STF training program and rolled it into our onboarding process, a move that — despite growing another 25% in 2018 on top of the 42% growth in 2017 — has reduced our STF injuries to zero. We at Supreme want to share with you some of our knowledge gained and lessons learned so you can help your workers do the job right and go home unharmed.

Definitions

First, let's review definitions for slips, trips and falls.

- ▶ **SLIP:** Losing traction, often from slick terrain or vehicles/equipment, steep slopes and/or boots that lack soles with good tread.
- ▶ **TRIP:** Losing balance while moving, usually because of unexpected changes in terrain, such as an object or a hole in the walkway.
- ▶ **FALL:** Falling from one level to the same level, or to a lower level, usually



because of a slip, trip and/or lack of situational awareness, such as inadvertently stepping off the edge of a mat, trailer or piece of equipment.

Preventive Measures

- ▶ So, what are some general measures that can be taken to prevent STFs?
- ▶ Survey, pick and clear the best route/working area before work begins.
- ▶ Move slowly and deliberately.
- ▶ Do not carry or move loads in areas of instability where STF hazards cannot be controlled.
- ▶ If needed, run stability ropes down steep grades for workers to attach to and work from.
- ▶ Barricade holes, stumps and similar items in the ROW to mitigate hazards.

One specific circumstance in which workers face STF hazards on the ROW is when they are attempting to get in and out of vehicles and equipment. Here are several ways to address these hazards.

- ▶ Uneven and unstable terrain can be improved by grading and/or compacting the site.

One specific circumstance in which workers face STF hazards on the ROW is when they are attempting to get in and out of vehicles and equipment.

Continued on page 8 ▶

Overcoming Slips, Trip and Fall Hazards on the ROW *Continued from page 7* ▶

- ▶ In rocky areas, workers should walk on smaller, more compacted/stable rocks, avoiding larger riprap-type rocks when possible, as well as ledge outcroppings that may give way underweight.
- ▶ In brushy areas, workers should avoid stepping on logs, since they may roll or be slick from rain, snow and/or ice. Crews also can mow brushy areas to expose terrain or move brush away by hand to expose the ground.
- ▶ Frosty, snowy and icy areas can pose significant risk; therefore, leaders should attempt to eliminate these hazards by using ice melt or sand on walkways, steps and work areas. Similarly, operators should clean off vehicle/equipment access steps and ladders. Lastly, workers should avoid these areas when possible, especially on slopes, and wear over-boot ice cleats that are appropriate for the type of work they're performing.
- ▶ If possible, eliminate the mud from muddy areas by grading the site. Other approaches include dumping sand, cleaning off vehicle/equipment steps and ladders, and avoiding muddy areas when possible.
- ▶ Timber mats can present unique hazards related to the type and quality of the mats used. Leaders should use the best quality solid mats — those without lifting hook holes — for walking/working surfaces, restricting those of lesser quality for use as runners underneath. When mat holes are present, they can be filled with gravel or sand to eliminate the hazard, or painted with fluorescent paint to make them more visible. Workers should avoid walking near mat edges and holes.

Situational Awareness

Situational awareness can be an issue with STF hazards when workers:

- ▶ Focus more on the work than the terrain. We need to regularly remind workers about STF hazards throughout the day, and we may need to use a

Situational awareness can be an issue with STF hazards when workers focus more on the work than the terrain and don't recognize changes in the weather.

spotter in areas where both the STF risk is high and the need for worker focus is great.

- ▶ Don't recognize changes in the weather that create STF hazards related to frost, snow, ice, rain or mud. In these cases, we need to remind workers of the potential changes during the morning and afternoon tailboard meetings.

Rushing is related to situational awareness because it can steal our focus, but it differs in that rushing is an intentional choice, whereas lack of situational awareness is more of an unintentional drift. Rushing on our job sites might look like frustration or a worker "just trying to be a hand." Regardless of the reason, workers should be calmed and slowed down, and reminded that deliberate, careful work is safer, more efficient and produces better-quality results.

Optimal Footwear

Lastly, footwear can contribute to STF issues when workers wear non-supportive boots without good tread. Lace-up boots that extend above the ankle and have the appropriate soles, heels and tread for conditions should be worn.

JESSE HARDY, CSP, CIT, CUSP, is vice president of HSE for Supreme Industries, a Harwinton, Connecticut-based contractor that specializes in right-of-way clearing, building access roads, drilling and pole pulling.

Special thanks to Incident Prevention for allowing KEC to reprint the article.

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

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION <div style="text-align: right;">KS0042</div>
	PERIOD ENDED February 2020
INSTRUCTIONS - See help in the online application.	BORROWER NAME <div style="text-align: right;">The Lane-Scott Electric Cooperative, Inc.</div>

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

CERTIFICATION

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

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

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

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

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

DATE

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	2,985,875	2,688,897	3,047,428	1,267,701
2. Power Production Expense				
3. Cost of Purchased Power	1,682,274	1,454,341	1,817,917	698,079
4. Transmission Expense	2,371	467	1,249	227
5. Regional Market Expense				
6. Distribution Expense - Operation	225,133	237,505	230,006	124,225
7. Distribution Expense - Maintenance	119,467	116,624	122,557	69,583
8. Customer Accounts Expense	40,292	28,073	37,739	17,261
9. Customer Service and Informational Expense	5,735	2,357	5,468	
10. Sales Expense	9,172	10,721	12,523	5,666
11. Administrative and General Expense	205,867	259,815	230,784	126,755
12. Total Operation & Maintenance Expense (2 thru 11)	2,290,311	2,109,903	2,458,243	1,041,796
13. Depreciation and Amortization Expense	257,556	263,149	268,863	130,073
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	204,167	215,212	214,248	107,597
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	571	324	606	161
19. Other Deductions	1,453	2,242	2,645	1,014
20. Total Cost of Electric Service (12 thru 19)	2,754,058	2,590,830	2,944,605	1,280,641
21. Patronage Capital & Operating Margins (1 minus 20)	231,817	98,067	102,823	(12,940)
22. Non Operating Margins - Interest	6,497	10,871	6,949	5,300
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(6,080)	(9,889)	10,000	(1,646)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	300			
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	232,534	99,049	119,772	(9,286)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION KS0042		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED February 2020		
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	8	9	5. Miles Transmission		
2. Services Retired	1	8	6. Miles Distribution – Overhead	2,035.31	2,036.59
3. Total Services in Place	6,029	6,042	7. Miles Distribution - Underground	7.15	7.53
4. Idle Services (Exclude Seasonals)	181	239	8. Total Miles Energized (5 + 6 + 7)	2,042.46	2,044.12
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	56,935,458		30. Memberships	0	
2. Construction Work in Progress	209,730		31. Patronage Capital	20,702,656	
3. Total Utility Plant (1 + 2)	57,145,188		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	16,847,683		33. Operating Margins - Current Year	98,067	
5. Net Utility Plant (3 - 4)	40,297,505		34. Non-Operating Margins	983	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	139,151	
7. Investments in Subsidiary Companies	244,067		36. Total Margins & Equities (30 thru 35)	20,940,857	
8. Invest. in Assoc. Org. - Patronage Capital	10,296,777		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	(4,323)		38. Long-Term Debt - FFB - RUS Guaranteed	30,952,316	
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)	6,749,199	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	150,400	
13. Special Funds	0		42. Payments – Unapplied	4,015,919	
14. Total Other Property & Investments (6 thru 13)	10,763,980		43. Total Long-Term Debt (37 thru 41 - 42)	33,835,996	
15. Cash - General Funds	242,693		44. Obligations Under Capital Leases - Noncurrent	378,305	
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)	378,305	
18. Temporary Investments	3,125,548		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	834,341	
20. Accounts Receivable - Sales of Energy (Net)	1,230,559		49. Consumers Deposits	119,763	
21. Accounts Receivable - Other (Net)	132,954				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	0	
23. Materials and Supplies - Electric & Other	340,138		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	142,281		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	8,918		53. Other Current and Accrued Liabilities	912,816	
26. Total Current and Accrued Assets (15 thru 25)	5,223,216		54. Total Current & Accrued Liabilities (47 thru 53)	1,866,920	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	737,377		56. Other Deferred Credits	0	
29. Total Assets and Other Debits (5+14+26 thru 28)	57,022,078		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	57,022,078	

2019-Line 25 - Non-Operating Margins

		January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	
Rev.-Electrician & Mat.	415.1	\$15,472.59	\$30,072.11											\$45,544.70	415.1
Exp.-Electrician & Mat.	416.1	\$25,241.80	\$31,891.48											\$57,133.28	416.1
		(\$9,769.21)	(\$1,819.37)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$11,588.58)	
Rev.-Appliance Repair	415.2	\$11,413.72	\$6,562.93											\$17,976.65	415.2
Exp.-Appliance Repair	416.2	\$13,809.81	\$13,452.50											\$27,262.31	416.2
		(\$2,396.09)	(\$6,889.57)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$9,285.66)	
Rev.-Member Damages	415.3	\$1,641.57	\$0.00											\$1,641.57	415.3
Exp.-Member Damages	416.3	\$1,785.22	\$0.00											\$1,785.22	416.3
		(\$143.65)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$143.65)	
Finance Charges	415.5	\$213.65	\$215.01											\$428.66	415.5
MARGIN-Resale		(\$12,095.30)	(\$8,493.93)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$20,589.23)	
Rev.-City of Dighton	417.0	\$12,437.50	\$12,437.50											\$24,875.00	417.0
Exp.-Sup. & Engineering	417.1	\$935.28	\$621.24											\$1,556.52	417.1
Exp.-Material	417.11	\$0.00	\$0.00											\$0.00	417.11
Exp.-Overhead Lines	417.2	\$4,111.99	\$2,515.62											\$6,627.61	417.2
Exp.-Cons. Accts.	417.3	\$894.56	\$1,039.11											\$1,933.67	417.3
Exp.-Line Patrol	417.4	\$0.00	\$0.00											\$0.00	417.4
Exp.-Street Lights	417.5	\$1,717.99	\$299.41											\$2,017.40	417.5
Exp.-Meter Reading	417.6	\$810.02	\$934.38											\$1,744.40	417.6
Exp.-Tree Trimming	417.7	\$0.00	\$0.00											\$0.00	417.7
Exp.-Trans. & Meters	417.8	\$0.00	\$72.66											\$72.66	417.8
Exp.-Misc.	417.9	\$115.54	\$614.97											\$730.51	417.9
Exp.-Contract	417.12	\$0.00	\$0.00											\$0.00	417.12
Total Expenses		\$8,585.38	\$6,097.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,682.77	
MARGIN-City		\$3,852.12	\$6,340.11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,192.23	
Misc. Income	421.0	\$0.00	\$0.00											\$0.00	421.0
Gain on Disposal	421.1	\$0.00	\$356.00											\$356.00	421.1
Loss on Disposal	421.2	\$0.00	\$152.00											\$152.00	421.2
NET NON-OP MARGIN		(\$8,243.18)	(\$1,645.82)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$9,889.00)	

*HVAC hours worked on Lane-Scott property & distribution system that is not billed to customers

*Electrician hours worked on Lane-Scott property and distribution system that is not billed to customers

Current Month			YTD Total		
Hours	Rate	Total	Hours	Rate	Total
41.5	\$ 85.00	\$ 3,527.50	73	\$ 85.00	\$ 6,205.00
82.5	\$ 85.00	\$ 7,012.50	126	\$ 85.00	\$ 10,710.00
		\$ 10,540.00			\$ 16,915.00

Billable Hours							
		<u>Mike Pollock</u>	<u>Mike Pollock</u>	<u>Kalo Mann</u>	<u>Kalo Mann</u>	<u>Mark Mc</u>	<u>Mark Mc</u>
<u>Date</u>	<u>Day</u>	<u>416 Billed</u>	<u>416 Charged</u>	<u>416 Billed</u>	<u>416 Charged</u>	<u>416 Billed</u>	<u>416 Charged</u>
February-20	3	2.5	8			1	4
February-20	4	6	8			6	8
February-20	5	5	6			6	8
February-20	6	0	0			5	8
February-20	7	4	8			0	0
February-20	10	6	8	4.5	5.5	5	7
February-20	11	5	5	5	5	5	8
February-20	12	2.5	3	2.5	3	4	5
February-20	13	4	6	4	8	0	0
February-20	14	1	1.5	1	1.5	5	8
February-20	17	8	8	8	8	5	8
February-20	18	6	6	6	6	5	8
February-20	19	0	0	2	4	4	8
February-20	20	5	6	4	6.5	0	0
February-20	21	5	6	5.5	6	2	4
February-20	24	8	8	7	8	5	8
February-20	25	2	2	3	3	3	4
February-20	26	6.5	7	6.5	7	0	0
February-20	27	6.5	8	6.5	8	4	7
February-20	28	6	8			4	8
TOTAL		89	112 1/2	65 1/2	79 1/2	69	111
Total 416 Billed		223 1/2					
Total 416 Charged		303					

LANE-SCOTT ELECTRIC
RESALE OPEN BALANCE
as of 03/31/20

NAME	AMOUNT DUE	ACTION TAKEN	AMOUNT PAID	
Kalo Mann	\$ 486.40			
Black Dog Restaurant	\$ 2,224.46	Phone call & letter sent		
Janet Offutt	\$ 87.41	Letter sent		
Kami Miller	\$ 138.94	Payments	\$ 340.15	pd off
Dee Shull	\$ 33.69	Payments	\$ 194.60	Feb & Mar
Charlene Salas	\$ 79.64	Payments	\$ 145.15	Feb & Mar
Stephen Riffle	\$ 407.07	Payments	\$ 50.00	7-Feb
.	\$ 3,457.61		\$ 729.90	

LANE-SCOTT ELECTRIC
RESALE OPEN BALANCE
February 2020

NAME	AMOUNT DUE	ACTION TAKEN	AMOUNT PAID	
Kalo Mann	\$ 480.23			
Black Dog Restaurant	\$ 2,195.52	Phone call & letter sent		
Janet Offutt	\$ 86.16	Letter sent		
Kami Miller	\$ 138.94	Payments	\$ 200.00	31-Jan
Barry Johnston	\$ 1,467.30	Letter sent		
Dee Shull	\$ 69.60	Payments	\$ 125.00	17-Feb
Charlene Salas	\$ 157.45	Payments	\$ 65.15	11-Feb
Stephen Riffle	\$ 401.37	Payments	\$ 50.00	7-Feb
.	\$ 4,996.57		\$ 440.15	

Operations Report

March 2020

I hope you all are staying well. We have been working diligently on safeguarding the health of our employees and members. So far, our efforts are paying off with a healthy and operating crew and staff. Though new load inquiries have slowed due to the outbreak and the low oil price, we have continued progress on many of our ongoing projects. Solida tree service is trimming in the McCracken area and we continue to change out rejected poles in Finney county as weather allows. We made a couple of new house connects in Scott park and addressed some clearance issues while we were there. We will be energizing the new 5G tower just East of highway 83 on highway 4 in Scott county in a couple of weeks. We have also started some of our yearly maintenance projects. We performed a system wide underground facility inspection and labeling. We have sprayed our substations for weed control. We have also sent approx. half of the Ocrs scheduled for maintenance this year to KEC/Solomon. They will perform the maintenance and return them. We are attempting to accomplish this project without having them onsite other than for pickup and delivery. Just another way we are adjusting procedures during this outbreak. We have completed the contract with IES and are working on scheduling and material hand off procedures. They should begin changing poles in Ness City within a couple of weeks. We continue to work with Border States and are now in the process of verifying the file exchange and formats. We are also in the process of having a structural analysis and certification performed on our radio tower South of Dighton. Although many things have slowed down during these trying times, we are still providing the best service we can for our members.

If you have any questions, feel free to call or drop by anytime.

Nate Burns

Manager of Operations

OUTAGE STATISTICS February 2020

CATEGORY	OCCURRENCES			TOTAL OUTAGE HRS.			# of Meters
	14.4 KVA	7.6 KVA	Total	14.4 KVA	7.6 KVA	Total	
PHASE FLOATER			0			0	
BIRDS & ANIMALS	1		1	510		510	510
TREES			0			0	
LIGHTNING\RAIN\WIND			0			0	
ICE & WIND			0			0	
SNOW & WIND			0			0	
OCR OR FUSE FAILURE			0			0	
TRANSFORMER FAILURE			0			0	
BROKEN JUMPER			0			0	
PEOPLE CAUSED			0			0	
BROKEN POLE			0			0	
POWER SUPPLY			0			0	
SCHEDULED			0			0	
UNKNOWN			0			0	
TOTALS	1	0	1	510	0	510	510

ANNUAL CONSUMER OUTAGE HOURS

TOTALS	2013	2014	2015	2016	2017	2018
	22,012	27,418	13,498	19,195	39,638	16,319
	2019	2020				
	25,081	1,721				

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

Transformer Losses 1995-2020

[illegible]

IT/COMPLIANCE DEPARTMENT

CYBERSECURITY/IT PROJECTS COMPLETED AS OF MARCH 2020

1. iVue 2.47 update pre-release administrative security processes and setting requirements.
 - All Windows 7, 8, and 8.1 devices replaced with Windows 10 devices.
 - Replace Java Web Start application with Desktop Manager application.
 - Java 6 and 7 no longer supported and replaced with Java 8 and 11.
2. Created subdomain and DNS settings for Lane-Scott trustee website to be integrated with NRECA to upgrade to HTTPS.
3. Manage Engine software application vulnerability patch and begin training series of classes.
4. NRECA RC3 Self-Assessment approved and training series of classes begins.
5. COVID-19 Preparations:
 - Programmed additional Virtual Private Networks (VPN) tunnels and securities for office employees to remote from home.
 - Set up computers and installed applications for employees to work from home.
 - Worked with Ann Jennings to initiate OnDemand SmartHub Messenger COVID-19 first email process and all options that are available to members to manage their accounts.
 - Phone call transfer to employee remote office options with SRS and S&T for member account communications.
 - Installed Outlook app on employees' phones for internal communication.
 - Employee guideline on different methods of accessing software using different applications according to device and websites.
 - Security procedures for devices and data when used outside of the office.
 - Device cleaning guidelines to prevent screen or plastic corrosion and damage.
 - Server backup programming to switch from tape to external hard drive and remote office access.
 - Prepared monitors and miscellaneous electronics for remote office work. Created a check in/out agreement to assist with inventory, securities, and responsibilities.
 - Employee training and testing as needed on network and data securities, application usage, phishing/hacking attempts, and device cleaning.
 - Firewall security settings reviewed to ensure locked down.
 - Internet phones security settings and PBX firewall review to ensure locked down.
 - Time entry assistance for COVID coding.
 - Implemented Microsoft Audio Conferencing for large group conference calling.
 - Online Information services IP address restrictions to enable access for remote workers.

CYBERSECURITY/IT PROJECTS IN PROGRESS AS OF MARCH 2020

1. NISC Cyber Protect installation and programming.
2. NISC Cyber Academy installation and programming.

SAFETY PROGRAM

SAFETY PROJECTS COMPLETED AS OF MARCH 2020

1. Ann Jennings reordered our Look Up and Live sticker decals in a smaller format that will fit in the windows of large equipment. These will be available to hand out during the arc demonstrations and will be given to any past presentations that have been done. The City, County and State entities will be contacted to see if they are interested in receiving the decals. During harvest, we will work with elevators to hand out the decals to farmers.
2. KEC postponed meeting because of COVID-19. Carrie Borell, Richard McLeon, and Chris Terhune discussed safety meeting topic preparations.
3. Safety Council in 2019 began expanding on our Emergency Response and Disaster Recovery Plan. Richard McLeon discussed separating into individual books. Richard volunteered to take on this project.
4. Safety meeting minutes are included in packet.

SAFETY PROJECTS IN PROGRESS AS OF MARCH 2020

1. Chris Terhune and Ann Jennings scheduled March 19 for Brookover Feedlot to do overhead energized line training. This is now postponed because of COVID-19.

Mileage Log Sheet

Unit 105

February

2020

Date	Reason for trip	destination	odometer		total mileage
			beginning	end	
1-Feb	Begin		39,707		
11-Feb	Rotary Club	Ness City	39,773	39,882	109
17-Feb	KEC Legislative Days	Topeka	39,891	40,499	608
20-Feb	Sunflower Board	Hays	40,502	40,692	190
25-Feb	Rotary Club	Ness City	40,697	40,760	63
27-Feb	NRECA Annual Meeting	Garden City	40,761	40,815	54
					-
					-
					-
					-
	month end			40,815	
				Business	1,024

Total 1,108

Personal 84

1. Annual Meeting:
 - a. John Ross Catering confirmed
 - b. Gifts ordered
 - c. Nominating committee confirmed
2. SmartHub Messenger e-mail & text messaging notifications set-up and used for sending messages out about the coronavirus. Watt's Up at Lane-Scott welcome campaign and advertising has gone out.
3. Promoted the Kansas Energy Program which provides free audits to agriculture and small businesses while also helping guide people through the process of applying for USDA REAP Grants that pay for energy efficient business upgrades.
4. Continuing to work on a Lane-Scott brochure that can be used for new or old members or to pass out at various events.
5. Radio ad campaign beginning on 4/6 and running for 1 month promoting agriculture safety and low lines.

"Spring has sprung in Western, KS, which means farmers will be heading to the fields. As you prepare for planting & spring crops, Lane-Scott Electric reminds you to take a look overhead!

Take time to plan-out routes between fields, to bins & elevators, and on public roads to avoid low-hanging lines. Inform anyone operating or transporting large equipment of where overhead lines are located on your property. Make sure EVERYONE knows what to do if there's contact with an electric line. Equipment that's normally helpful can become lethal during an encounter with a power line.

If you know of areas where clearance is an issue, contact your local electrical company in advance. Never try to move or raise a line yourself.

From everyone at Lane-Scott Electric, thanks for working safely around electricity. "

6. Continue working on newsletter, social media posts, website updates monthly, sponsor & donation requests.
7. Working on the member satisfaction survey with "Inside Information."
8. Sent the creative to the Ness City school for the football scoreboard advertising.