



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been set for March 1, 2021 at 7:00 p.m.

Proposed Agenda (revised):

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. Policy 524 – Drug and Alcohol-Free Workplace
  - b. Board Succession planning - Bylaws
10. New Business
  - a. Winter Storm Uri
    - i. CoBank Loan approval
    - ii. Payroll Protection Plan Corporate Resolution
    - iii. February 2021 Regulatory Asset Tariff Amendment
  - b. Annual Meeting Caterer and Gifts
  - c. Board Calendar 2<sup>nd</sup> Qtr
11. Safety Report
12. Executive Session – if requested
13. Adjourn

Upcoming Events:

|                              |           |             |
|------------------------------|-----------|-------------|
| NRECA Virtual Annual Meeting | March 2-4 |             |
| KEC Board Meeting            | March 3-4 | Wichita, Ks |
| Sunflower Board              | Mar 17    | Hays, KS    |
| LSEC Board Meeting           | April 5   | Dighton, KS |

**MINUTES OF THE REGULAR FEBRUARY 2021  
MEETING OF THE BOARD OF TRUSTEES  
OF THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

**CALL TO ORDER**

A regular meeting of the Board of Trustees of the Lane-Scott Electric Cooperative, Inc., was held on Monday, February 1, 2021, 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, Eric Doll, Chad Griffith, Paul Seib Jr. and Craig Ramsey. Also present Richard McLeon IV and Joseph Gasper, Attorney. Randy Evans and Richard Sorem attended the meeting remotely by telephone.

**MINUTES OF PRIOR MEETING**

President Jennison called for action on the minutes of the prior meeting held on January 11, 2021. *Hearing no corrections, 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, added to the written report:

- The offices at Great Bend have been remodeled and there will be adequate room there since some employees are now working from home.
- There is a new wind tower design that allows it to be laid down when necessary. A prototype is being built south of Concordia.
- Sunflower has completed the PPP paperwork and submitted to Commerce Bank for their review and submission to SBA. There is still a question as to forgiveness on the loan that will be determined.

## **KEC REPORT**

Trustee Hoss reported that the KEC annual meeting was held January 26 virtually. A copy of the written report was included in the board packet.

Manager McLeon added that the dates of the March and October meetings have been changed.

## **MANAGER'S REPORT**

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- The rates and reliability are good. The overall rate is 10 cents/kWh and 11.4 cents for the residential year. 99.97% service availability for the year is a good number.
- Trustees are requested to get their form 990 to Diana so they may be sent to the auditor.
- Nothing has been heard from Phillips 66. With the new administration, there has been an increase in oil production which will likely help the local producers.
- Manager McLeon has scheduled to meet with Senator Straub, Representative Lee-Hahn and Representative Minnix on February 4.
- Manager McLeon is scheduling a meeting with Dighton City Attorney Pike to discuss City issues.
- Discussion continues with Federated regarding safety training for the City of Ness City.
- Monitoring of the network should be in place by year end that will allow attempts to breach the system to be detected. Carrie has applied to the NRECA IT Mentor program which would give her access to an experienced IT professional.
- There were two new oil connects.
- Guernsey has made numerous data requests for the new work plan. The current maps are being updated for a better Windmil export.

- A line was damaged in Ness County due to a building being moved. The movers normally contact LSEC but failed to do so and did damage some line.
- Ann Marie is working on the signage for the headquarter building.
- December posted a \$134,942 loss in Total Margins and a \$201,654 loss in Operating Margins. Year-to-date Operating Margins are a loss of \$97,131 while Total Margins finished at \$664,371.
- OPTIER will be below the RUS requirements and RUS has recommended a narrative be prepared to explain why. Manager McLeon has prepared the narrative.
- The operating margins were down due to operating revenues being down \$1,659,373 (9.3%) mostly due to Commercial and Industrial sales which were down. The C&I loss accounts for 97% of the revenue loss and is related to COVID-19 shutdowns and the related drop in oil prices.
- The kWh sales were below average in April, October, November and December and the dollar sales were below average in most months which drives home the need for a cost of service study.
- Less power was purchased due to decreased demand. Net distribution expenses were \$6,946,350 compared to \$7,352,787 for the prior year.
- Controllable expenses were up \$298,574 mainly due to an increase in O&M expenses related to closing the 2012-2020 Work Plan.
- Depreciation expense was up \$50,522 due to the merger of MKEC and LSEC.
- Expenses will need to be controlled in the future. LSEC is still in strong cash position and a cost of service study is planned. Controlling the controllable expenses and the likely increase in oil activity will help in the future.
- OPCO, LLC continues to make payments on its past due account.
- Non-operating losses totaled \$17,623 with the resale showing a year-to-date loss of \$88,824. Resale was affected by COVID-19 and Kalo's injury.
- Re-sale will be having a strategic planning session after Dee's retirement to discuss plans going forward.

## **RECEIPT OF MANAGER'S REPORT**

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

## **SAFETY REPORT**

A safety report was included in the board packet.

## **OLD BUSINESS**

The new policy 524 has not been received from outside counsel.

Attorney Gasper discussed proposals for bylaw changes including filling vacant trustee positions, written ballots, floor nominations, tie votes, virtual meetings and joint memberships. The board requested Attorney Gasper to draft proposed bylaw changes based on the discussion for review at a future meeting.

## **NEW BUSINESS**

### **1. Tower Lease agreement**

- Manager McLeon discussed a new non-exclusive antenna site lease agreement which would allow the Lane County Emergency Management to lease space on the Hineman tower for a communications tower. The existing lease terminates June 1, 2021. The Hineman tower lease expires April, 2025. LSEC offered a 4 year lease with a 1 year renewal at a rate of \$500 per year to LCEM. Staff requests the board to approve the non-exclusive antenna site lease agreement as presented.
- *A motion to approve Non-Exclusive Antenna Site Lease Agreement between LSEC and the Lane County Emergency Management for a space on the Hineman tower as presented in the board packet, was made, duly seconded and carried.*

### **2. Property Tax Summary**

- Manager McLeon presented the property tax summary as contained in the board packet.
- LSEC paid \$891,461 in property taxes in 2020 which is a 7.9% increase. This is recovered by a property tax adjustment which is a pass through on the monthly billing.
- LSEC uses Marks-Nelson to assist with valuation who splits savings 50/50 with KEC. The 2020 LSEC cost share was \$212.05 but KEC refunded a portion of their fees back to LSEC of which LSEC received \$1,588.

### **3. Write Off**

- Uncollectable accounts totaling \$1,071.90 were presented to the board to be written off. The board asked if these were uncollectible and it was indicated these appear to be uncollectible.
- *A motion to approve the write-offs in the amount of \$1,071.90 as presented to the board was made, duly seconded and carried.*

### **4. Irrigation Report**

- A report of the Irrigation usage was contained in the packet.
- LSEC has 332 irrigators in 2020 with 7,911.3 rated horsepower. Actual horsepower used was 6,844.4 and hp billed was 7,564.
- The number of irrigators and billed horsepower has been growing steadily since 2008. Since 2016, the revenues have remained flat at about \$1,000,000 per year mainly due to the lowering cost of wholesale power.

## 5. Scholarship Committee

Staff requested input of the board with regards to a scholarship committee. Staff options are a committee of trustees or a committee of employees, community members and trustees. Currently the youth tours have been selected by a committee of employees. The board discussed the various options.

*A motion to have the scholarships selected by a committee of employees consistent with historical selection of the youth tour recipients was made, duly seconded and carried.*

## ADJOURNMENT

*A motion to adjourn the meeting was made, seconded and carried at 8:26 p.m., on Monday, February 1, 2021.*

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# Accounts Payable Check Register

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Bank Account: 2 - FIRST STATE BANK

| Check /<br>Tran Date | Pmt<br>Type | Vendor | Vendor Name                      | Reference                           | Amount     |
|----------------------|-------------|--------|----------------------------------|-------------------------------------|------------|
| 2305 01/12/2021      | WIRE        | 124    | GOLDEN BELT TELEPHONE            | Monthly Invoice                     | 187.82     |
| 2306 01/12/2021      | WIRE        | 1160   | S&T TELEPHONE COOP ASSN.         | Monthly Invoice                     | 926.99     |
| 2313 01/13/2021      | WIRE        | 121    | FED-EX                           | Monthly Invoice                     | 74.96      |
| 46607 01/15/2021     | CHK         | 1      | FIRST NATIONAL BANK              | Safe Deposit Box Rent               | 15.00      |
| 46608 01/15/2021     | CHK         | 15     | ERIC DOLL                        | January Board Meeting               | 289.20     |
| 46609 01/15/2021     | CHK         | 20     | BASIN ELECTRIC POWER COOP        | Dec Dispatch and Monitoring Fees    | 2,128.45   |
| 46610 01/15/2021     | CHK         | 23     | FEDERATED RURAL ELECTRIC         | Workers Comp Policy                 | 123,211.00 |
| 46611 01/15/2021     | CHK         | 25     | LANE-SCOTT ELECTRIC COOPERATIVE, | Payroll Transfer                    | 45,000.00  |
| 46612 01/15/2021     | CHK         | 30     | HAROLD HOSS                      | January Board Meeting               | 383.60     |
| 46613 01/15/2021     | CHK         | 40     | KANSAS ELECTRIC COOPERATIVES     | Monthly Invoice                     | 2,326.09   |
| 46614 01/15/2021     | CHK         | 60     | PAUL SEIB JR                     | January Board Meeting               | 286.96     |
| 46615 01/15/2021     | CHK         | 63     | RICHARD JENNISON                 | January Board Meeting               | 264.56     |
| 46616 01/15/2021     | CHK         | 105    | CITY OF NESS CITY                | Monthly Invoice                     | 26.00      |
| 46617 01/15/2021     | CHK         | 172    | TYNDALE COMPANY, INC.            | Clothing Allowance - Leighton Ayers | 210.49     |
| 46618 01/15/2021     | CHK         | 179    | RAD ROEHL                        | January Board Meeting               | 260.08     |
| 46619 01/15/2021     | CHK         | 202    | CHAD GRIFFITH                    | January Board Meeting               | 367.00     |
| 46620 01/15/2021     | CHK         | 222    | TOUCHSTONE ENERGY COOPERATIVE    | Membership Dues 2021                | 5,490.00   |
| 46621 01/15/2021     | CHK         | 329    | SOUTHWIND BROADCASTING           | Advertising                         | 960.00     |
| 46622 01/15/2021     | CHK         | 450    | RANDALL G EVANS                  | January Board Meeting               | 350.56     |
| 46623 01/15/2021     | CHK         | 903    | NISC                             | Monthly Invoice                     | 13,805.77  |
| 46624 01/15/2021     | CHK         | 1263   | RICHARD SOREM                    | January Board Meeting               | 298.16     |
| 46625 01/15/2021     | CHK         | 1299   | DEANNE SHULL                     | Cookies for Board Meeting           | 72.00      |
| 46626 01/15/2021     | CHK         | 1300   | CRAIG RAMSEY                     | January Board Meeting               | 278.00     |
| 2309 01/19/2021      | WIRE        | 1229   | SCHABEN SANITATION               | Monthly Invoice                     | 397.58     |
| 2307 01/21/2021      | WIRE        | 59     | NRECA                            | 401k Qrtly Employer Expense         | 1,348.50   |
| 2308 01/21/2021      | WIRE        | 274    | VERIZON WIRELESS                 | Monthly Invoice                     | 665.83     |

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|----------------------|-------------|--------|----------------------------------|--------------------------------------|-----------|
| 2310 01/21/2021      | WIRE        | 1271   | CARDMEMBER SERVICE               | Monthly Credit Card Invoice          | 3,059.16  |
| 2312 01/25/2021      | WIRE        | 101    | ATMOS ENERGY                     | Monthly Invoice                      | 134.21    |
| 2314 01/25/2021      | WIRE        | 263    | KS DEPT OF REVENUE - SALES TAX   | Sales Tax                            | 17,043.23 |
| 2315 01/25/2021      | WIRE        | 264    | KS DEPT OF REVENUE - USE TAX     | Use Tax                              | 131.59    |
| 46627 01/26/2021     | CHK         | 1      | FIRST NATIONAL BANK              | Dee Retirement Gift                  | 253.00    |
| 46628 01/26/2021     | CHK         | 105    | CITY OF NESS CITY                | Franchise Fee                        | 4,719.09  |
| 46629 01/26/2021     | CHK         | 107    | CINTAS CORPORATION #449          | Monthly Invoice - Dighton            | 245.59    |
| 46630 01/26/2021     | CHK         | 135    | CITY OF BAZINE                   | Franchise Fee                        | 1,451.96  |
| 46631 01/26/2021     | CHK         | 138    | CITY OF UTICA                    | Franchise Fee                        | 2,290.99  |
| 46632 01/26/2021     | CHK         | 139    | CITY OF MCCracken                | Franchise Fee                        | 2,122.09  |
| 46633 01/26/2021     | CHK         | 140    | CITY OF BROWNELL                 | Franchise Fee                        | 514.96    |
| 46634 01/26/2021     | CHK         | 141    | CITY OF RANSOM                   | Franchise Fee                        | 4,199.32  |
| 46635 01/26/2021     | CHK         | 142    | CITY OF ALEXANDER                | Franchise Fee                        | 997.61    |
| 46636 01/26/2021     | CHK         | 154    | NESS COUNTY CLERK                | 2020 Antenna Site Rent               | 600.00    |
| 46637 01/26/2021     | CHK         | 160    | SHULL OIL COMPANY                | Monthly Fuel Invoice                 | 3,751.25  |
| 46638 01/26/2021     | CHK         | 172    | TYNDALE COMPANY, INC.            | Clothing Allowance - Kasey Jenkinson | 987.95    |
| 46639 01/26/2021     | CHK         | 218    | SPENCER PEST CONTROL             | Pest Control                         | 52.08     |
| 46640 01/26/2021     | CHK         | 226    | KANSAS CORPORATION COMMISSION    | Qtrly Assessment                     | 228.54    |
| 46641 01/26/2021     | CHK         | 253    | FARM CREDIT LEASING SERVICES COR | Truck Lease Payments                 | 9,548.69  |
| 46642 01/26/2021     | CHK         | 406    | RICHARD MCLEON                   | Sunflower Meeting                    | 110.32    |
| 46643 01/26/2021     | CHK         | 466    | D&S MACHINE & WELDING INC        | Nitrogen for Substation              | 82.56     |
| 46644 01/26/2021     | CHK         | 467    | DIGHTON CHIROPRACTIC             | DR Bennett Visits                    | 200.00    |
| 46645 01/26/2021     | CHK         | 540    | LANE COUNTY CHAMBER OF COMMER    | Dee Retirement Gift                  | 250.00    |
| 46646 01/26/2021     | CHK         | 1305   | ACRE                             | ACRE-Directors and Richard           | 1,125.00  |
| 46647 01/26/2021     | CHK         | 1306   | KCRE                             | KCRE-Directors & Richard             | 900.00    |
| 2316 01/27/2021      | WIRE        | 1290   | WEX BANK                         | Monthly Invoice                      | 32.00     |



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|----------------------|-------------|--------|----------------------------------|--|-----------|
| 2311 01/29/2021      | WIRE        | 1239   | CULLIGAN OF DODGE CITY           | Monthly Invoice                          | 164.92    |
| 46648 02/01/2021     | CHK         | 1      | BAZINE AMERICAN LEGION           | Raffle Donation                          | 100.00    |
| 46649 02/01/2021     | CHK         | 25     | LANE-SCOTT ELECTRIC COOPERATIVE, | Payroll Transfer                         | 52,500.00 |
| 46650 02/01/2021     | CHK         | 73     | STANION WHOLESALE ELEC CO INC    | Monthly Invoice                          | 14,620.89 |
| 46651 02/01/2021     | CHK         | 79     | POSTMASTER                       | Postage Newsletter                       | 99.43     |
| 46652 02/01/2021     | CHK         | 172    | TYNDALE COMPANY, INC.            | Clothing Allowance - Chris Terhune       | 180.82    |
| 46653 02/01/2021     | CHK         | 220    | LANDIS+GYR TECHNOLOGY, INC       | Aug - Jan SaaS Monthly Flat Fee          | 4,552.33  |
| 46654 02/01/2021     | CHK         | 261    | LOCKE SUPPLY CO                  | Monthly Invoice                          | 35.41     |
| 46655 02/01/2021     | CHK         | 376    | LUTZ AND COMPANY                 | Clothing Allowance-Chris Terhune         | 80.50     |
| 46656 02/01/2021     | CHK         | 406    | RICHARD MCLEON                   | Legislative visit -Topeka mileage        | 137.50    |
| 46657 02/01/2021     | CHK         | 468    | U.S. BANK                        | Monthly Invoice                          | 6,197.01  |
| 46658 02/01/2021     | CHK         | 1197   | GARDEN CITY WHOLESALE SUPPLY     | Monthly Invoice                          | 6,585.88  |
| 46659 02/01/2021     | CHK         | 1225   | CINTAS CORPORATION               | Monthly Invoice-Dighton                  | 521.48    |
| 46660 02/01/2021     | CHK         | 1243   | TRI-CENTRAL OFFICE SUP-HAYS      | Office Supplies                          | 78.43     |
| 46661 02/01/2021     | CHK         | 1299   | DEANNE SHULL                     | Cookies for Board Meeting                | 72.00     |
| 2317 02/02/2021      | WIRE        | 1187   | MIDWEST ENERGY                   | Monthly Invoice                          | 790.81    |
| 2318 02/03/2021      | WIRE        | 274    | VERIZON WIRELESS                 | Monthly Invoice                          | 313.74    |
| 2319 02/05/2021      | WIRE        | 168    | ONLINE INFORMATION SERVICES, INC | Monthly Invoice                          | 46.20     |
| 2323 02/08/2021      | WIRE        | 265    | HASLER - POSTAGE ACH             | Postage                                  | 250.00    |
| 2325 02/08/2021      | WIRE        | 62     | NRECA GROUP BENEFITS TRUST       | NRECA Gp 1-February Group Ins            | 2,788.53  |
| 2326 02/08/2021      | WIRE        | 180    | NRECA                            | NRECA Grp 1 Adm Fee -Feb Grp Ins Amd Fee | 231.72    |
| 2321 02/09/2021      | WIRE        | 1267   | AFLAC                            | Monthly Invoice                          | 473.54    |
| 2324 02/09/2021      | WIRE        | 1224   | NRECA RETIREMENT & SECURITY      | NRECA RS - Group Ins                     | 50,193.42 |
| 2320 02/10/2021      | WIRE        | 121    | FED-EX                           | Monthly Invoice                          | 14.36     |
| 2322 02/10/2021      | WIRE        | 18     | CITY OF DIGHTON                  | Monthly Invoice                          | 1,611.48  |
| 46662 02/10/2021     | CHK         | 1      | MIKHAIL Y. IMSEIS, M.D., P.A.    | DOT Physical-Myron Seib                  | 180.00    |

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|----------------------|-------------|--------|-------------------------------|---------------------------------|----------|
| 46663 02/10/2021     | CHK         | 14     | OFFICE SOLUTIONS, INC         | Monthly Invoice                 | 261.96   |
| 46664 02/10/2021     | CHK         | 15     | ERIC DOLL                     | February Board Meeting          | 389.20   |
| 46665 02/10/2021     | CHK         | 20     | BASIN ELECTRIC POWER COOP     | Dispatch Fee for January        | 2,128.24 |
| 46666 02/10/2021     | CHK         | 30     | HAROLD HOSS                   | February Board Meeting          | 383.60   |
| 46667 02/10/2021     | CHK         | 40     | KANSAS ELECTRIC COOPERATIVES  | Monthly Invoice                 | 9,017.98 |
| 46668 02/10/2021     | CHK         | 45     | BUMPER TO BUMPER OF DIGHTON   | Monthly Invoice                 | 302.73   |
| 46669 02/10/2021     | CHK         | 55     | NESS COUNTY NEWS              | Advertising                     | 144.95   |
| 46670 02/10/2021     | CHK         | 60     | PAUL SEIB JR                  | February Board Meeting          | 386.96   |
| 46671 02/10/2021     | CHK         | 63     | RICHARD JENNISON              | February Board Meeting          | 364.56   |
| 46672 02/10/2021     | CHK         | 96     | STEPHENS LUMBER - DIGHTON     | Monthly Invoice                 | 126.22   |
| 46673 02/10/2021     | CHK         | 103    | S&T COMMUNICATIONS LLC        | Update phones                   | 130.20   |
| 46674 02/10/2021     | CHK         | 104    | HOME OIL CO                   | Monthly Fuel Invoice            | 433.05   |
| 46675 02/10/2021     | CHK         | 105    | CITY OF NESS CITY             | January pay station and postage | 614.10   |
| 46676 02/10/2021     | CHK         | 107    | CINTAS CORPORATION #449       | Monthly Invoice-Ness City       | 71.56    |
| 46677 02/10/2021     | CHK         | 117    | NESS CITY FARM & FEED         | Monthly Invoice                 | 91.65    |
| 46678 02/10/2021     | CHK         | 126    | CARRIE BORELL                 | Clothing Allowance              | 250.00   |
| 46679 02/10/2021     | CHK         | 169    | AMERICAN ELECTRIC-GARDEN CITY | Monthly Invoice                 | 2,361.14 |
| 46680 02/10/2021     | CHK         | 179    | RAD ROEHL                     | February Board Meeting          | 360.08   |
| 46681 02/10/2021     | CHK         | 184    | JOHNSTONE SUPPLY              | Monthly Invoice                 | 2,089.11 |
| 46682 02/10/2021     | CHK         | 187    | S&W SUPPLY DIVISION           | Monthly Invoice                 | 108.33   |
| 46683 02/10/2021     | CHK         | 202    | CHAD GRIFFITH                 | February Board Meeting          | 392.00   |
| 46684 02/10/2021     | CHK         | 238    | ILLINOIS MUTUAL               | Premiums                        | 153.20   |
| 46685 02/10/2021     | CHK         | 248    | CENTRAL PUMP & SUPPLY         | Monthly Invoice                 | 15.58    |
| 46686 02/10/2021     | CHK         | 272    | LEWIS AUTOMOTIVE GROUP INC    | Monthly Invoice                 | 411.08   |
| 46687 02/10/2021     | CHK         | 278    | GLOBAL EQUIPMENT COMPANY INC  | Concrete Anchor                 | 88.39    |
| 46688 02/10/2021     | CHK         | 304    | STECKLINE COMMUNICATIONS INC  | Advertising                     | 200.00   |

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| Check /<br>Tran Date | Pmt<br>Type | Vendor | Vendor Name                      | Reference                          | Amount   |
|----------------------|-------------|--------|----------------------------------|------------------------------------|----------|
| 46689 02/10/2021     | CHK         | 306    | BORDER STATES INDUSTRIES INC     | Monthly Invoice                    | 2,056.77 |
| 46690 02/10/2021     | CHK         | 356    | BOSSELMAN ENERGY, INC.           | Generator Expense at Ness City     | 92.89    |
| 46691 02/10/2021     | CHK         | 376    | LUTZ AND COMPANY                 | Clothing Allowance - Chris Terhune | 148.28   |
| 46692 02/10/2021     | CHK         | 387    | WESTERN FUEL & SUPPLY            | Monthly Fuel Invoice               | 160.17   |
| 46693 02/10/2021     | CHK         | 395    | DOLLAR GENERAL - REGIONS 410526  | Supplies                           | 3.76     |
| 46694 02/10/2021     | CHK         | 413    | MERIDIAN ANALYTICAL LABS, LLC    | Hydrocarbon                        | 14.75    |
| 46695 02/10/2021     | CHK         | 427    | DIGHTON HERALD LLC               | Advertising                        | 88.00    |
| 46696 02/10/2021     | CHK         | 444    | HAYS CAR & TRUCK ALIGNMENT, INC. | Alignment #145                     | 424.96   |
| 46697 02/10/2021     | CHK         | 450    | RANDALL G EVANS                  | February Board Meeting             | 350.00   |
| 46698 02/10/2021     | CHK         | 459    | YESTERDAYS BODY SHOP             | Window Repair #193                 | 260.40   |
| 46699 02/10/2021     | CHK         | 469    | BOJACK ROUSTABOUT, LLC           | Rock& Delivery to Pole Yard        | 6,500.00 |
| 46700 02/10/2021     | CHK         | 470    | WHITE STAR MACHINERY             | Brushcat                           | 6,233.02 |
| 46701 02/10/2021     | CHK         | 506    | K&J FOODS                        | Monthly Invoice                    | 255.84   |
| 46702 02/10/2021     | CHK         | 648    | MERCHANT JT&S                    | Book 2 Dellon Shelton              | 550.00   |
| 46703 02/10/2021     | CHK         | 745    | GOVE COUNTY ADVOCATE             | Advertising                        | 35.75    |
| 46704 02/10/2021     | CHK         | 773    | BRETZ'S INC                      | Monthly Invoice                    | 28.80    |
| 46705 02/10/2021     | CHK         | 790    | SOLOMON CORPORATION              | Monthly Invoice                    | 3,126.92 |
| 46706 02/10/2021     | CHK         | 803    | ALTEC INDUSTRIES, INC            | #173                               | 4,005.10 |
| 46707 02/10/2021     | CHK         | 903    | NISC                             | Monthly Invoice                    | 7,808.03 |
| 46708 02/10/2021     | CHK         | 1016   | KANSAS ONE-CALL SYSTEM INC       | Locate Fee                         | 32.40    |
| 46709 02/10/2021     | CHK         | 1030   | THE SCOTT COUNTY RECORD          | Advertising                        | 151.00   |
| 46710 02/10/2021     | CHK         | 1045   | KALO MANN                        | Generac School Expenses            | 94.22    |
| 46711 02/10/2021     | CHK         | 1169   | WASHER SPECIALTIES CO.           | Monthly Invoice                    | 54.03    |
| 46712 02/10/2021     | CHK         | 1171   | MARCONE APPLIANCE PTS CO B 177   | Monthly Invoice                    | 220.28   |
| 46713 02/10/2021     | CHK         | 1172   | WESTERN SUPPLY COMPANY           | Monthly Invoice                    | 554.37   |
| 46714 02/10/2021     | CHK         | 1244   | PROTECTIVE EQUIPMENT TESTING     | Monthly Invoice                    | 1,116.68 |

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# Accounts Payable Check Register

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01/12/2021 To 02/10/2021

Bank Account: 2 - FIRST STATE BANK

| Check /<br>Tran Date                         | Pmt<br>Type | Vendor | Vendor Name                     | Reference              | Amount           |
|--|-------------|--------|---------------------------------|------------------------|------------------|
| 46715 02/10/2021                             | CHK         | 1251   | TECHLINE, LTD                   | Monthly Invoice        | 3,610.97         |
| 46716 02/10/2021                             | CHK         | 1263   | RICHARD SOREM                   | February Board Meeting | 350.00           |
| 46717 02/10/2021                             | CHK         | 1285   | TIFCO INDUSTRIES                | Monthly Invoice        | 204.23           |
| 46718 02/10/2021                             | CHK         | 1292   | COMFORT PRODUCTS DISTRIBUTING L | Monthly Invoice        | 165.08           |
| 46719 02/10/2021                             | CHK         | 1300   | CRAIG RAMSEY                    | February Board Meeting | 378.00           |
| 46720 02/10/2021                             | CHK         | 9999   | BIGGY'S PETROLEUM               | INACTIVE REFUND        | 12.73            |
| 46721 02/10/2021                             | CHK         | 9999   | TIMOTHY A GABEL                 | INACTIVE REFUND        | 210.86           |
| 46722 02/10/2021                             | CHK         | 9999   | WILLIAM SCROGGINS               | INACTIVE REFUND        | 73.43            |
| <b>Total Payments for Bank Account - 2 :</b> |             |        |                                 |                        | (138) 458,123.78 |
| <b>Total Voids for Bank Account - 2 :</b>    |             |        |                                 |                        | (0) 0.00         |
| <b>Total for Bank Account - 2 :</b>          |             |        |                                 |                        | (138) 458,123.78 |
| <b>Grand Total for Payments :</b>            |             |        |                                 |                        | (138) 458,123.78 |
| <b>Grand Total for Voids :</b>               |             |        |                                 |                        | (0) 0.00         |
| <b>Grand Total :</b>                         |             |        |                                 |                        | (138) 458,123.78 |

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# Payroll/Labor Check Register

Page 1

Pay Date: 01/01/2021 To 01/31/2021

| Empl | Name               | Pay Date   | Dir Dep/Check | Gross Pay | Other Pay | Hours | Advances | Deductions/<br>ER Taxes | Txbl Benefits/<br>ER PTO | Taxes/<br>ER Benefits | Net Pay   | Type                             |
|------|--------------------|------------|---------------|-----------|-----------|-------|----------|-------------------------|--------------------------|-----------------------|---|----------------------------------|
| 5    | KATHERINE E LEWIS  | 01/13/2021 | 5355          | 5,072.81  | 0.00      | 72.00 | 0.00     | 643.30<br>442.50        | 41.46<br>0.00            | 1,511.42<br>3,054.43  | 2,918.09<br>985.00<br>625.00<br>1,308.09                  | DD<br>DD<br>DD                   |
| 17   | DAVID L HOWARD     | 01/13/2021 | 5356          | 3,461.76  | 0.00      | 72.00 | 0.00     | 456.76<br>322.26        | 204.09<br>0.00           | 1,047.67<br>1,989.21  | 1,957.33  | DD                               |
| 21   | CARRIE M BORELL    | 01/13/2021 | 5357          | 2,086.56  | 0.00      | 72.00 | 0.00     | 288.75<br>178.83        | 11.88<br>0.00            | 329.45<br>1,974.96    | 1,468.36  | DD                               |
| 22   | REBECCA L CAMPBELL | 01/13/2021 | 5358          | 1,872.00  | 0.00      | 72.00 | 0.00     | 334.90<br>155.21        | 5.96<br>0.00             | 313.98<br>1,870.53    | 1,223.12<br>300.00<br>923.12                              | DD<br>DD<br>DD                   |
| 26   | RICHARD A MCLEON   | 01/13/2021 | 5359          | 9,375.00  | 0.00      | 72.00 | 0.00     | 443.82<br>826.40        | 132.91<br>0.00           | 3,321.86<br>4,879.76  | 5,609.32  | DD                               |
| 34   | KALO M MANN        | 01/13/2021 | 5360          | 3,153.72  | 0.00      | 79.00 | 0.00     | 702.35<br>283.11        | 98.03<br>0.00            | 707.19<br>1,860.72    | 1,744.18  | DD                               |
| 35   | NATHAN A BURNS     | 01/13/2021 | 5361          | 2,596.32  | 0.00      | 72.00 | 0.00     | 349.79<br>229.28        | 18.95<br>0.00            | 631.53<br>1,567.57    | 1,615.00  | DD                               |
| 50   | KASEY R JENKINSON  | 01/13/2021 | 5362          | 3,152.16  | 0.00      | 72.00 | 0.00     | 640.15<br>273.51        | 16.13<br>0.00            | 656.47<br>2,494.37    | 1,855.54  | DD                               |
| 55   | BENJAMIN L MANN    | 01/13/2021 | 5363          | 3,152.16  | 0.00      | 72.00 | 0.00     | 649.81<br>278.20        | 15.88<br>0.00            | 663.36<br>1,838.49    | 1,838.99  | DD                               |
| 74   | DAL S HAWKINSON    | 01/13/2021 | 5364          | 3,827.48  | 0.00      | 83.00 | 0.00     | 443.34<br>332.35        | 5.67<br>0.00             | 845.59<br>2,440.74    | 2,538.55  | DD                               |
| 81   | DEANNE R SHULL     | 01/13/2021 | 5365          | 1,499.04  | 0.00      | 72.00 | 0.00     | 219.60<br>131.11        | 35.70<br>0.00            | 268.55<br>1,032.91    | 1,010.89  | DD                               |
| 84   | MICHAEL S POLLOCK  | 01/13/2021 | 5366          | 3,076.80  | 0.00      | 80.00 | 0.00     | 645.30<br>265.97        | 6.29<br>0.00             | 505.36<br>2,307.79    | 1,926.14<br>100.00<br>25.00<br>25.00<br>25.00<br>1,751.14 | DD<br>DD<br>DD<br>DD<br>DD<br>DD |
| 85   | CHAD A RUPP        | 01/13/2021 | 5367          | 3,169.50  | 0.00      | 75.00 | 0.00     | 436.82<br>277.72        | 46.22<br>0.00            | 640.47<br>2,440.74    | 2,092.21  | DD                               |
| 89   | CHRIS R TERHUNE    | 01/13/2021 | 5368          | 3,627.32  | 0.00      | 83.00 | 0.00     | 494.43<br>315.45        | 14.82<br>0.00            | 1,095.48<br>2,440.74  | 2,037.41  | DD                               |
| 91   | LARRY D KRAFT      | 01/13/2021 | 5369          | 3,042.72  | 0.00      | 72.00 | 0.00     | 391.92<br>266.06        | 41.33<br>0.00            | 550.96<br>2,440.74    | 2,099.84  | DD                               |
| 93   | MYRON E SEIB       | 01/13/2021 | 5370          | 3,042.72  | 0.00      | 72.00 | 0.00     | 542.01<br>264.78        | 26.89<br>0.00            | 518.79<br>2,440.74    | 1,981.92  | DD                               |
| 99   | KEVIN A BRADSTREET | 01/13/2021 | 5371          | 3,169.50  | 0.00      | 75.00 | 0.00     | 354.64                  | 17.64                    | 857.36                | 1,957.50  | DD                               |

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# Payroll/Labor Check Register

Page 2

Pay Date: 01/01/2021 To 01/31/2021

| Empl | Name               | Pay Date   | Dir Dep/Check | Gross Pay | Other Pay | Hours | Advances | Deductions/<br>ER Taxes | Txbl Benefits/<br>ER PTO | Taxes/<br>ER Benefits | Net Pay  | Type |
|------|--------------------|------------|---------------|-----------|-----------|-------|----------|-------------------------|--------------------------|-----------------------|----------|------|
| 108  | MARK R MCCULLOCH   | 01/13/2021 | 5372          | 2,971.68  | 0.00      | 79.00 | 0.00     | 282.05                  | 0.00                     | 1,482.31              |          |      |
|      |                    |            |               |           |           |       |          | 954.85                  | 21.93                    | 678.53                | 1,338.30 | DD   |
| 117  | LEIGHTON J AYERS   | 01/13/2021 |               | 3,827.48  | 0.00      | 83.00 | 0.00     | 262.75                  | 0.00                     | 1,573.65              |          |      |
|      |                    |            | 5373          |           |           |       |          | 353.40                  | 12.05                    | 847.48                | 2,626.60 |      |
|      |                    |            |               |           |           |       |          | 332.92                  | 0.00                     | 2,349.45              | 150.00   | DD   |
|      |                    |            |               |           |           |       |          |                         |                          |                       | 2,476.60 | DD   |
| 129  | STACEY L FOOS      | 01/13/2021 | 5374          | 114.33    | 0.00      | 7.25  | 0.00     | 0.00                    | 0.00                     | 8.75                  | 105.58   | DD   |
|      |                    |            |               |           |           |       |          | 10.13                   | 0.00                     | 0.00                  |          |      |
| 130  | ANN MARIE JENNINGS | 01/13/2021 | 5375          | 1,740.24  | 0.00      | 72.00 | 0.00     | 245.67                  | 8.07                     | 303.87                | 1,190.70 | DD   |
|      |                    |            |               |           |           |       |          | 142.32                  | 0.00                     | 1,527.64              |          |      |
| 131  | DIANA KUHLMAN      | 01/13/2021 | 5376          | 1,717.92  | 0.00      | 72.00 | 0.00     | 310.38                  | 10.75                    | 255.10                | 1,152.44 | DD   |
|      |                    |            |               |           |           |       |          | 148.33                  | 0.00                     | 1,211.56              |          |      |
| 132  | DELLON SHELTON     | 01/13/2021 | 5377          | 2,294.33  | 0.00      | 83.00 | 0.00     | 120.76                  | 1.55                     | 583.37                | 1,590.20 | DD   |
|      |                    |            |               |           |           |       |          | 201.01                  | 0.00                     | 931.87                |          |      |
| 134  | SCOTT A BRIAND     | 01/13/2021 | 5378          | 1,368.00  | 0.00      | 72.00 | 0.00     | 0.00                    | 4.35                     | 189.69                | 1,178.31 | DD   |
|      |                    |            |               |           |           |       |          | 121.45                  | 0.00                     | 0.00                  |          |      |
| 5    | KATHERINE E LEWIS  | 01/28/2021 |               | 5,072.81  | 0.00      | 88.00 | 0.00     | 643.30                  | 41.46                    | 1,511.42              | 2,918.09 |      |
|      |                    |            | 5379          |           |           |       |          | 424.50                  | 0.00                     | 3,054.43              | 985.00   | DD   |
|      |                    |            |               |           |           |       |          |                         |                          |                       | 625.00   | DD   |
|      |                    |            |               |           |           |       |          |                         |                          |                       | 1,308.09 | DD   |
| 17   | DAVID L HOWARD     | 01/28/2021 | 5380          | 4,583.34  | 0.00      | 88.00 | 0.00     | 591.35                  | 224.88                   | 1,471.89              | 2,520.10 | DD   |
|      |                    |            |               |           |           |       |          | 414.80                  | 0.00                     | 2,045.29              |          |      |
| 21   | CARRIE M BORELL    | 01/28/2021 | 5381          | 2,550.24  | 0.00      | 88.00 | 0.00     | 335.11                  | 11.88                    | 444.91                | 1,770.22 | DD   |
|      |                    |            |               |           |           |       |          | 219.87                  | 0.00                     | 1,998.14              |          |      |
| 22   | REBECCA L CAMPBELL | 01/28/2021 |               | 2,288.00  | 0.00      | 88.00 | 0.00     | 380.66                  | 5.96                     | 419.42                | 1,487.92 |      |
|      |                    |            | 5382          |           |           |       |          | 192.02                  | 0.00                     | 1,891.33              | 300.00   | DD   |
|      |                    |            |               |           |           |       |          |                         |                          |                       | 1,187.92 | DD   |
| 26   | RICHARD A MCLEON   | 01/28/2021 | 5383          | 9,375.00  | 0.00      | 88.00 | 0.00     | 443.82                  | 132.91                   | 3,321.87              | 5,609.31 | DD   |
|      |                    |            |               |           |           |       |          | 754.31                  | 0.00                     | 3,329.76              |          |      |
| 34   | KALO M MANN        | 01/28/2021 | 5384          | 3,730.62  | 0.00      | 97.00 | 0.00     | 702.35                  | 98.03                    | 853.43                | 2,174.84 | DD   |
|      |                    |            |               |           |           |       |          | 334.18                  | 0.00                     | 1,860.72              |          |      |
| 35   | NATHAN A BURNS     | 01/28/2021 | 5385          | 3,173.28  | 0.00      | 88.00 | 0.00     | 349.79                  | 18.95                    | 835.47                | 1,988.02 | DD   |
|      |                    |            |               |           |           |       |          | 280.34                  | 0.00                     | 1,596.41              |          |      |
| 50   | KASEY R JENKINSON  | 01/28/2021 | 5386          | 4,421.78  | 0.00      | 98.00 | 0.00     | 717.20                  | 16.13                    | 995.24                | 2,709.34 | DD   |
|      |                    |            |               |           |           |       |          | 383.18                  | 0.00                     | 2,529.39              |          |      |
| 55   | BENJAMIN L MANN    | 01/28/2021 | 5387          | 4,180.99  | 0.00      | 94.00 | 0.00     | 649.81                  | 15.88                    | 952.86                | 2,578.32 | DD   |
|      |                    |            |               |           |           |       |          | 367.36                  | 0.00                     | 1,873.51              |          |      |
| 74   | DAL S HAWKINSON    | 01/28/2021 | 5388          | 3,718.88  | 0.00      | 88.00 | 0.00     | 524.48                  | 5.67                     | 807.20                | 2,387.20 | DD   |
|      |                    |            |               |           |           |       |          | 320.33                  | 0.00                     | 2,474.54              |          |      |
| 81   | DEANNE R SHULL     | 01/28/2021 | 5389          | 1,832.16  | 0.00      | 88.00 | 0.00     | 252.92                  | 35.70                    | 346.48                | 1,232.76 | DD   |

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# Payroll/Labor Check Register

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Pay Date: 01/01/2021 To 01/31/2021

| Empl                | Name               | Pay Date   | Dir Dep/Check | Gross Pay     | Other Pay | Hours    | Advances | Deductions/<br>ER Taxes      | Txbl Benefits/<br>ER PTO | Taxes/<br>ER Benefits          | Net Pay   | Type                       |
|---------------------|--------------------|------------|---------------|---------------|-----------|----------|----------|------------------------------|--------------------------|--------------------------------|---|----------------------------|
| 84                  | MICHAEL S POLLOCK  | 01/28/2021 | 5390          | 3,461.40      | 0.00      | 90.00    | 0.00     | 160.59<br>706.84<br>300.01   | 0.00<br>6.29<br>0.00     | 1,049.57<br>590.74<br>2,338.55 | 2,163.82<br>100.00<br>25.00<br>25.00<br>25.00<br>1,988.82 | DD<br>DD<br>DD<br>DD<br>DD |
| 85                  | CHAD A RUPP        | 01/28/2021 | 5391          | 4,132.14      | 0.00      | 96.00    | 0.00     | 504.44<br>361.47             | 46.22<br>0.00            | 888.10<br>2,474.54             | 2,739.60  | DD                         |
| 89                  | CHRIS R TERHUNE    | 01/28/2021 | 5392          | 3,718.88      | 0.00      | 88.00    | 0.00     | 562.05<br>322.24             | 14.82<br>0.00            | 1,127.86<br>2,474.54           | 2,028.97  | DD                         |
| 91                  | LARRY D KRAFT      | 01/28/2021 | 5393          | 3,887.92      | 0.00      | 92.00    | 0.00     | 459.54<br>340.87             | 41.33<br>0.00            | 765.23<br>2,474.54             | 2,663.15  | DD                         |
| 93                  | MYRON E SEIB       | 01/28/2021 | 5394          | 4,299.96      | 0.00      | 98.50    | 0.00     | 643.43<br>374.61             | 26.89<br>0.00            | 824.13<br>2,474.54             | 2,832.40  | DD                         |
| 99                  | KEVIN A BRADSTREET | 01/28/2021 | 5395          | 4,132.14      | 0.00      | 96.00    | 0.00     | 429.02<br>365.25             | 17.64<br>0.00            | 1,205.39<br>1,516.11           | 2,497.73  | DD                         |
| 108                 | MARK R MCCULLOCH   | 01/28/2021 | 5396          | 3,615.99      | 0.00      | 98.00    | 0.00     | 1,024.43<br>319.79           | 21.93<br>0.00            | 887.03<br>1,602.65             | 1,704.53  | DD                         |
| 117                 | LEIGHTON J AYERS   | 01/28/2021 | 5397          | 3,718.88      | 0.00      | 88.00    | 0.00     | 366.93<br>320.82             | 12.05<br>0.00            | 817.56<br>2,362.98             | 2,534.39<br>150.00<br>2,384.39                            | DD<br>DD<br>DD             |
| 129                 | STACEY L FOOS      | 01/28/2021 | 5398          | 106.45        | 0.00      | 6.75     | 0.00     | 0.00<br>9.40                 | 0.00<br>0.00             | 8.14<br>0.00                   | 98.31   | DD                         |
| 130                 | ANN MARIE JENNINGS | 01/28/2021 | 5399          | 2,126.97      | 0.00      | 88.00    | 0.00     | 265.01<br>176.53             | 8.07<br>0.00             | 401.89<br>1,546.98             | 1,460.07  | DD                         |
| 131                 | DIANA KUHLMAN      | 01/28/2021 | 5400          | 2,099.68      | 0.00      | 88.00    | 0.00     | 367.64<br>182.10             | 10.75<br>0.00            | 337.19<br>1,230.64             | 1,394.85  | DD                         |
| 132                 | DELLON SHELTON     | 01/28/2021 | 5401          | 2,352.24      | 0.00      | 88.00    | 0.00     | 142.14<br>206.14             | 1.55<br>0.00             | 603.86<br>953.25               | 1,606.24  | DD                         |
| 134                 | SCOTT A BRIAND     | 01/28/2021 | 5402          | 1,672.00      | 0.00      | 88.00    | 0.00     | 0.00<br>148.36               | 4.35<br>0.00             | 260.65<br>0.00                 | 1,411.35  | DD                         |
| <b>Grand Total:</b> |                    |            |               | \$ 156,663.30 | \$ 0.00   | 3,833.50 | \$ 0.00  | \$ 21,085.01<br>\$ 13,622.77 | \$ 1,617.89<br>\$ 0.00   | \$ 38,010.24<br>\$ 91,303.33   | \$ 97,568.05  |                            |

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**Payroll/Labor  
Check Register**

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**Pay Date: 01/01/2021 To 01/31/2021****PARAMETERS ENTERED:**

**Pay Date:** 01/01/2021 To 01/31/2021  
**Check/Direct Deposit:** All  
**Employee:** All  
**Journal:** 0  
**Division:** All  
**Format:** Summary By Check  
**Sort By:** Check/Direct Deposit



| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><br>FINANCIAL AND OPERATING REPORT<br>ELECTRIC DISTRIBUTION |                  |                  | BORROWER DESIGNATION<br><br>KS0042                                       |                  |                  |
|---|------------------|------------------|--|------------------|------------------|
| INSTRUCTIONS - See help in the online application.  |                  |                  | PERIOD ENDED<br><br>January 2021   |                  |                  |
| PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT   |                  |                  |  |                  |                  |
| ITEM  | YEAR-TO-DATE     |                  | ITEM   | YEAR-TO-DATE     |                  |
|   | LAST YEAR<br>(a) | THIS YEAR<br>(b) |  | LAST YEAR<br>(a) | THIS YEAR<br>(b) |
| 1. New Services Connected   | 7                | 3                | 5. Miles Transmission  |                  |                  |
| 2. Services Retired   | 2                | 0                | 6. Miles Distribution – Overhead   | 2,036.59         | 2,035.37         |
| 3. Total Services in Place  | 6,044            | 6,045            | 7. Miles Distribution - Underground                                      | 7.53             | 7.66             |
| 4. Idle Services<br>(Exclude Seasonals)   | 232              | 249              | 8. Total Miles Energized<br>(5 + 6 + 7)                                  | 2,044.12         | 2,043.03         |
| PART C. BALANCE SHEET   |                  |                  |  |                  |                  |
| ASSETS AND OTHER DEBITS   |                  |                  | LIABILITIES AND OTHER CREDITS  |                  |                  |
| 1. Total Utility Plant in Service   | 58,165,119       |                  | 30. Memberships  | 0                |                  |
| 2. Construction Work in Progress  | 243,123          |                  | 31. Patronage Capital  | 21,201,952       |                  |
| 3. Total Utility Plant (1 + 2)  | 58,408,242       |                  | 32. Operating Margins - Prior Years                                      | 150,664          |                  |
| 4. Accum. Provision for Depreciation and Amort.   | 18,046,482       |                  | 33. Operating Margins - Current Year                                     | 63,032           |                  |
| 5. Net Utility Plant (3 - 4)  | 40,361,760       |                  | 34. Non-Operating Margins  | 1,043,756        |                  |
| 6. Non-Utility Property (Net)   | 0                |                  | 35. Other Margins and Equities   | 136,615          |                  |
| 7. Investments in Subsidiary Companies  | 255,405          |                  | 36. Total Margins & Equities (30 thru 35)                                | 22,596,019       |                  |
| 8. Invest. in Assoc. Org. - Patronage Capital   | 11,068,285       |                  | 37. Long-Term Debt - RUS (Net)   | 0                |                  |
| 9. Invest. in Assoc. Org. - Other - General Funds   | 445,462          |                  | 38. Long-Term Debt - FFB - RUS Guaranteed                                | 33,906,778       |                  |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds   | 221,958          |                  | 39. Long-Term Debt - Other - RUS Guaranteed                              | 0                |                  |
| 11. Investments in Economic Development Projects  | 0                |                  | 40. Long-Term Debt Other (Net)   | 5,789,440        |                  |
| 12. Other Investments   | 5,501            |                  | 41. Long-Term Debt - RUS - Econ. Devel. (Net)                            | 0                |                  |
| 13. Special Funds   | 0                |                  | 42. Payments – Unapplied   | 4,210,034        |                  |
| 14. Total Other Property & Investments<br>(6 thru 13)   | 11,996,611       |                  | 43. Total Long-Term Debt<br>(37 thru 41 - 42)                            | 35,486,184       |                  |
| 15. Cash - General Funds  | 27,347           |                  | 44. Obligations Under Capital Leases - Noncurrent                        | 225,835          |                  |
| 16. Cash - Construction Funds - Trustee   | 100              |                  | 45. Accumulated Operating Provisions<br>and Asset Retirement Obligations | 0                |                  |
| 17. Special Deposits  | 25               |                  | 46. Total Other Noncurrent Liabilities (44 + 45)                         | 225,835          |                  |
| 18. Temporary Investments   | 6,566,512        |                  | 47. Notes Payable  | 0                |                  |
| 19. Notes Receivable (Net)  | 0                |                  | 48. Accounts Payable   | 743,475          |                  |
| 20. Accounts Receivable - Sales of Energy (Net)   | 1,237,052        |                  | 49. Consumers Deposits   | 120,643          |                  |
| 21. Accounts Receivable - Other (Net)   | 173,012          |                  | 50. Current Maturities Long-Term Debt                                    | 1,398,735        |                  |
| 22. Renewable Energy Credits  | 0                |                  | 51. Current Maturities Long-Term Debt<br>- Economic Development          | 0                |                  |
| 23. Materials and Supplies - Electric & Other   | 324,698          |                  | 52. Current Maturities Capital Leases                                    | 75,963           |                  |
| 24. Prepayments   | 111,850          |                  | 53. Other Current and Accrued Liabilities                                | 951,393          |                  |
| 25. Other Current and Accrued Assets  | 235,760          |                  | 54. Total Current & Accrued Liabilities<br>(47 thru 53)                  | 3,290,209        |                  |
| 26. Total Current and Accrued Assets<br>(15 thru 25)  | 8,676,356        |                  | 55. Regulatory Liabilities   | 0                |                  |
| 27. Regulatory Assets   | 0                |                  | 56. Other Deferred Credits   | 0                |                  |
| 28. Other Deferred Debits   | 563,520          |                  | 57. Total Liabilities and Other Credits<br>(36 + 43 + 46 + 54 thru 56)   | 61,598,247       |                  |
| 29. Total Assets and Other Debits<br>(5+14+26 thru 28)  | 61,598,247       |                  |  |                  |                  |
|   |                  |                  |  |                  |                  |
|   |                  |                  |  |                  |                  |

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<br>RURAL UTILITIES SERVICE<br><br><b>FINANCIAL AND OPERATING REPORT<br/>ELECTRIC DISTRIBUTION</b> | BORROWER DESIGNATION<br>KS0042                             |
|   | PERIOD ENDED January 2021                                  |
|   | BORROWER NAME<br>The Lane-Scott Electric Cooperative, Inc. |
| INSTRUCTIONS - See help in the online application.  |  |

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

CERTIFICATION

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

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

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

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

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

DATE

| PART A. STATEMENT OF OPERATIONS                        |                  |                  |               |            |
|--|------------------|------------------|---------------|------------|
| ITEM   | YEAR-TO-DATE     |                  |               | THIS MONTH |
|  | LAST YEAR<br>(a) | THIS YEAR<br>(b) | BUDGET<br>(c) |            |
| 1. Operating Revenue and Patronage Capital             | 1,434,496        | 1,247,885        | 1,421,123     | 1,247,885  |
| 2. Power Production Expense                            |                  |                  |               |            |
| 3. Cost of Purchased Power                             | 756,262          | 589,066          | 858,422       | 589,066    |
| 4. Transmission Expense                                | 240              | 208              | 5,811         | 208        |
| 5. Regional Market Expense                             |                  |                  |               |            |
| 6. Distribution Expense - Operation                    | 113,280          | 106,788          | 79,166        | 106,788    |
| 7. Distribution Expense - Maintenance                  | 47,041           | 58,605           | 58,333        | 58,605     |
| 8. Customer Accounts Expense                           | 10,812           | 14,331           | 15,034        | 14,331     |
| 9. Customer Service and Informational Expense          | 2,357            | 5,833            | 3,120         | 5,833      |
| 10. Sales Expense                                      | 5,055            | 4,641            | 3,965         | 4,641      |
| 11. Administrative and General Expense                 | 133,060          | 143,232          | 99,159        | 143,232    |
| 12. Total Operation & Maintenance Expense (2 thru 11)  | 1,068,107        | 922,704          | 1,123,010     | 922,704    |
| 13. Depreciation and Amortization Expense              | 133,075          | 152,540          | 144,155       | 152,540    |
| 14. Tax Expense - Property & Gross Receipts            |                  |                  |               |            |
| 15. Tax Expense - Other                                |                  |                  |               |            |
| 16. Interest on Long-Term Debt                         | 107,615          | 108,314          | 103,201       | 108,314    |
| 17. Interest Charged to Construction - Credit          |                  |                  |               |            |
| 18. Interest Expense - Other                           | 163              | 13               | 210           | 13         |
| 19. Other Deductions                                   | 1,229            | 1,282            | 1,050         | 1,282      |
| 20. Total Cost of Electric Service (12 thru 19)        | 1,310,189        | 1,184,853        | 1,371,626     | 1,184,853  |
| 21. Patronage Capital & Operating Margins (1 minus 20) | 124,307          | 63,032           | 49,497        | 63,032     |
| 22. Non Operating Margins - Interest                   | 5,572            | 2,804            | 21,758        | 2,804      |
| 23. Allowance for Funds Used During Construction       |                  |                  |               |            |
| 24. Income (Loss) from Equity Investments              |                  |                  |               |            |
| 25. Non Operating Margins - Other                      | (8,243)          | (16,988)         | 2,292         | (16,988)   |
| 26. Generation and Transmission Capital Credits        |                  |                  |               |            |
| 27. Other Capital Credits and Patronage Dividends      |                  |                  |               |            |
| 28. Extraordinary Items                                |                  |                  |               |            |
| 29. Patronage Capital or Margins (21 thru 28)          | 121,636          | 48,848           | 73,547        | 48,848     |

**LANE-SCOTT ELECTRIC ENERGY SALES STATISTICS FOR JANUARY 2021**

| CLASS OF SERVICE              | NO. RECEIVING SERVICE |            | kWh SOLD   |            | AMOUNT BILLED |             | Y.T.D AVERAGE |             | SALE PRICE PER kWh Y.T.D. |
|-------------------------------|-----------------------|------------|------------|------------|---------------|-------------|---------------|-------------|---------------------------|
|                               | Y.T.D. AVG.           | THIS MONTH | THIS MONTH | Y.T.D.     | THIS MONTH    | Y.T.D.      | kWh USED      | AMOUNT      |                           |
| Residential Sales             | 2,230                 | 2,230      | 2,025,493  | 2,025,493  | \$226,873     | \$226,873   | 908           | \$101.74    | 11.20                     |
| Residential Sales-Seasonal    | 49                    | 49         | 8,334      | 8,334      | \$1,931       | \$1,931     |               |             |                           |
| Irrigation Sales              | 332                   | 332        | 27,312     | 27,312     | \$2,292       | \$2,292     |               |             |                           |
| Small Commercial              | 1,846                 | 1,846      | 4,233,897  | 4,233,897  | \$428,359     | \$428,359   | 2,294         | \$232.05    | 10.12                     |
| Large Commercial              | 178                   | 178        | 3,006,278  | 3,006,278  | \$310,953     | \$310,953   | 16,889        | \$1,746.93  | 10.34                     |
| Public Street Lighting        | 13                    | 13         | 35,946     | 35,946     | \$4,367       | \$4,367     |               |             |                           |
| Public Building Sales         | 49                    | 49         | 31,768     | 31,768     | \$3,993       | \$3,993     |               |             |                           |
| Non-Domestic                  | 1,057                 | 1,057      | 164,135    | 164,135    | \$30,672      | \$30,672    |               |             |                           |
| City of Dighton               | 1                     | 1          | 736,916    | 736,916    | \$35,933      | \$35,933    | 736,916       | \$35,933.00 | 4.88                      |
| Idle Services on rate 90      | 38                    | 38         | 0          | 0          |               |             |               |             |                           |
| Large Industrial              | 3                     | 3          | 2,954,650  | 2,954,650  | \$222,179     | \$222,179   | 984,883       | \$74,059.67 | 7.52                      |
| Irrigation Horsepower Charges | 0                     | 0          |            | 0          |               |             |               |             |                           |
| Total Energy Sales            | 5,796                 | 5,796      | 13,224,729 | 13,224,729 | \$1,267,552   | \$1,267,552 |               |             | 9.58                      |
| Other Electric Revenue        |                       |            |            |            | (\$19,667)    | (\$19,667)  |               |             |                           |
| Total                         |                       |            |            |            | \$1,247,885   | \$1,247,885 |               |             |                           |

**SUBSTATION DATA**

| Substation                 | (NCP)KW | kWh Purchased | Cost Per kWh | kWh Sold   | Line Loss | Load Factor-P | Load Factor-S |
|----------------------------|---------|---------------|--------------|------------|-----------|---------------|---------------|
| Beeler-Sub 3               | 6,746   | 4,072,221     |              | 3,196,642  | 21.50%    | 81.14%        | 63.69%        |
| Dighton-Sub 1 - 7200       | 1,569   | 966,313       |              | 1,261,399  | -30.54%   | 82.78%        | 108.06%       |
| Dighton-Sub 2 - 14400      | 3,816   | 2,388,882     |              | 2,341,444  | 1.99%     | 84.14%        | 82.47%        |
| Manning-Sub 4              | 4,827   | 2,869,189     |              | 2,323,071  | 19.03%    | 79.89%        | 64.69%        |
| LS Seaboard-Sub 5          | 172     | 93,858        |              | 90,098     | 4.01%     | 73.34%        | 70.41%        |
| Twin Springs Lo 7.6-Sub 7  | 214     | 82,997        |              | 75,233     | 9.35%     | 52.13%        | 47.25%        |
| Twin Springs Hi 14.1-Sub 8 | 245     | 135,195       |              | 123,396    | 8.73%     | 74.17%        | 67.70%        |
| City of Dighton            | 1,136   | 643,837       | 4.5400       | 643,837    | 0.00%     | 76.18%        | 76.18%        |
| City of Dighton - WAPA     | 156     | 93,079        | 2.9400       | 93,079     | 0.00%     | 80.20%        | 80.20%        |
| Alexander 115              | 1,422   | 886,589       |              | 826,031    | 6.83%     | 83.80%        | 78.08%        |
| Ness City 115              | 3,117   | 1,821,343     |              | 2,250,499  | -23.56%   | 78.54%        | 97.04%        |
| Total                      | 23,420  | 14,053,503    | 4.1800       | 13,224,729 | 5.90%     | 80.65%        | 75.90%        |

**RUS/CFC LOAN FUND TRANSACTIONS**

**MISC.**

**OTHER STATISTICS**

|                                 |               |                               |             | Y.T.D                      | M.T.D.     |
|---------------------------------|---------------|-------------------------------|-------------|----------------------------|------------|
| Gross Obligation to RUS         | \$ 54,111,889 | General Fund Balance          | \$27,077    | Miles Energized            | 2043.03    |
| Pymts Applied Against Principal | \$ 19,362,371 | MMDA Investments              | \$274,200   | Density                    | 2.84       |
| Net Obligation to RUS           | \$ 34,749,518 | Cash Available at Month End   | \$301,277   | kWh Purchased              | 14,053,503 |
| CFC Line of Credit              | \$ -          |                               |             | kWh Sold (Inc. Office Use) | 13,232,447 |
| CoBank Line of Credit           | \$ -          | CFC Investments - CP, SN, MTN | \$6,292,312 | Percent of Line Loss       | 5.84%      |
| CFC Note #9004-RUS refinance    | \$ 5,878,440  | CFC CTC's                     | \$221,958   | Idle Services              | 249        |
| CFC Note #9006-RS Prepymt       | \$ 466,996    |                               |             | Oper. Revenue Per kWh Sold | 9.43       |
|                                 |               |                               |             | Expense Per kWh Sold       | 8.95       |
|                                 |               |                               |             | Income Per Mile            | 610.80     |
|                                 |               |                               |             | Expense Per Mile           | 671.37     |

**ACCOUNT AGING**

|                                | Current     | 30-89 Days | 90 Plus |
|--------------------------------|-------------|------------|---------|
| Irrigation Accounts Receivable | (\$48,675)  |            |         |
| Electric Accounts Receivable   | \$1,222,931 | \$16,008   | \$6,218 |
| Retail Accounts Receivable     | \$47,750    | \$2,301    | \$5,303 |

2021-Line 25 - Non-Operating Margins

|                         |          | January       | February | March  | April  | May    | June   | July   | August | September | October | November | December | TOTAL         |       |
|-------------------------|----------|---------------|----------|--------|--------|--------|--------|--------|--------|-----------|---------|----------|----------|---------------|-------|
| Rev.-Electrician & Mat. | 415.1    | \$21,979.30   |          |        |        |        |        |        |        |           |         |          |          | \$21,979.30   | 415.1 |
| Exp.-Electrician & Mat. | 416.1/11 | \$37,455.59   |          |        |        |        |        |        |        |           |         |          |          | \$37,455.59   | 416.1 |
|                         |          | (\$15,476.29) | \$0.00   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00    | \$0.00  | \$0.00   | \$0.00   | (\$15,476.29) |       |
| Rev.-Appliance Repair   | 415.2    | \$18,124.45   |          |        |        |        |        |        |        |           |         |          |          | \$18,124.45   | 415.2 |
| Exp.-Appliance Repair   | 416.2/21 | \$21,949.19   |          |        |        |        |        |        |        |           |         |          |          | \$21,949.19   | 416.2 |
|                         |          | (\$3,824.74)  | \$0.00   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00    | \$0.00  | \$0.00   | \$0.00   | (\$3,824.74)  |       |
| Rev.-Member Damages     | 415.3    | \$3,088.75    |          |        |        |        |        |        |        |           |         |          |          | \$3,088.75    | 415.3 |
| Exp.-Member Damages     | 416.3    | \$893.06      |          |        |        |        |        |        |        |           |         |          |          | \$893.06      | 416.3 |
|                         |          | \$2,195.69    | \$0.00   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00    | \$0.00  | \$0.00   | \$0.00   | \$2,195.69    |       |
| Finance Charges         | 415.5    | \$117.64      |          |        |        |        |        |        |        |           |         |          |          | \$117.64      | 415.5 |
| MARGIN-Retail           |          | (\$16,987.70) | \$0.00   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00    | \$0.00  | \$0.00   | \$0.00   | (\$16,987.70) |       |
| Misc. Income            | 421.0    | \$0.00        |          |        |        |        |        |        |        |           |         |          |          | \$0.00        | 421.0 |
| Gain on Disposal        | 421.1    | \$0.00        |          |        |        |        |        |        |        |           |         |          |          | \$0.00        | 421.1 |
| Loss on Disposal        | 421.2    | \$0.00        |          |        |        |        |        |        |        |           |         |          |          | \$0.00        | 421.2 |
| NET NON-OP MARGIN       |          | (\$16,987.70) | \$0.00   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00    | \$0.00  | \$0.00   | \$0.00   | (\$16,987.70) |       |

|         | Current Month |                |             |                    | YTD Total    |                |             |                    |
|---------|---------------|----------------|-------------|--------------------|--------------|----------------|-------------|--------------------|
|         | Billed Hours  | Unbilled Hours | Hourly Rate | Total Unbilled Rev | Billed Hours | Unbilled Hours | Hourly Rate | Total Unbilled Rev |
| Kalo    | 134.5         | 41.5           | \$ 85.00    | \$ 3,527.50        | 134.5        | 41.5           | \$ 85.00    | \$ 3,527.50        |
| Michael | 131.5         | 38.5           | \$ 85.00    | \$ 3,272.50        | 131.5        | 38.5           | \$ 85.00    | \$ 3,272.50        |
| Mark    | 135           | 42             | \$ 85.00    | \$ 3,570.00        | 135          | 42             | \$ 85.00    | \$ 3,570.00        |
|         | 401           | 122            |             | \$ 10,370.00       | 401          | 122            |             | \$ 10,370.00       |

69.58%

69.58%

**LANE-SCOTT ELECTRIC**  
**RESALE OPEN BALANCE (60-90 days)**  
**as of 02/25/2021**

| NAME                  | CURRENT AMOUNT DUE | ACTION TAKEN | LAST PAYMENT |        |
|-----------------------|--------------------|--------------|--------------|--------|
|                       |                    |              |              |        |
| Elsie Speer           | \$ -               | paid         | \$ 1,243.68  | 11-Feb |
| Black Dog Restaurant  | \$ 1,708.19        | pmt          | \$ 150.00    | 28-Jan |
|                       |                    |              |              |        |
| John Sanchez          | \$ 60.65           | Payments     | \$ -         |        |
| Jim Foster            | \$ 3,279.99        | Payments     | \$ 3,279.99  | 12-Feb |
|                       |                    |              |              |        |
| John Kline            | \$ -               | paid         | \$ 87.56     | 22-Jan |
| Virginia Dietterich   | \$ -               | paid         | \$ 96.57     | 28-Jan |
|                       |                    |              |              |        |
| Araceli Navarro-Perez | \$ 216.84          | Called       |              |        |
| Sheena Parker         | \$ 29.16           | Payments     | \$ 25.00     | 18-Feb |
| .                     | \$ 5,294.83        |              | \$ 4,882.80  |        |

## OUTAGE STATISTICS January 2021

| CATEGORY            | OCCURRENCES |          |          | TOTAL OUTAGE HRS. |          |          | # of Meters |
|---------------------|-------------|----------|----------|-------------------|----------|----------|-------------|
|                     | 14.4 KVA    | 7.6 KVA  | Total    | 14.4 KVA          | 7.6 KVA  | Total    |             |
| PHASE FLOATER       |             | 2        | 2        |                   | 2        | 2        | 400         |
| BIRDS & ANIMALS     |             |          | 0        |                   |          | 0        |             |
| 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           | 1           | 1        | 2        | 1                 | 1        | 2        | 16          |
| UNKNOWN             |             |          | 0        |                   |          | 0        |             |
| <b>TOTALS</b>       | <b>1</b>    | <b>3</b> | <b>4</b> | <b>1</b>          | <b>3</b> | <b>4</b> | <b>416</b>  |

### ANNUAL CONSUMER OUTAGE HOURS

|               |             |             |             |             |             |             |
|---------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>TOTALS</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> |
|               | 22,012      | 27,418      | 13,498      | 19,195      | 39,638      | 16,319      |
|               | <b>2019</b> | <b>2020</b> | <b>2021</b> |             |             |             |
|               | 25,081      | 14,179      | 4           |             |             |             |

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

## Transformer Losses 1995-2020

[illegible]



## SUNFLOWER ELECTRIC POWER CORPORATION BOARD MEETING SUMMARY

### SUNFLOWER ELECTRIC POWER CORPORATION SPECIAL BOARD MEETING – FEB. 18, 2021

The February Board meeting scheduled for Feb. 17 was postponed to allow time for Members and Sunflower staff to respond to the Southwest Power Pool's Energy Emergency Alerts that were necessitated by the historic Polar Vortex weather pattern.

Feb. 18, the Board conducted a special meeting virtually to discuss impacts of the Cold Weather Event and take necessary Board actions.

Adrienne Clair, Sunflower's Federal Energy Regulatory Commission (FERC) counsel, participated in the call to gain an understanding of the impact of the Cold Weather Event on the Sunflower system.

#### *Operations & Power Supply (below in italics)*

The Holcomb unit was removed from service on Feb. 9 to repair the bottom ash conveyor and returned to service within 15 hours on Feb. 10.

**Feb. 10**, to prepare for the imminent Polar Vortex weather pattern, SPP issued start commands for GB3 and FD4 with instructions that the units be capable of dispatch by early Monday morning (February 15). Sunflower immediately developed startup plans for both units and anticipated a start order for the S2 unit later in the week. The starts were accomplished in unprecedented cold weather conditions and with reduced staffing (in 2015 staff at GB3 and FD4 were reduced to decrease fixed costs since Sunflower was assured that the two units would not run simultaneously).

**Feb. 11**, cold weather conditions impacted Rubart Station's gas supply, resulting in methane levels well below engine tolerance. The entire facility was placed under a fuel quality forced outage.

**Feb. 12**, SPP issued the expected start command for S2.

**Feb. 13**, startup teams representing diverse functional groups were dispatched to Great Bend and Dodge City mid-afternoon to avoid traveling in predicted severe weather conditions.

**Feb. 14**, S2 was placed into service, and crews were mobilized to Rubart Station to attempt low-quality fuel operation.

*The SPP issued an Energy Emergency Alert 1, an alert level that generally does not elicit an appeal for energy conservation. However, the extreme weather conditions across its 14-state region led to tightening electric supplies and prompted them to preemptively ask electric utilities to issue public appeals for conservation over the next several days. The request was effective at 12:01 a.m.*

**Feb. 15**, S2, S4, S5, CL1, FD4, and all 12 Rubart engines were in service at the beginning of the peak period. S2, S4, S5, and CL1 were under SPP's automatic governor control (AGC). FD4 and all 12 Rubart units were controlled manually by Sunflower due to operating limitations (turbine expansion limits for FD4 and low-quality fuel limits at RTS). RTS units were fixed at 5 MW (60 MW total) at approximately 3:30 a.m. and remained in that state until removed from service Wednesday, February 17, at 9 a.m.

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Startup efforts continued at GB3 but made little progress.

The natural gas fuel supply was severely constrained. To conserve fuel, FD4 was set at minimum load to reserve the maximum fuel supply to RTS which is more fuel efficient. Similarly, S4 and S5 were set to minimum load to maximize fuel supply for S2, which is more fuel efficient than the gas turbines.

Forward gas pricing for Tuesday exceeded \$400 per mmBtu at CLS and exceeded \$330 per mmBtu at all other locations, so Sunflower removed S4 and S5 from service and made them unavailable to the market to protect highly constrained gas supply for S2 operation.

CL1 remained in service.

*By 7:22 a.m. on Monday, Feb. 15, the SPP issued an Energy Emergency Alert 2, the second of three phases, which called for even more conservation efforts due to the extreme weather conditions tightening supplies of energy generation and natural gas.*

*In an effort to help avoid scheduled interruptions of energy that could occur if an Energy Emergency Alert 3 were issued, KEC and its members distributed information to print and broadcast media and increased social media messaging urging conservation and offering tips on conserving energy.*

*Less than 3 hours later at 10:08 a.m., the SPP declared an EEA Level 3 when it was forced to begin relying on required reserve energy. At 12:10 p.m. on Feb. 15 after exhausting reserves, the SPP directed its member utilities to implement controlled, temporary interruptions of service. This was done on a load/ratio share basis, and Sunflower was directed to shed 14 MW. The load shed ended at 1:15. By 2 p.m. on Feb. 15, the SPP returned to EEA Level 2*

**Feb. 16**, Gas supplies become even more critical as forward gas pricing for Wednesday exceeded \$520 per mmBtu at GCS, exceeded \$760 per mmBtu at CRS, and exceeded \$1,000 per mmBtu at all other locations.

CL1, S2 and FD4 continued to operate mostly at minimum load under SPP control. All 12 RTS engines continued to operate in manual at a fixed 60 MW station output.

Startup efforts at GB3 were suspended.

ACES reported no gas was available for purchase at any price at any Sunflower location. ACES reported several gas purchases by other utilities above \$1,000 per mmBtu and at least one gas purchase at \$1,250 per mmBtu.

*At 6:15 a.m., the SPP declared an EEA Level 3, lasting until 11:30 a.m. Once again, SPP member utilities were directed to implement controlled, temporary interruptions of service. Sunflower was directed to shed two 30 MW blocks of load, the first from 6:46 a.m. to 10:07 a.m. and the second block from 7:18 a.m. to 9:40 a.m.*

*At 6:28 p.m., the SPP issued an EEA Level 2 asking consumers to conserve as the evening peak demand could pose a threat; there was enough generating capacity to meet system-wide demand, but the SPP was taking steps to mitigate the risk of interruptions. The alert lasted until 1:15 p.m. on Feb. 17.*

**Feb. 17**, With no fuel available to operate Sunflower gas generation, operations coordinated a simultaneous trip of all system gas generation at precisely 9 a.m. (coinciding with the gas operating day period) to avoid consumption of penalty gas at potential pricing in the \$10,000 per mmBtu range. All gas units were placed under fuel availability outage at that time.

*Between 1:15 p.m. on Wednesday and 10:59 p.m. on Thursday, the SPP moved twice between EEA Levels 1 and 2. Level 1 ended at 9:30 a.m. on Feb. 18.*

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**Feb. 18,** S2,S4, S5, CL1, FD4 and all 12 Rubart units were available to run, but natural gas could not be obtained.

*An Alert Level 1 was issued at 6:25 p.m. and ended at 9:20 a.m. on Feb. 19.*

**Feb. 19,** Natural gas prices began to improve, and Sunflower lifted outages on S2, S4, S5 and FD4 in real time for reliability. Natural gas could not be obtained for CL1, and Rubart units were placed under restrictions with extended start times, manual control, and fixed 5 MW per unit output. HL1 continued to operate at full load around the clock.

**Feb. 20,** Gas quality returned to normal at Rubart Station, and all restrictions were lifted.

#### *Finance*

A shortage of natural gas caused the price to range from \$4.15 per mmBtu on Feb. 10 to \$999 per mmBtu on Feb. 17 and 18. By Feb. 14, with cost at \$339 per mmBtu, Sunflower staff recognized a likely impending liquidity shortfall to pay February invoices. Staff contacted CFC on Sunday, Feb. 15 to seek a line of credit. The CFC Board called a special boarding meeting on Tuesday to approve the transaction for Sunflower and other G&Ts impacted by the Cold Weather Event.

**Board action:** The Sunflower Board approved the 1-year, \$100 million bilateral line of credit with CFC as presented.

#### *NRECA Annual Meeting*

The Board selected Tom Ruth as delegate and Stuart Lowry as alternate for the 2021 NRECA Annual Meeting.

### **SUNFLOWER ELECTRIC POWER CORPORATION BOARD MEETING, FEB. 22**

The Board and staff revisited the Cold Weather Event, focusing specifically on possible cost impacts. Sunflower and our Members are financially strong and have adequate credit to cover the significant and unexpected costs. Discussion was held on ways to help ease the financial burden on end-users.

The Board will reconvene on Thursday, Feb. 25, to further discuss cost implications and possible solutions.

### **CURRENT ACTIVITIES**

The Strategy Performance Analysis has been updated and is available on BoardPaq.

CFC Key Performance Indicators will be presented at the April Board meeting.

Work on the Sunflower Renewable Energy Program continues. The marketing plan and collateral are currently being developed and will be presented to the Members for their input. The brand will be developed to promote three areas of renewable energy: Sunflower's current renewable portfolio, Sunflower's Renewable Energy Rider, and Community Solar.

### **PRESIDENT'S REPORT**

#### *Generation*

A Sunflower employee experienced burn injuries when setting up to install anti-galloping devices near Rubart Station. Emergency services transported the injured worker to the Ulysses hospital and then to the Via Christi burn unit in Wichita. The employee was discharged the following morning. OSHA's review is ongoing.

### *Power Supply & Delivery*

Amendments were made to the Smoky Hill 1 & 2 Power Purchase Agreements due to Enel's repowering a portion of the turbines. The amendments ensure that Sunflower is not allocated more energy than it would otherwise be allocated had the repowering not been completed; that Sunflower is not exposed to cost exposure associated with the Production Tax Credits triggered by the repowering; describe modified operating procedures to allow the windfarms to transfer to Dispatchable Variable Energy Resource (DVER) status (to implement curtailments more efficiently); and release claims from previous disputes by Enel against Sunflower. The Board will be asked to approve the amendments at the March Board meeting.

Work continues on the Russell Solar Project, which has the potential to offset NTC transmission projects. Staff are currently inspecting the land lease, coordinating with Invenergy on the easement for the Grain Belt High Voltage Direct Current (HVDC) line; initiating a Union Pacific Railroad easement; and negotiating surface use waivers. The waiver requires mineral owners to cease further development activities for exploration or production of oil and gas or other minerals that may interfere with Sunflower's project and allow for quiet titling action in their name. Sunflower will pay the mineral owners \$20,000 now and an additional \$20,000 within 36 months.

**Board action:** The Sunflower Board approved payment as presented to the mineral owners on Sunflower's leased land for the Russell Solar Project.

The Public Utility Regulatory Policies Act of 1978 ("PURPA") created certain rights for Qualifying Facilities (QFs) and obligations for electric utilities (QFs are cogeneration facilities or qualifying small power production facilities [biomass, waste, or renewable resources] 80 MW or less). Under PURPA, electric utilities must purchase any energy and capacity made available from a QF; sell to any QF; and must interconnect any QF. In 2018, Sunflower, on behalf of itself and its Members, received exemptions for obligation to QFs >20MW. A recent FERC order lowers the exemption to 5MW as long as the QF has nondiscriminatory access to organized markets and the utility obtains a waiver from FERC.

**Board action:** The Board authorized Sunflower, on behalf of itself and its Members, to make the requisite filings to terminate the obligation to purchase electric energy from QFs with a capacity between 5 MWs and 20 MWs.

### *Transmission Policy and Planning*

The initial efforts to establish uniform local planning criteria were not successful because the criteria were deemed unfair by FERC. The Agency stated that the proposal was discriminatory against transmission owners who are not the largest TO in the area. Current negotiations with other entities on new criteria continue.

### *Financials*

Overall Member loads were down 3.56% from budget for the month. Large industrial loads were up 1.13% from budget for the month. Year-to-date operating expenses were down 23.32% from budget for the month.

### *Long-Range Plan*

The long-range plan, discussed at the January Board meeting, was approved. The ten-year projection predicts rate increases in later years largely from inflation with minimal load growth.

**Board action:** The Sunflower Board approved the long-range plan as presented.

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### *Sunflower 2019 True-Up Transition Plan*

As part of the merger settlement, a transition plan to address the 2019 transmission formula rate (TFR) true-ups was agreed upon by Sunflower and intervening parties. The transition plan calculates the difference between what parties were billed through the merged TFR against what they would have been billed through the stand-alone formulas to determine a net payment or refund. In April, customers will be issued a bill or payment for the final determined adjustment.

### **SUNFLOWER ELECTRIC POWER CORPORATION SPECIAL BOARD MEETING – FEB. 25, 2021**

The Board reconvened to discuss the cost impacts of and possible solutions to the February Cold Weather Event.

#### *Timeline on Recovery*

The current cost estimate of the Cold Weather Event is \$92 million, with some uncertainty remaining around the make-whole process and pipeline costs.

Sunflower will bill for February service on March 8, 2021, (sixth business day following the close of month) and will include invoices from SPP through February 23. Other February days will be settled daily and estimates used for the last three days of the month on Member billing (normal).

ECA numbers are anticipated to be calculated by March 5, 2021. It could be 45-120 days, or longer, before make-whole payments that are part of the ECA calculation are received from SPP.

#### *Cost Recovery Options*

The Board discussed possible methods to cost recovery, such as isolating February charges based on February determinants, creating regulatory assets and holding unbilled costs for recovery, and implementing patronage retirement or rate/margin reductions.

The Board also discussed Sunflower's ability to carry Member balances and how to approach municipal and customer-owned generation and load reductions.

#### *Power Supply Portfolio*

The Board reviewed the Company's current energy hedge methodology and targets. The board developed the energy hedge position based on performance of Holcomb Station and the fixed price wind resources under contract. During the Cold Weather Event Holcomb Station effectively hedged approximately 66% of the Company's market exposure. In a typical February the wind resources would hedge an additional approximate amount of 15% of the market energy exposure. However, in this event wind was down and many of the wind resources were unable to operate due to cold weather conditions. In future discussion, the Board will look at how Sunflower's generation portfolio performed, evaluate the value of the energy hedge provided by the current power supply portfolio, and determine if securing additional hedge positions is warranted.

## 8. General Manager's Report

### A. Rates and Reliability Dashboard – January 2020

#### 1) Rates.

##### Rate Summary

|                                   | current month (\$/kWh) | year to date (\$/kWh) |
|-----------------------------------|------------------------|-----------------------|
| Residential                       | 0.1120                 | 0.1120                |
| Residential - Seasonal            | 0.1890                 | 0.1890                |
| Irrigation                        | 0.0839                 | 0.0839                |
| C&I 1000kVa or less               | 0.1012                 | 0.1012                |
| C&I over 1000 kVA                 | 0.0894                 | 0.0894                |
| Public Street and Lighting        | 0.1215                 | 0.1215                |
| Other Sales to Public Authorities | 0.1257                 | 0.1257                |
| Sales for Resale - Other          | 0.0488                 | 0.0488                |
| Total Sales price per kWh:        | 0.0958                 | 0.0958                |

#### 2) Reliability.

| January 2021 |        |  |
|--------------|--------|--|
| SAIDI        | 0.00   | Interruption DURATION / average for every member (hrs)                                   |
| SAIFI        | 0.07   | Interruption FREQUENCY / Average # of Interruptions per customer                         |
| CAIDI        | 0.01   | Customer Average Interruption Duration Index - IF you are out, how long to expect (hrs). |
| ASAI         | 99.99% | Service Availability   |

### B. Administration

- 1) Form 990. The Auditors will be here the week of March 21<sup>st</sup>.
- 2) I had very good meetings with Senator Straub and Representatives Minnix and Lee-Hahn.
- 3) Philips 66. They have postponed again, this time to the end of March.
- 4) City of Dighton. Dale Pike and I have had several good discussions. Chief items have been:
  - a. Dollar General. The City wants to serve it but it may be in their best financial interest to collect a franchise fee and leave as is.
  - b. Other meters in City CC. The City does not expect to serve them, so we are discussing them either transferring the service area to LSEC or giving us written permission to serve.
  - c. North Substation. We own the substation; the City owns the land. We are discussing the possibility of a 99-year lease.
- 5) Ness City. Federated has bowed-out of helping the City. We will try to put together an arching demonstration and safety meeting for them. I am keeping Wanda apprised.
- 6) The Credit Card records are available for the Boards review.

### C. Information Technology / Cybersecurity highlights

- 1) Researched a Company One Drive secure form storage.
- 2) Researched a Company Share Point secure form storage.
- 3) Researched new NACHA regulations requirements.

- 4) Researched Hot Spot and Mobile VPN options.
- 5) Researched PhishER software integration with KnowBe4 software program.
- 6) Laptop critical vulnerabilities resolved.
- 7) Review Desktop Central Security Management and Risk Mitigation.
- 8) Review Office 365 Threat Management and Risk Mitigation.
- 9) Implemented Software and Device Updates, Patching, and Upgrades

D. Operations.

- 1) Built two new single phase connects for oil companies in Scott county.
- 2) Retired two single phase and one three phase connects in Gove, Ness, and Scott counties.
- 3) Pole replacements in Scott and Ness counties.
- 4) Set ten sixty ft. light poles at Lane County Feeders for retail dept.
- 5) Worked ice outages in Scott and Finney counties. Replaced broken pole, anchors, insulators, and phase burn downs.
- 6) Worked SPP load sheds on substations at Dighton, Ness, Alexander, and Twin Springs.
- 7) Changed out non responsive meters.
- 8) Repaired and replaced consumer lights.
- 9) Monthly substation inspections.
- 10) Line maintenance and patrolling.

E. Member Services

Member Services has been consumed the Crisis Communications Plan related to Winter Storm Uri.

F. Finance.

- 1) January posted a \$232,846.37 gain in Total Margins and a \$242,681.80 gain in Operating margins. This is well above our 10-year average of \$31,382 in Total Margin and -\$49,124 in Operating Margins and is from higher sales and lower power costs.
- 2) Financial Ratios:
  - a. Equity as a % of Assets – 36.68%
  - b. Equity as a % of capitalization – 38.9%
  - c. Distribution Equity – 22.81%
  - d. General Funds Level – 19.27%
  - e. TIER – 1.45
  - f. OTIER – 1.58
  - g. Current Ratio – 2.64
- 3) Billing Past Due (current – Feb.)
  - a. 30 day – \$ 1,463.24
  - b. 60 day – 235.21
  - c. 90 day – 6,854.93 (\$3,512.69 is with OPCO, LLC.)

G. Non-Operating Margins. Our year-to-date Non-Operating margins [Form 7, Part A, Lines 22(b) + Line 25(b) + Line 27(b)] is -\$12,639.67.

- 1) Retail Services. Initial figures posted a \$16,987.7 loss in January.
  - a. Resale Hours. Billable hours are 401 or 69.58%.

- b. Outstanding Balances. The total 60-90 day past due balance is \$6,045.77.
  - i. 30 day -\$ 941.14
  - ii. 60 day - 153.45
  - iii. 90 day - 2,041.84 (Black Dog – 1,708.19)
- 2) Interest earned. YTD is \$2,804.24.

Respectfully submitted,

Richard McLeon, MBA  
General Manager

## 9. Old Business

### 9. a. Board Policy 524

The Drug and Alcohol-Free Workplace Policy revision. This item is awaiting presentation to the Board of Trustees.

### 9. b. Succession Planning

The following is the material that was prepared for Board Succession planning last spring and was reviewed at the January 2021 Board meeting:

#### Board Succession Plan

The Lane-Scott Electric Cooperative, Inc. requires a fully functioning Board of Trustees as defined by the membership within the Bylaws. Periodically there are openings on the Board that need to be filled as soon as possible. Vacancies may occur due to an unexpired term or from the current Trustee not seeking re-election.

- A. Vacancies from an unexpired term are addressed in the Bylaws (Article IV, Section 6. Vacancies).

*"Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of trustees shall be filled by the affirmative vote of a majority of the remaining trustees for the unexpired portion of the term of the trustee in respect of whom the vacancy occurs."*

- B. Vacancies due to a Trustee not seeking re-election shall follow this procedure:

1. The open position shall be solicited by the Cooperative through advertising, word of mouth, social media, and any other acceptable, ethical means.
2. Interested candidates will contact the General Manager who will:
  - a. Assure they meet the Bylaws qualifications for serving on the Board of Trustees, and
  - b. Provide them:
    - i. A copy of the Bylaws
    - ii. A copy of the Board Policy on Director Conduct
    - iii. A summary copy of the previous audited financial report
    - iv. A Letter of Intent
3. Interested candidates and those advanced through the nomination by petition process will express their interest in continuing their candidacy and sign a Letter of Intent to abide by all Lane-Scott Electric Cooperative Bylaws, Rules,



## 9. Old Business

and Regulations as well as all applicable state and federal laws. (this may be covered in the Policy 206.)

4. All qualified, interested candidates will then have their contact information forwarded to the President of the Committee on Nominations for further consideration.
5. The Nominating Committee will:
  - a. Interview candidates, and
  - b. Advance two candidates to be placed on the Ballot for the open position.  
The Board of Trustees will not have approval authority over the Committee on Nominations.
6. Interested candidates filing through the nomination by petition process according to the standards and qualifications stated in the Bylaws will be advanced by the Secretary to the voting ballot along with those recommended by the Committee on Nominations.

**Staff asks the Board to review this Board Succession Plan and comment on adjustments that need to be made.**

Staff asks the Board to consider asking the membership to amend the Bylaws to remove the floor nomination provision Article IV - Trustees, Section 4. Nominations *"Nothing contained herein shall, however, prevent additional nominations from the floor at the meeting of members."* Staff also requests that if the Board considers presenting an amendment, that consideration for virtual meetings also be considered if legal counsel deems it appropriate.

This item was tabled for review and comment.

## 10. New Business




### 10. a. Winter Storm Uri

#### What Happened:

This has been a rough February. There is a timeline of events on following pages, but here's a recap:

The **February 13–17, 2021 North American winter storm**, unofficially referred to as ***Winter Storm Uri***, was a major, violent winter and ice storm that had widespread impacts across the United States, Northern Mexico, and parts of Canada from February 13 to 17. The storm started out in the Pacific Northwest and quickly moved into the Southern United States, before moving on to the Midwestern and Northeastern United States a couple of days later. By the time the winter storm exited the U.S. late on February 16, the combined snowfall from the multiple winter storms within the past month had left nearly 75% of the contiguous United States covered by snow.

The storm resulted in over 170 million Americans being placed under various winter weather alerts across the country and caused blackouts for over 9.7 million people in the U.S. and Mexico, most notably the 2021 Texas power crisis. The blackouts were the largest in the U.S. since the Northeast blackout of 2003. The storm also brought severe destructive weather to Southeastern United States, including several tornadoes. On February 16, there were at least 20 direct fatalities and 13 indirect fatalities attributed to the storm; by February 19, the death toll had risen to at least 70, including 58 people in the United States and 12 people in Mexico.

| February ▾ | 2021 ▾     | DAILY →    |            |  |  |  |
|------------|------------|------------|------------|--|--|--|
| S          | M          | T          | W          | T  | F  | S  |
| 31         | 1          | 2          | 3          | 4  | 5  | 6  |
| 50°<br>23° | 60°<br>23° | 58°<br>26° | 69°<br>25° | 49°<br>22°   | 49°<br>20°   | 37°<br>15°   |
| 7          | 8          | 9          | 10         | 11   | 12   | 13   |
| 24°<br>13° | 13°<br>8°  | 13°<br>8°  | 13°<br>4°  | 16°<br>0°  | 6°<br>0°   | 9°<br>-2°  |
| 14         | 15         | 16         | 17         | 18   | 19   | 20   |
| 2°<br>-17° | 4°<br>-20° | 10°<br>-9° | 23°<br>4°  | 26°<br>7°  | 47°<br>6°  | 58°<br>15°   |
| 21         | 22         | 23         | 24         | 25   | 26   | 27   |
| 50°<br>22° | 64°<br>17° | 72°<br>23° | 50°<br>25° |  45°<br>24° |  54°<br>26° |  62°<br>27° |

Dighton immediately saw temperatures drop and set several record lows including 4 days where the high never got out of the single digits and 4 days of lows below 0° F. Monday, February 15 had a high of 4° F and a low of -20° F.

Consumer demand soared from the cold as temperatures dropped below the minimum winterized range for much of the generation and pipeline equipment that is essential to the operation of the power grid.

Pipeline and power plant controls froze as did many wind turbines and cooling towers. Compounding the problem was solar farms covered in snow.

## 10. New Business

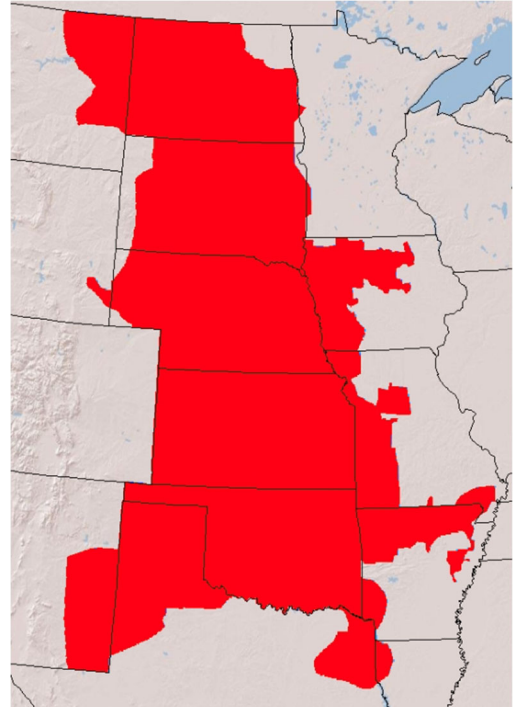
The extreme cold brought icing that forced many generation plants to shut down which limited the available supply of wholesale electricity across the entire Southwest Power Pool (SPP).

The Holcomb plant is coal fired, but the cooling tower froze taking the plant out of operation. This caused the North-South 345kV line to look for a new pathway for power flow. The result was a thermal overload on the 115kV line north of Hwy 96 and subsequent load shed in Dighton and Ness City on Monday, February 15<sup>th</sup>.

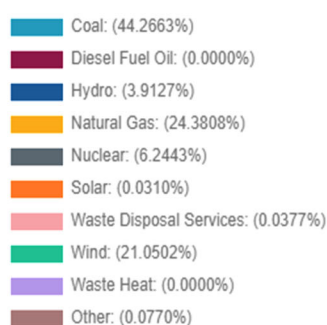
Load sheds were initiated by SPP throughout the event to keep the grid from moving into rolling brownouts. The Lane-Scott Electric Cooperative was included in rolling SPP load sheds on Tuesday, February 16<sup>th</sup> at Ness City, Alexander, and Twin Springs substations.

SPP returned to normal operations on Saturday, February 20<sup>th</sup>.

The freezing temperatures also drove the commodity price of fuel as demand for natural gas skyrocketed.



The normal SPP fuel mix is about 24% renewable (with hydro) and about 24% natural gas. Both were adversely affected by weatherization issues which severely limited their output.



Once renewables shut down, market forces moved to natural gas to meet electric demand. Many NG producers were experiencing freezing pumps which further limited supply. Market forces took over and the price of NG exploded to around 1000x normal pricing (if you could get delivery at all). ACES reported that “no NG is available in western Kansas at any price” at one point during the storm.

## 10. New Business

Typically, we see winter and summer billing increases from higher kWh usage. However, because of the load sheds (when combined with members conservation efforts) the kilowatt-hour usage was low: at or below February averages. The projected billing increases are from higher commodity fuel prices to the generation plants that remained operational.

### **Where we are today**

Sunflower estimates that the net effect on Lane-Scott is that our price of wholesale electricity jumped from an expected \$693,397 to an estimated \$3,972,086 (2/26/2021). Our kWh sales remain constant with previous February's. The Sunflower is considering a non-cash Capital Credit retirement that will reduce the overall billing, but that number or its timing has not been determined. Also, there will be a normal true-up of the wholesale market in April. This could increase or decrease the billing. Therefore, we are faced with three immediate issues:

1. How do we pay Sunflower? This billing should be to us on March 8<sup>th</sup> and payable March 28<sup>th</sup>.
2. How do we maintain liquidity considering the higher wholesale power bill?
3. How do we bill our members? Normally we would pass it along to members and recapture in the next months' billing.

### **First, how do we pay the bill?**

Kathy has determined that we can reasonably afford to pay \$972,086 out of cash. This leaves \$3,000,000 to be paid. We have contacted CFC and CoBank about our lines of credit and potential for intermediate-term lending options. CoBank has offered LSEC a 7-year, fixed note at 2.03%. CFC was restricted to the Line of Credit but has since told me that a longer-term note might be available. Kathy and I feel that the CoBank loan is our best offer.

This is the directive we received from John Donner at CoBank regarding our existing documents on file:

"You may not have to execute anything at this point. The resolution doesn't have a borrowing limit. The only change you might need to make is an update to the incumbency certificate if officers have changed. The existing incumbency certificate as well as a blank form are attached. Also attached is the existing resolution. We don't require an application for a new loan. The only thing that will require execution would be the loan documents. I need to know what direction you want to go as well as credit approval prior to preparing loan documents. They will be fairly simple. Richard should be able to execute all with the exception of an attorney's

## 10. New Business

opinion letter. You may want to give you're attorney a heads up that this is forthcoming. The opinion letter is basic too as the loan will be unsecured."

**Staff recommends that the Board approve the CoBank loan for \$3,000,000, authorizing the Attorney Opinion and restating that the General Manager may execute the loan documents.**

Secondly, how do we maintain liquidity with the additional note?

The CoBank note is expected to add a monthly charge of \$32,194 (or \$386,326 per year). An offset to this is that LSEC has \$4,210,034 in RUS Cushion of Credit. The Cushion of Credit account is earning 4% in 2021 and will drop to the T-Bill rate next year. We can apply about \$386,326 to normal RUS payments and free-up cash to pay the CoBank note.

Also, we have met with the First National Bank of Dighton regarding a PPP loan / grant. There is some question about the dollar amount, but we think we can get \$350,000-\$600,000 in a PPP grant by the end of March. This is about a three-month payroll and benefits period and, if need, we can apply for a second one later. FNB-D thinks we have an excellent chance at getting the loan forgiven but worst case is a 1-year loan at 1%. This can also be covered in the Cushion of Credit if needed. The PPP Loan option will also free up cash for the coming wholesale settlement, should it be needed.

**Staff recommends that the Board approve the Corporate Authorization Resolution for the Payroll Protection Plan application with the First National Bank of Dighton, Kansas.**

The last issue is how do we pass this along to our members?

First, note that that this does not include the City of Dighton. Their billing is calculated separately based on Sunflower billings. Any adjustment must be calculated separately.

Normally, we would directly pass the wholesale power billing along through the ECA. The normal passing of this Sunflower billing would be an increase of almost 6x members normal power bill. Also, our 2020 Survey showed that 48% of our members are age 65 or older: likely on a fixed income.

Our Tariff requires us to follow our ECA charge of passing this wholesale power bill along within 12 months. Further complicating things is that we are additionally tasked with treating our members equitably so what we do for one we do for all. That puts the elderly couple on a fixed income in front of us in our planning.

We have spoken to Randy Robbins art BSGM and plan to follow the strategy that many cooperatives are adopting: The Regulatory Asset. The Auditors tell us that we can pay our budgeted power bill and book the excess amount as a regulatory asset. This moves

## 10. New Business

the amount to the balance sheet and pulls it out of the monthly member billing. It would be offset by a liability. The debt would then be recaptured through the monthly Energy Cost Adjustment (ECA) or blended into our overall debits, spread across LSEC, and recaptured in the 2021 Cost of Service Study.

The excess amount would be \$3,972,086 (expected wholesale power bill) - \$693,397 (February budgeted power bill) = **\$3,278,689** excess (Regulatory Asset).

Sunflowers' legal staff put together a Regulatory Asset Tariff amendment for Sunflower which we adapted for LSEC use. This amendment assumes that the February 2021 Regulatory Asset will be recaptured through the monthly ECA. The Calculation of Charges is:

$$(R + (R \times I)) / M = \text{Regulatory Asset Rider Amount}$$

*Where:*

R = Unrecovered balance of the February 2021 Regulatory Asset.

I = The interest rate, expressed as a monthly rate, incurred associated with the Regulatory Asset.

M = Number of remaining months over which the February 2021 Regulatory Asset will be amortized.

The LSEC ECA calculation would be:

$$(\$3,278,689 + (3,278,689 \times .0203 \text{ Loan Interest})) / 84 \text{ months (term)} = \$39,933.11 \text{ per month}$$

Regulatory Asset Rider Amount

then:

$$\$39,933.11 \text{ per month} / 13,146,418 \text{ avg. kWh/mo.} = \pm \$0.003038 \text{ adder to ECA.}$$

The Rider ties the amount to the balance on the Regulatory asset so it will pay off as we pay down the asset.

**Staff recommends that the Board approve the February 2021 Regulatory Asset Rider to the LSEC Tariff.**

# RESOLUTION OF THE BOARD OF TRUSTEES

of

## THE LANE-SCOTT ELECTRIC COOPERATIVE, INC. DIGHTON, KANSAS

---

**WHEREAS**, the above named borrower (the "Company"), under its articles of incorporation, bylaws, or other organizational documents has full power and authority to borrow money and to secure the same with its own property and property delivered to it for marketing or otherwise; and

**WHEREAS**, all prerequisite acts and proceedings preliminary to the adoption of this Resolution have been taken and done in due and proper form, time and manner;

**NOW, THEREFORE, BE IT RESOLVED**, that each of the following officers or positions (line out any not to be authorized under this Resolution) President, Vice President, Treasurer, Secretary, Manager and any others to be authorized under this Resolution (insert titles only) \_\_\_\_\_

\_\_\_\_\_ ("Officers") of the Company are jointly and severally authorized and empowered to obtain for and on behalf of the Company from time to time, from CoBank, ACB ("CoBank"), a loan or loans or other financial accommodations (including, without limitation, letters of credit, note purchase agreements and bankers acceptances) (collectively, a "Loan") under this Resolution; and for such purposes: (1) to execute such application or applications (including exhibits, amendments and/or supplements thereto) as may be required for all borrowings; (2) to obligate the Company to pay such rate or rates of interest as the Officers so acting shall deem proper, and in connection therewith to purchase such interest rate risk management products as may be offered from time to time by CoBank; (3) to obligate the Company to such other terms and conditions as the Officers so acting shall deem proper; (4) to obligate the Company to make such investments in CoBank as required by CoBank; (5) to execute and deliver to CoBank or its nominee all such written loan agreements, documents and instruments as may be required by CoBank in regard to or as evidence of any Loan made pursuant to the terms of this Resolution; (6) to pledge, grant a security interest or lien in, or assign property of the Company or property of others on which it is entitled to borrow, of any kind and in any amount as security for any or all obligations (past, present and/or future) of the Company to CoBank; (7) from time to time extend, amend, renew or refinance any such Loan; (8) to reborrow from time to time, subject to the provisions of this Resolution, all or any part of the amounts repaid to CoBank on any Loan made pursuant hereto (whether for the same or a different purpose); (9) to execute and deliver to CoBank an Electronic Commerce Master Service Agreement, a separate Service Agreement for each different service requested by the Company, and such other agreements, addenda, documents or instruments as may be required by CoBank in the event that the Company elects to use CoBank's electronic banking system (the "System"); (10) to execute and deliver to CoBank any agreements, addenda, authorization forms and other documents or instruments as may be required by CoBank in the event that the Company elects to use any services or products related to the Loan that are offered by CoBank now or in the future, including without limitation an automated clearing house (ACH) service; (11) to direct and delegate to designated employees of the Company the authority to direct, by written or telephonic instructions or electronically, if the Company has agreed to use the System for such purpose, the disposition of the proceeds of any Loan authorized herein or any property of the Company at any time held by CoBank; and (12) to delegate to designated employees of the Company the authority to request by telephonic or written means or electronically, if the Company has agreed to use the System for such purpose, loan advances and/or other financial accommodations, and in connection therewith, to fix rates and agree to pay fees. In the absence of any direction or delegation authorized in (11) or (12) above, all existing directions and/or delegations shall remain in full force and effect and shall be applicable to any Loan authorized herein.

**RESOLVED FURTHER**, That each of the Officers are hereby jointly and severally authorized to: (1) establish a Cash Investment Services Account at CoBank; (2) make such investments therein as any Officer shall deem proper; (3) direct by written or telephonic instructions or electronically, if the Company has agreed to use the System for such purposes, the disposition of the proceeds therein; (4) delegate to designated employees of the Company the authority set forth in (2) and (3) above; and (5) execute and deliver all documents and agreements necessary to carry out this authority.

**RESOLVED FURTHER,** That each of the Officers are hereby jointly and severally authorized and directed to do and/or cause to be done, from time to time, all things which may be necessary and/or proper for the carrying out of the terms of these Resolutions.

**RESOLVED FURTHER,** That all prior acts by the Officers or other employees or agents of the Company to accomplish the purposes of these Resolutions are hereby approved and ratified.

**RESOLVED FURTHER,** That any Officer of the Company is hereby authorized and directed to cast the ballot of the Company in any and all proceedings in which the Company is entitled to vote for the selection of a member of CoBank's board of directors or for any other purpose.

**RESOLVED FURTHER,** That these Resolutions shall remain in full force and effect until a certified copy of a duly adopted resolution effecting a revocation or amendment, as the case may be, shall have been received by CoBank. The authority hereby granted shall apply with equal force and effect to the successors in office of the Officers herein named.

**RESOLVED FURTHER,** That effective on the date when the Loan under these Resolutions becomes available, the following listed Resolutions are hereby revoked:

**ALL PRIOR RESOLUTIONS**

No such revocation shall affect the validity of any action or actions made or taken in reliance on such resolution(s) prior to the effective date of revocation.

**RESOLVED FURTHER,** That the Secretary or any Assistant Secretary of the Company is hereby authorized and directed to certify to CoBank a copy of these Resolutions, the names and specimen signatures of the present Officers above referred to, and if and when any change is made in the personnel of any said Officers, the fact of such change and the name and specimen signatures of the new Officers. CoBank shall be entitled to rely on any such certification until a new certification is actually received by CoBank.

**CERTIFICATE**

The undersigned, a Secretary or Assistant Secretary of the Company, hereby certifies that the Board of Trustees, at a meeting duly called, noticed, convened and held on the 14 day of May, 2012, at which a quorum was present, did unanimously adopt the foregoing resolutions and that said resolutions have not been revoked or amended in any way.

Dated this 14th day of May, 2012.

By: Paul Seib, Jr.

Title: Paul Seib, Jr.  
☒ Secretary or ☐ Assistant Secretary



## CORPORATE AUTHORIZATION RESOLUTION

I, Paul Seib, Jr., do hereby certify that I am Secretary of the Lane-Scott Electric Cooperative, Inc., Federal Employer I.D. Number 48-0526038, a corporation organized under the laws of the State of Kansas, and that the following is a true, complete and correct copy of resolutions adopted at a meeting of the Board of Directors of said Corporation duly and properly called and held on the day of March 1, 2021; that a quorum was present at said meeting; that said resolutions are set forth in the minutes of said meeting and have not been rescinded or modified.

RESOLVED, that the First National Bank of Dighton hereinafter sometimes called the Bank and it hereby is designated as a depository for the funds of this corporation and any officer of this corporation is hereby authorized to open or cause to be opened an account or accounts with said Bank on such terms, conditions and agreements as shall be required by said Bank, to endorse or cause to be endorsed, in the name of this corporation and to cash, to negotiate or to deposit or cause to be deposited in such account or accounts any money, checks, drafts, orders, notes and other instruments for the payment of money and to make any other agreements deemed advisable in regard thereto.

RESOLVED FURTHER, that checks, drafts or other withdrawal orders issued against the funds of this corporation on deposit with said Bank may be signed by any Two of the following:

(Insert One or Two)

Richard McLeon, General Manager

Kathy Lewis, Manager of Financial Services

And said Bank is hereby fully authorized to pay and charge to the account of this corporation any checks, drafts or other withdrawal orders, so signed, including those payable to the individual order of the person signing the same and including also checks or other withdrawal orders payable to the said Bank or to any other person or corporation, which are applied in payment of any indebtedness owing to said Bank from the person or persons who signed such checks or other withdrawal orders.

RESOLVED FURTHER, that any One of the following:

(Insert One or Two)

Richard McLeon, General Manager

be and hereby are authorized to borrow money for and on behalf of and in the name of this corporation; to make any agreements in respect thereto; and to sign, execute and deliver promissory notes, acceptances or other evidences of indebtedness therefor, or in renewal thereof, in such amounts and for such time, at such rate of interest and upon such terms as they see fit; and are hereby authorized to endorse, assign, transfer, mortgage, or pledge to said Bank the bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now or hereafter owned by this corporation as security for the payment of any money so borrowed; to assign or negotiate to the Bank any bills receivable now or hereafter owned by this corporation, and to discount the same; to unconditionally guarantee payment of any or all bills receivable so negotiated or discounted, and to waive demand, protest and notice of non-payment.

RESOLVED FURTHER, that this resolution shall continue in force until express written notice of its rescission or modification has been furnished to and received by said Bank.

RESOLVED FURTHER, that all transactions, if any, in respect to any deposits, withdrawals, rediscounts and borrowings by or in behalf of this corporation with said Bank prior to the adoption of this resolution be and the same hereby are in all things ratified, approved and confirmed.

RESOLVED FURTHER, that any of the persons above named be and they hereby are authorized and empowered to make any and all other contracts, agreements, stipulations and orders which they may deem advisable, from time to time, with said Bank in respect to transaction between this corporation and said Bank in regard to funds deposited in said Bank, moneys borrowed from said Bank or any other business transacted by and between this corporation and said Bank.

RESOLVED FURTHER, that any and all resolutions heretofore adopted by the Board of Directors of this corporation and certified to said Bank as governing the operation of this corporation's account(s) with it, be and are hereby continued in full force and effect, except as the same may be supplemented or modified by the foregoing.

\* \* \* \* \*

I further certify that the Board of Directors of this corporation has, and at the time of adoption of said resolution had, full power and lawful authority to adopt the foregoing resolutions and to confer the powers therein granted to the persons named who have full power and lawful authority to exercise the same.

In Witness Whereof, I have hereunto subscribed my name and affixed the seal of this corporation this 1<sup>st</sup> day of March, 2021.

IMPRINT  
SEAL  
HERE

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Attest by One Other Officer

The Lane-Scott Electric Cooperative, Inc.  
Entire Service area

Index No.: 15a  
Schedule: ECA-16a

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The cooperative's bylaws, rules, and regulations are supplemental to this schedule and are incorporated herein.

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## **FEBRUARY 2021 REGULATORY ASSET RIDER**

### **APPLICABILITY:**

This Regulatory Asset Rider (Rider) is applicable to each Member of the Lane-Scott Electric Cooperative, Inc. (LSEC) taking service under existing rates of the current tariff or its successor.

### **ESTABLISHMENT OF FEBRUARY 2021 REGULATORY ASSET:**

All extraordinary costs associated with the month of February 2021 Winter Weather Event, shall be booked separately as a regulatory asset, which shall be referred to as the "February 2021 Regulatory Asset."

### **SUMMARY OF CHARGES:**

Charges under this Rider will be used to calculate a monthly billing amount for recovery of the outstanding costs with interest associated with the February 2021 Regulatory Asset.

### **CALCULATION OF CHARGES:**

$$(R + (R \times I)) / M = \text{Regulatory Asset Rider Amount}$$

*Where:*

R = Unrecovered balance of the February 2021 Regulatory Asset.

I = The interest rate, expressed as a monthly rate, incurred associated with the Regulatory Asset.

M = Number of remaining months over which the February 2021 Regulatory Asset will be amortized.

### **COMPUTATION FREQUENCY:**

This computation will be made monthly.

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Issued: March 1, 2021  
Effective: March 1, 2021

By: \_\_\_\_\_  
Richard Jennison, President

## **Energy Emergency Alert Communication Log (Feb. 14 – Feb. 25)**

**DETAILS IN MEMBER SERVICE  
REPORT**

### **Sunday, Feb. 14**

6:33pm: Social Media Post - Conservation Plea prior to EEA Levels being elevated but in anticipation of it occurring.

7:01pm: Social Media Share – Gov. Kelly’s issue State of Disaster Emergency

### **Monday, Feb. 15**

11:59am: Social Media Post - Generator Preparation and Safety w/ website link to generator safety tips

1:18pm: Website - EEA News Article with SPP information, EEA explanation, Why this is happening, How will this affect electric bills, & How can I help conserve energy explanations.

1:18pm: Social Media – EEA 3 alert w/ link to the website article

5:02pm: Website News Release Update – “SPP restores load, anticipates that regional grid conditions will continue to evolve.”

5:15pm: Social Media Post - Conserve Energy Please for the next 48-72 hours.

8:52pm, 8:59p, 9:39p: Social Media - Outage notification communication from Sunflower voltage issues.

### **Tuesday, Feb. 16**

7:35am: Social Media – Outage notification from load shed in Ness City area

8:14am: Social Media - Levels back to EEA 3, load shed happening in our service territory, check facebook for updates, call 911 if you need immediate assistance, generator preparedness.

5:13pm: Social Media – EEA Update & Conservation Plea

### **Wednesday, Feb. 17**

9:11am: Social Media - EEA Update holding at Level 2, pushing energy conservation to prevent outages.

1:01pm: Social Media - Outage notification from open breaker at substation.

4:52pm: Social Media – EEA down to a level 1, conservation plea to help decrease demand.

8:59pm: Social Media – “Not out of the Woods” SPP share, back to a level 2, continue to conserve.

### **Thursday, Feb. 18**

9:36am: Social Media – EEA to 1, shared SPP map with cold weather overlay to illustrate how the whole region is being affected.

2:20pm: Social Media – No longer in an EEA level, but continue to conserve.

### **Friday, Feb. 19**

5:52pm: Social Media - Conservation Plea w/ electrical bill implications

### **Saturday, Feb. 20**

4:40pm: Social Media Post – Conservation Tips (water heater)

### **Sunday, Feb. 21**

6:45pm: Social Media Post – Conservation Tips (power strips)

**Monday, Feb. 22**

**High Wholesale Fuel Prices Will Continue to Impact Utilities**

- News Release on Website, sent to Newspapers, and e-mail blasted.
- IVR automated message
- Smarthub Alert
- Social Media – Conserve Energy

**March KCL Magazine: Manager's Article: "Winter Storm Uri: Working Together to Manage an Emergency"**

**Tuesday, Feb, 23**

7:02pm: Social Media Post – How Americans Use Electricity

**Thursday, Feb. 25**

12:30pm: Social Media Post – Keep Conserving graphic w/ price impacts message

## 10. New Business

### 10. b. 2021 Annual Meetings Caterer and Gifts

Ann Marie has gathered bids and recommends the following:

#### Annual Meeting Meal

John Ross Catering , Garden City, KS

Whole Pig  
Cheesy Spuds  
Cowboy Beans  
Watermelon  
Sweet Corn Salad / or Cucumber Vinegar Salad  
Spicy Slaw  
Rolls w/ honey butter or jam

= \$13.50 / plate

Additional: Homemade Ice Cream Included:

+ \$2.50- \$2.75 / plate

#### Annual Meeting Gift

Multi-Tool: 8 in 1 stainless steel and anodized aluminum multi-tool includes pliers, needle nose pliers, wire cutter, phillips screwdriver, bottle opener, flathead screwdriver, scissors, and a carabiner clip.



**Staff requests that the Board approve the Annual Meeting Meal without the additional Ice Cream and the Annual Meeting Gift as presented.**

## 10. New Business

### 10. c. 2021 2nd Quarter Schedule

Lane-Scott Electric Cooperative, Inc. 2021 Board Schedule  
(based on known calendars as of Feb 24, 2021)

|              |     |   |
|--------------|-----|---|
| <u>April</u> | 2   | Office Closed – Good Friday                     |
|              | 5   | LSEC Board of Trustees meeting                  |
|              | 21  | Sunflower EPC Board, Hays                       |
| <u>May</u>   | 3   | LSEC Board of Trustees meeting<br>GM Evaluation |
|              | 5-6 | KEC Board Meeting, Wichita                      |
|              | 19  | Sunflower EPC Board, Dodge City                 |
|              | 31  | Office Closed – Memorial Day                    |
| <u>June</u>  | 7   | LSEC Board of Trustees meeting                  |
|              | 7   | Nominating Committee meeting                    |
|              | 16  | Sunflower EPC Board, Hays                       |

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SAFETY MEETING

February 10, 2021

Chris Terhune called the meeting to order at 9:31am.

**Minutes were read:** Dal Hawkinson made a motion to approve the January 13th minutes and Myron Seib seconded. Minutes were read and approved as printed.

**Present:** Richard McLeon, David Howard, Nate Burns, Kasey Jenkinson, Ben Mann, Dal Hawkinson, Chad Rupp, Chris Terhune, Myron Seib, Kevin Bradstreet, Leighton Ayers, Dellon Shelton, Scott Briand, Kalo Mann, Michael Pollock, Mark McCulloch, Kathy Lewis, Carrie Borell, Ann Marie Jennings, and Diana Kuhlman

**Absent:** Larry Kraft and Rebecca Campbell

**Truck report of inspections:**

|     |                  |    |
|-----|------------------|----|
| 105 | Dellon Shelton   | OK |
| 110 | Myron Seib       | OK |
| 112 | Leighton Ayers   | OK |
| 117 | Chris Terhune    | OK |
| 123 | Mark McCulloch   | OK |
| 124 | Michael Pollock  | OK |
| 132 | Kevin Bradstreet | OK |
| 135 | Nate Burns       | OK |
| 136 | Kevin Bradstreet | OK |
| 143 | Michael Pollock  | OK |
| 144 | Kalo Mann        | OK |
| 145 | David Howard     | OK |
| 150 | Kasey Jenkinson  | OK |
| 173 | Chad Rupp        | OK |
| 174 | Dal Hawkinson    | OK |
| 191 | Myron Seib       | OK |
| 193 | Myron Seib       | OK |
| 200 | Ben Mann         | 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 | Kevin Bradstreet | OK |
| 505 | Kevin Bradstreet | OK |
| 508 | Kevin Bradstreet | OK |
| 509 | Kevin Bradstreet | OK |
| 513 | Kevin Bradstreet | OK |
| 516 | Kevin Bradstreet | OK |
| 700 | Kevin Bradstreet | OK |
| 701 | Kevin Bradstreet | OK |
| 702 | Kevin Bradstreet | OK |
| 512 | Scott Briand     | OK |
| 514 | Scott Briand     | OK |

**Warehouse, building, and pole yard inspections:**

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

Pole Yard & Transformer Dock  
Office

Scott Briand  
Diana Kuhlman

OK  
OK

**Personal Tools:** All Passed

**Gloves Monthly Test Results:** #35 and #99 rejected for ozone damage and snags.

**Substation and Regulator Report:** Ben Mann reported we have a new substation mower and training will need to be done on it. Lights are working at Twin Springs substation and Dighton substation lights have been changed out.

**PCB Report:** None to report

**Line Clearance:** Burke Gabel, Ness, Bazine, and Doug Morris.

**Accident and Near Misses:** Kasey Jenkinson reported that on Venison Road a pole was drove through and it broke the insulator ties.

**Old Business:**

- ◆ Chris Terhune reported the North pole yard improvements have been completed. The bunks are set and labeled.

**New Business:**

- ◆ Richard McLeon reported that the reason for an outage needs reported to SRS. This will help keep tracking if we are having issues in a specific area to mitigate the occurrence of the outages.
- ◆ Michael Pollock reported Kalo Mann finished his Generac training this month, and Michael's training is coming up. Mark McCulloch completed his Generac training last month.
- ◆ Nate Burns reported they will be having an electrician meeting with Lane County Feeders concerning the new feed mill installation.
- ◆ Chris Terhune reported Ferris Manufacturing can build an aluminum demo trailer cheaper than purchasing one. They will also build our arc demonstration on a skid to be put on the trailer, we will finish the electrical portion of the trailer.
- ◆ Bruce McAntee with KEC discussed lock out/tag out communication, tagging, and radio procedure. Reviewed bloodborne pathogens, hazard communications, and safety summary. Discussed PPE, first aid kit latex glove deterioration and replacement awareness, SDS sheets, and exposure control plan. Safety leadership, involvement, and improvements were discussed.

Meeting adjourned

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Chris Terhune  
Safety Coordinator

---

Carrie Borell  
Safety Secretary



## **SAFETY PROGRAM**

### ***SAFETY PROJECTS COMPLETED AS OF FEBRUARY 2021***

1. Storm Restoration Guide for Visiting Crew booklet.
2. SRS procedures warehouse personnel information updated.
3. SRS procedure updated for outage reasons to be reported on tickets. Process required outage codes to be assigned per outage event for SRS reporting documentation.
4. SRS brown out information for member notification.
5. Diana Kuhlman submitted reports:
  - KEC Loss Control, Safety and Compliance System Monthly Statistical Report.
  - CDL medical certification renewal.
6. Ann Jennings member safety awareness publishes to either KCL newsletter, social media, and/or the Lane Scott Electric website concerning:
  - “Please Move Over for Roadside Crews”.
7. RESAP Self-Assessment/Annual Supervisor Inspection improvements completed:
  - Salt Shed LED bulbs replaced.
  - Elevator service agreement tag updated.
8. KEC February safety meeting topics was concerning safety summary, lock out/tag out, Bloodborne Pathogens, Hazard Communications, and Emergency Preparedness. February safety minutes are included in the board packet.

### ***SAFETY PROJECTS IN PROGRESS AS OF FEBRUARY 2021***

1. Creating Emergency Action Plan (EAP) binder. Reviewed OSHA regulation requirements that are required to be in the EAP plan.
2. Contacted multiple neighboring cooperatives concerning software applications and processes they are using for safety forms and considerations for digital safety forms. Reviewed alternative options for safety data and inspection form storage and digital form filled inspections. Researched form making software and company remote sharing applications. Created some fillable forms and iPad compatibility. Tested One Drive shared folder multiple user access and syncing ability.

## INSIDE

- 1 Using Aerials and Digger Derricks in Slick Conditions
- 2 Accident Summary
- 3 Accidents & Upcoming Events
- 5 2020 No Lost Time Awards
- 6-13 Federal Motor Carrier Safety Regulations

## 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, DSO  
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  
Lee Tafenelli

## Using Aerials and Digger Derricks in Slick Conditions

### Level Setup is Critical In Snowy and Icy Environments

As we enter the full grip of winter, setting up aerial devices and digger derricks in snowy and icy conditions brings additional concerns for equipment operators. Normal traction is greatly reduced, which could put a truck in an unstable position. Variable site locations — on gravel or grass, sloped or level — and the urgency to minimize electrical disruptions mean that utility crews often must make the most of imperfect conditions.

Upon arrival at the site, whenever possible, clear away snow and ice under outriggers and tires so that they are in contact with bare ground. Avoid setting outriggers on drains or manholes.

“All outriggers must be lowered to provide proper support, apply downward pressure on outriggers, and always use outrigger pads on a level surface,” advised Bruce Westergaard of Minnesota Municipal Utilities Association. He also suggested avoiding uneven seating, where the outrigger foot straddles mounds or spans dips, as well as using outrigger pads

that are textured on the bottom.

Alternatively, traction aids under tires and outriggers — such as sand, gravel and mats — also are a good option.

“When working on frozen ground, a neoprene layer under the outrigger pad is an option for increasing friction,” said Kris Koberg, CEO of DICA (<https://dicausa.com>), a manufacturer of engineered outrigger pads. “Frozen ground is hard, and adding a neoprene sheet of sufficient thickness will allow pads to bend or deflect slightly, spreading the load over a larger area and creating better contact

*Continued on page 4* ▶



TEREX

# SAFETY SUMMARY

## Accident Summary *November 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         | 43         | 0         | 7,831          | 32            | 33,563         | 0                 |
| Ark Valley       | 0            | 0         | 0         | 15         | 0         | 2,397          | 13            | 10,993         | 0                 |
| Bluestem         | 1            | 0         | 0         | 31         | 0         | 4,976          | 30            | 21,958         | 0                 |
| Brown-Atchison   | 0            | 0         | 0         | 11         | 0         | 1,699          | 8             | 4,928          | 0                 |
| Butler           | 0            | 0         | 0         | 44         | 4         | 7,953          | 17            | 10,874         | 0                 |
| Caney Valley     | 0            | 0         | 0         | 17         | 0         | 2,922          | 16            | 10,853         | 0                 |
| CMS              | 0            | 0         | 0         | 33         | 0         | 44,185         | 19            | 22,513         | 0                 |
| DSO              | 0            | 0         | 0         | 30         | 0         | 5,277          | 26            | 26,104         | 0                 |
| Doniphan         | 0            | 0         | 0         | 7          | 0         | 1,059          | 5             | 1,642          | 0                 |
| Flint Hills      | 0            | 0         | 0         | 20         | 0         | 3,298          | 18            | 6,507          | 0                 |
| FreeState        | 0            | 1         | 1         | 78         | 2         | 10,371         | 45            | 42,596         | 1                 |
| Heartland        | 0            | 0         | 0         | 42         | 0         | 7,939          | 19            | 39,491         | 0                 |
| KEC              | 0            | 0         | 0         | 15         | 1         | 2,501          | 6             | 11,249         | 0                 |
| KEPCo            | 0            | 0         | 0         | 24         | 0         | 3,508          | 10            | 12,707         | 0                 |
| Lane-Scott       | 0            | 0         | 0         | 22         | 1         | 3,485          | 21            | 13,493         | 0                 |
| Nemaha-Marshall  | 1            | 0         | 0         | 14         | 1         | 2,440          | 12            | 8,823          | 0                 |
| Ninnescah        | 0            | 0         | 0         | 17         | 0         | 3,138          | 12            | 12,340         | 0                 |
| Pioneer          | 0            | 0         | 0         | 70         | 0         | 13,051         | 48            | 44,124         | 0                 |
| Prairie Land     | 0            | 0         | 1*        | 85         | 0         | 10,524         | 63            | 58,534         | 0                 |
| Rolling Hills    | 0            | 0         | 0         | 40         | 3         | 6,104          | 42            | 43,842         | 0                 |
| Sedgwick County  | 0            | 0         | 0         | 19         | 0         | 2,743          | 16            | 7,486          | 0                 |
| Southern Pioneer | NO REPORT    |           |           |            |           |                |               |                |                   |
| Sumner-Cowley    | NO REPORT    |           |           |            |           |                |               |                |                   |
| Twin Valley      | 0            | 0         | 0         | 13         | 1         | 1,996          | 12            | 12,954         | 0                 |
| Victory          | 1            | 0         | 0         | 70         | 0         | 13,147         | 40            | 42,040         | 0                 |
| Western          | 1            | 0         | 0         | 58         | 0         | 10,031         | 41            | 34,255         | 0                 |
| Wheatland        | 0            | 0         | 0         | 134        | 2         | NA             | 104           | NA             | 0                 |
| <b>Total</b>     | <b>4</b>     | <b>1</b>  | <b>1</b>  | <b>952</b> | <b>15</b> | <b>172,575</b> | <b>675</b>    | <b>533,869</b> | <b>1</b>          |

\*Accident Previously Reported +Reflects Cumulative Lost Time

# Accident Reports *November 2020*

## November 2020

**FREESTATE, MCLOUTH/TOPEKA**  
NA

**Injury:** Back

**Cause:** Vehicle Accident

**Lost time:** Yes (1 Day)

## November 2020

**FREESTATE, MCLOUTH/TOPEKA**

**Vehicle accident:** See above

**Lost time:** Yes

## November 2020

**BLUESTEM, WAMEGO**

No accident form submitted.

**Lost time:** No

## November , 2020

**VICTORY, DODGE CITY**

No accident form submitted.

**Lost time:** No

## November 5, 2020

**NEMAHA-MARSHALL, AXTELL**

Lineman

**Injury:** Laceration to right palm, requiring 4 sutures.

**Cause:** Cooperative employee was removing a meter, meter would not come out of the meter socket, employee struck the meter with the palm of their hand causing meter glass to shatter.

**Lost time:** No

## November 10, 2020

**WESTERN, WAKEENEY**

Lineman

**Vehicle accident:** Contusion, swelling and laceration to tip of left pinky finger.

**Cause:** Cooperative employee was working from cooperative's aerial device, employee was rotating bucket, step on bucket caught the structure. When step slipped by the structure, the bucket bounced back pinning the employee's finger between the structure and the bucket.

**Lost time:** No

# UPCOMING EVENTS

## 2021 WORKSHOPS

**Oil Spill Response &  
Remediation Workshop  
(Virtual)**

**April 20, 21 & 27**

**PCB/SPCC Seminar  
May 12 (Beloit)**

**KEC Hot Line Schools  
September 8-10  
(Pratt)**

**September 14-16  
(Manhattan)**

**Transformer Workshop  
November 16-17  
(Topeka)**

**Metering Workshop  
November 18-19  
(Topeka)**

**Speak Up!/Listen Up!  
December 7 & 8 (Ulysses)  
December 9 & 10 (Topeka)**

## Federated Near-Miss Reporting

**Dear Safety Professional:**

As you are aware, Federated launched a Near-Miss reporting program in December of 2015, encouraging employees to report any and all near-miss incidents experienced at the system or through interaction with the general public. Some of you have asked if we have received any reported incidents and the answer is yes, we have. For expediency, I am sending the reported incidents to you so you have an opportunity to discuss these incidents, with your employees as soon as possible. I will provide more information as it becomes available, and in the near future, you will have access to this information by accessing our website. Thank you.

**R. COREY PARR**

VP Safety & Loss Prevention

# SAFETY SUMMARY

## Using Aerials and Digger Derricks in Slick Conditions

Continued from page 1 ►



DICA

with the ground. The results are enhanced pad-to-ground contact, lower peak pressures and lower overall ground-bearing pressure. Generally, we have found that 3/4-inch-thick neoprene sheets create the friction you are looking for and significantly improve load distribution in these icy, hard ground situations.”

According to Jim Olson, senior product engineer for Terex Utilities ([www.terex.com/utilities](http://www.terex.com/utilities)), “Keep in mind that snow and ice can build up on the truck during transportation and accumulate during operation. Brush off the snow dust from the contact surfaces, including the bottoms of outrigger feet as well as both top and bottom surfaces of the outrigger pads.

### Choose a Stable Location

Next, choose a location that provides the best stability for the work to be done.

“Position the truck as far onto the street or road as possible so that if your truck does move during operation, the tires and outriggers will not slide down a slope into a ditch, manhole or other hazard,” Olson said.

Caution is required even on pavement because “gravel on concrete can act like ball bearings under outriggers and outrigger pads,” Olson explained. Always refer to the manufacturer’s operator manual for information on proper setup and use of outriggers.

Operating within level tolerances is extremely important. If a slope is unavoidable, the bank of the slope may need to be cut away, or cribbing should be used to level the truck. When operating the unit on a slope, there is always the potential for the truck to move, even when working on dry pavement. This is due to gravity trying to pull the truck down the slope. When operating on a sloped surface that is covered in ice or snow, this effect is amplified, making it more likely that the truck will slide down the slope unless the proper precautions are taken during setup. Leveling the truck will not change the risk of sliding on the sloped surface

because the outriggers and tires are still on the slope and can slide. The surface the outriggers sit on must be leveled or the traction improved to prevent sliding.

One option for leveling aerial devices and digger derricks are engineered cribbing blocks, which DICA manufactures. “ProStack Slot Lock and Pyramid Lock Cribbing Blocks interlock for a secure foundation, allowing operators to achieve the height needed to level the equipment,” Koberg said.

### Chock the Wheels

Once in position, chock the wheels to prevent movement downhill, and evaluate the chock locations to make sure the truck won’t pivot around one chock. For example, if a truck is parked with the cab pointing slightly downhill, it should be chocked on the front and back of the tires. If it were chocked only on the front side of the back tires and the boom abruptly stopped, it could sway, causing the truck to pivot. This may even be evident on flat ground if there is not sufficient traction, or boom movements are rapid starts and stops.

Proper setup requires that outriggers do not slide on the outrigger pads during use, and that the outrigger pads do not slide on the ground. “This is a concern that comes up every winter,” Koberg said. “Over the years, we have worked with users to develop a variety of solutions to address different sliding issues, as there is no one-size-fits-all answer.”

In one situation, DICA worked with an electric cooperative to create a base of expanded metal in a frame. The metal frame was larger than the outrigger pad and positioned under it to help cut through snow and ice, giving the pad something to

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AS WE ENTER THE FULL GRIP OF WINTER, SETTING UP AERIAL DEVICES AND DIGGER DERRICKS IN SNOWY AND ICY CONDITIONS BRINGS ADDITIONAL CONCERNS FOR EQUIPMENT OPERATORS.

TEREX



## 2020 NO LOST TIME ACCIDENT AWARDS

To receive a No Lost Time Accident Award, cooperatives must complete a full year without an employee missing an eight-hour day of work due to a work-related accident. This award recognizes cooperatives' dedication to their employees' safety and the co-ops' commitment to cultivating a culture of safety. Excellent safety records also allow electric co-ops to better control losses and overall expenses of the cooperative.

The awards will be presented by the Loss Control, Safety & Compliance Department during on-site safety meetings. "This award recognizes members' outstanding efforts in developing a safety culture and in providing a safe workplace from recognized hazards. It is significant because it recognizes commitment to bringing everyone home safely at the end of the day," Detwiler said.

| Cooperative               | Date of Last Lost Time | Hours as of Dec. 31, 2020 |
|---------------------------|------------------------|---------------------------|
| Pioneer                   | Aug. 2, 2012           | 1,247,374                 |
| CMS                       | Feb. 3, 2009           | 791,062                   |
| Sumner-Cowley             | Mar. 20, 2003          | 486,961                   |
| KEPCo                     | Dec. 28, 2009          | 480,602                   |
| Doniphan                  | Nov. 15, 1994          | 404,860                   |
| Ninnescah                 | Nov. 9, 2010           | 354,565                   |
| Bluestem                  | Feb. 11, 2016          | 344,456                   |
| DSO                       | May 20, 2016           | 291,004                   |
| Alfalfa                   | Oct. 31, 2018          | 211,028                   |
| Ark Valley                | April 4, 2015          | 184,700                   |
| Lane-Scott                | Jun. 15, 2017          | 169,258                   |
| Caney Valley              | Sept. 4, 2017          | 132,745                   |
| Southern Pioneer          | Nov. 7, 2019           | 111,748                   |
| Twin Valley               | Nov. 1, 2016           | 107,989                   |
| Heartland                 | Feb. 4, 2019           | 95,118                    |
| Sedgwick County           | Apr. 19, 2019          | 62,287                    |
| KEC                       | Jan. 25, 2019          | 61,840                    |
| Brown-Atchison            | Feb. 12, 2019          | 45,808                    |
| <b>Total Hours Worked</b> |                        | <b>5,583,405</b>          |

## Using Aerials and Digger Derricks in Slick Conditions

*Continued from page 4* ►

Three off-the-shelf products that work in different scenarios are DICA's Cleated Pads, with serrated cleat grips for improved traction; their standard Cavity Pad with raised sidewalls; and the company's new Cavity Pad Plus, which features an inverted beveled footbrake that pre-vents the outrigger foot from escaping.

### Reduce Sudden Boom Movements

Once proper setup is achieved and operation begins, it's good practice to reduce sudden boom movements. "Operate the truck by feathering the controls so that all initial and final boom movements are performed at the lowest practical speed," Olson said.

Removal of snow and ice, the use of traction aids, leveling of the truck, use of large or specialty outrigger pads, and engaging in slow, steady boom movements are some of the techniques and tools at the operator's disposal to reduce the risk of the truck sliding down a slope in snowy or icy conditions.

If a unit begins to slide during operation, the operator should stop the boom functions. "Attempting any other operations when the machine is sliding out of control may compound the issue," Olson said.

Recovery during operation is extremely difficult, which is why it is so important to prevent loss of traction before it happens. Finally, if roads are not sufficiently clear to enable proper setup, postpone the work until later.

**ABOUT THE AUTHOR: CRAIG RIES IS A PRODUCT SAFETY ENGINEER FOR TEREX UTILITIES (WWW.TEREX.COM/UTILITIES).**

## Federal Motor Carrier Safety Regulations

### **§384.203 Driving while under the influence.**

(a) The State must have in effect and enforce through licensing sanctions the disqualifications prescribed in §383.51(b) of this subchapter for driving a CMV with a 0.04 alcohol concentration.

(b) Nothing in this section shall be construed to require a State to apply its criminal or other sanctions for driving under the influence to a person found to have operated a CMV with an alcohol concentration of 0.04, except licensing sanctions including suspension, revocation, or cancellation.

(c) A State that enacts and enforces through licensing sanctions the disqualifications prescribed in §383.51 (b) of this subchapter for driving a CMV with a 0.04 alcohol concentration and gives full faith and credit to the disqualification of CMV drivers by other States shall be deemed in substantial compliance with section 12009(a)(3) of the Commercial Motor Vehicle Safety Act of 1986 (49 U.S.C. 31311(a)(3)).

[67 FR 49761, JULY 31, 2002]

### **§384.215 First offenses.**

(a) General rule. The State must disqualify from operating a CMV each person who is convicted, as defined in §383.5 of this subchapter, in any State or jurisdiction, of a disqualifying offense specified in items (1) through (8) of Table 1 to §383.51 of this subchapter, for no less than one year.

(b) Special rule for hazardous materials offenses. If the offense under paragraph (a) of this section occurred while the driver was operating a vehicle transporting hazardous materials required to be placarded under the Hazardous Materials Transportation Act (implementing regulations at 49 CFR 177.823), the State shall disqualify the person for no less than three years.

[67 FR 49762, JULY 31, 2002]

### **§384.216 Second offenses.**

(a) General rule. The State must disqualify for life from operating a CMV each person who is convicted, as defined in §383.5 of this subchapter, in any State or jurisdiction, of a subsequent

offense as described in Table 1 to §383.51 of this subchapter.

(b) Special rule for certain lifetime disqualifications. A driver disqualified for life under Table 1 to §383.51 may be reinstated after 10 years by the driver's State of residence if the requirements of §383.51(a)(5) have been met.

[67 FR 49762, JULY 31, 2002]

### **§384.217 Drug offenses.**

The State must disqualify from operating a CMV for life any person who is convicted, as defined in §383.5 of this subchapter, in any State or jurisdiction of a first offense of using a CMV (or, in the case of a CLP or CDL holder, a CMV or a non-CMV) in the commission of a felony described in item (9) of Table 1 to §383.51 of this subchapter. The State shall not apply the special rule in §384.216(b) to lifetime disqualifications imposed for controlled substance felonies as detailed in item (9) of Table 1 to §383.51 of this subchapter.

[67 FR 49762, JULY 31, 2002; 76 FR 26895, MAY 9, 2011]

### **§384.218 Second serious traffic violation.**

The State must disqualify from operating a CMV for a period of not less than 60 days each person who, in a three-year period, is convicted, as defined in §383.5 of this subchapter, in any State(s) or jurisdiction(s), of two serious traffic violations as specified in Table 2 to §383.51.

[67 FR 49762, JULY 31, 2002]

### **§384.219 Third serious traffic violation.**

The State must disqualify from operating a CMV for a period of not less than 120 days each person who, in a three-year period, is convicted, as defined in §383.5 of this subchapter, in any State(s) or jurisdiction(s), of three serious traffic violations as specified in

Table 2 to §383.51. This disqualification period must be in addition to any other previous period of disqualification.

[67 FR 49762, JULY 31, 2002]

*Continued on page 7 ►*

# Federal Motor Carrier Safety Regulations

*Continued from page 6 ►*

## §384.224 Noncommercial motor vehicle violations.

The State must have and enforce laws and/or regulations applicable to drivers of non-CMV, as defined in §383.5 of this subchapter, which meet the minimum requirements of Tables 1 and 2 to §383.51 of this subchapter.

[64 FR 48111, SEP 2, 1999; 67 FR 49762, JULY 31, 2002]

## §384.226 Prohibition on masking convictions.

The State must not mask, defer imposition of judgment, or allow an individual to enter into a diversion program that would prevent a CLP or CDL holder's conviction for any violation, in any type of motor vehicle, of a State or local traffic control law (other than parking, vehicle weight, or vehicle defect violations) from appearing on the CDLIS driver record, whether the driver was convicted for an offense committed in the State where the driver is licensed or another State.

[67 FR 49762, JULY 31, 2002; 73 FR 73126, DEC. 1, 2008; 76 FR 26895, MAY 9, 2011]

## Subpart D – Driver Disqualifications and Penalties

### §383.51 Disqualification of drivers.

(a) **GENERAL.** (1) A person required to have a CLP or CDL who is disqualified must not drive a CMV.

(a)(2) An employer must not knowingly allow, require, permit, or authorize a driver who is disqualified to drive a CMV.

(a)(3) A holder of a CLP or CDL is subject to disqualification sanctions designated in paragraphs (b) and (c) of this section, if the holder drives a CMV or non-CMV and is convicted of the violations listed in those paragraphs.

(a)(4) Determining first and subsequent violations. For purposes of determining first and subsequent violations of the offenses specified in this subpart, each conviction for any offense listed in Tables 1 through 4 to this section resulting from a separate incident, whether committed in a CMV or non-CMV, must be counted.

(a)(5) The disqualification period must be in addition to any other previous periods of disqualification.

(a)(6) Reinstatement after lifetime disqualification. A State may reinstate any driver disqualified for life for offenses described in paragraphs (1) through (b)(8) of this section (Table 1 to §383.51) after 10 years if that person has voluntarily entered and successfully completed an appropriate rehabilitation program approved by the State. Any person who has been reinstated in accordance with this provision and who is subsequently convicted of a disqualifying offense described in paragraphs (b)(1) through (b)(8) of this section (Table 1 to §383.51) must not be reinstated.

(b) **DISQUALIFICATION FOR MAJOR OFFENSES.** Table 1 to §383.51 contains a list of the offenses and periods for which a person who is required to have a CLP or CDL is disqualified, depending upon the type of vehicle the driver is operating at the time of the violation, as follows:

*Continued on page 8 ►*



# SAFETY SUMMARY

## Federal Motor Carrier Safety Regulations *Continued from page 7*

| Table 1 to §383.51  |   |   |  |  |  |
|---|---|---|--|--|--|
| If a driver operates a motor vehicle and is convicted of:   | For a first conviction or refusal to be tested while operating a CMV, a person required to have a CDL holder must be disqualified from operating a CMV for: | For a first conviction or refusal to be tested while operating a non-CMV, a CDL holder must be disqualified from operating a CMV for: | For a first conviction or refusal to be tested while operating a CMV transporting hazardous materials required to be placarded under the Hazardous Materials Regulations (49 CFR part 172, subpart F), a person required to have a CDL and CDL holder must be disqualified from operating a CMV for: | For a second conviction or refusal to be tested in a separate incident of any combination of offenses in this Table while operating a CMV, a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for: | For a second conviction or refusal to be tested in a separate incident of any combination of offenses in this Table while operating a non-CMV, a CDL holder must be disqualified from operating a CMV for: |
| (1) Being under the influence of alcohol as prescribed by State law.  | 1 year  | 1 year  | 3 years  | Life   | Life   |
| (2) Being under the influence of a controlled substance.  | 1 year  | 1 year  | 3 years  | Life   | Life   |
| (3) Having an alcohol concentration of 0.04 or greater while operating a CMV  | 1 year  | Not applicable  | 3 years  | Life   | Not applicable   |
| (4) Refusing to take an alcohol test as required by a State or jurisdiction under its implied consent laws or regulations as defined in §383.72 of this part.                               | 1 year  | 1 year  | 3 years  | Life   | Life   |
| (5) Leaving the scene of an accident.   | 1 year  | 1 year  | 3 years  | Life   | Life   |
| (6) Using the vehicle to commit a felony other than a felony described in paragraph (b)(9) of this table.   | 1 year  | 1 year  | 3 years  | Life   | Life   |
| (7) Driving a CMV when, as a result of prior violations committed operating a CMV, the driver's CDL is revoked, suspended, or canceled, or the driver is disqualified from operating a CMV. | 1 year  | Not applicable  | 3 years  | Life   | Not applicable   |

*Continued on page 9*

# Federal Motor Carrier Safety Regulations *Continued from page 8 ►*

| Table 1 to §383.51 (Continued)  |   |   |  |  |  |
|---|---|---|--|--|--|
| If a driver operates a motor vehicle and is convicted of:   | For a first conviction or refusal to be tested while operating a CMV, a person required to have a CDL holder must be disqualified from operating a CMV for: | For a first conviction or refusal to be tested while operating a non-CMV, a CDL holder must be disqualified from operating a CMV for: | For a first conviction or refusal to be tested while operating a CMV transporting hazardous materials required to be placarded under the Hazardous Materials Regulations (49 CFR part 172, subpart F), a person required to have a CDL and CDL holder must be disqualified from operating a CMV for: | For a second conviction or refusal to be tested in a separate incident of any combination of offenses in this Table while operating a CMV, a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for: | For a second conviction or refusal to be tested in a separate incident of any combination of offenses in this Table while operating a non-CMV, a CDL holder must be disqualified from operating a CMV for: |
| (8) Causing a fatality through the negligent operation of a CMV, including but not limited to the crimes of motor vehicle manslaughter, homicide by motor vehicle and negligent homicide. | 1 year  | Not applicable  | 3 years  | Life   | Not applicable   |
| (9) Using the vehicle in the commission of a felony involving manufacturing, distributing, or dispensing a controlled substance.  | Life-not eligible for 10-year reinstatement.  | Life-not eligible for 10-year reinstatement.  | Life-not eligible for 10-year reinstatement.   | Life-not eligible for 10-year reinstatement.   | Life-not eligible for 10-year reinstatement.   |

(c) **DISQUALIFICATION FOR SERIOUS TRAFFIC VIOLATIONS.** Table 2 to §383.51 contains a list of the offenses and the periods for which a person who is required to have a CLP or CDL is disqualified, depending upon the type of vehicle the driver is operating at the time of the violation, as follows:

*Continued on page 10 ►*

# SAFETY SUMMARY

## Federal Motor Carrier Safety Regulations *Continued from page 9 ►*

| Table 2 to §383.51   |   |  |  |   |
|--|---|--|--|---|
| If a driver operates a motor vehicle and is convicted of:  | For a second conviction of any combination of offenses in this Table in a separate incident within a 3-year period while operating a CMV, a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for: | For a second conviction of any combination of offenses in this Table in a separate incident within a 3-year period while operating a non-CMV, a CDL holder must be disqualified from operating a CMV, if the conviction results in the revocation, cancellation, or suspension of the CDL holder's license or non-CMV driving privileges, for: | For a third or subsequent conviction of any combination of offenses in this Table in a separate incident within a 3-year period while operating a CMV, a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for: | For a third or subsequent conviction of any combination of offenses in this Table in a separate incident within a 3-year period while operating a non-CMV, a CDL holder must be disqualified from operating a CMV, if the conviction results in the revocation, cancellation, or suspension of the CDL holder's license or non-CMV driving privileges, for: |
| (1) Speeding excessively, involving any speed of 24.1 kmph (15 mph) or more above the posted speed limit.  | 60 days   | 60 days  | 120 days   | 120 days  |
| (2) Driving recklessly, as defined by State or local law or regulation, including but, not limited to, offenses of driving a motor vehicle in willful or wanton disregard for the safety of persons or property. | 60 days   | 60 days  | 120 days   | 120 days  |
| (3) Making improper or erratic traffic lane changes.   | 60 days   | 60 days  | 120 days   | 120 days  |
| (4) Following the vehicle ahead too closely.   | 60 days   | 60 days  | 120 days   | 120 days  |
| (5) Violating State or local law relating to motor vehicle traffic control (other than a parking violation) arising in connection with a fatal accident.   | 60 days   | 60 days  | 120 days   | 120 days  |
| (6) Driving a CMV without obtaining a CDL.   | 60 days   | Not applicable   | 120 days   | Not applicable  |
| (7) Driving a CMV without a CDL in the driver's possession <sup>1</sup> .  | 60 days   | Not applicable   | 120 days   | Not applicable  |
| (8) Driving a CMV without the proper class of CDL and/or endorsements for the specific vehicle group being operated or for the passengers or type of cargo being transported.                                    | 60 days   | Not applicable   | 120 days   | Not applicable  |

*Continued on page 11 ►*

# Federal Motor Carrier Safety Regulations *Continued from page 10 ►*

| Table 2 to §383.51 (Continued)  |   |  |  |   |
|---|---|--|--|---|
| If a driver operates a motor vehicle and is convicted of:   | For a second conviction of any combination of offenses in this Table in a separate incident within a 3-year period while operating a CMV, a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for: | For a second conviction of any combination of offenses in this Table in a separate incident within a 3-year period while operating a non-CMV, a CDL holder must be disqualified from operating a CMV, if the conviction results in the revocation, cancellation, or suspension of the CDL holder's license or non-CMV driving privileges, for: | For a third or subsequent conviction of any combination of offenses in this Table in a separate incident within a 3-year period while operating a CMV, a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for: | For a third or subsequent conviction of any combination of offenses in this Table in a separate incident within a 3-year period while operating a non-CMV, a CDL holder must be disqualified from operating a CMV, if the conviction results in the revocation, cancellation, or suspension of the CDL holder's license or non-CMV driving privileges, for: |
| (9) Violating a State or local law or ordinance on motor vehicle traffic control prohibiting texting while driving a CMV <sup>2</sup> .   | 60 days   | Not applicable   | 120 days   | Not applicable  |
| (10) Violating a State or local law or ordinance on motor vehicle traffic control restricting or prohibiting the use of a hand-held mobile telephone while driving a CMV <sup>2</sup> .   | 60 days   | Not applicable   | 120 days   | Not applicable  |
| <sup>1</sup> Any individual who provides proof to the enforcement authority that issued the citation, by the date the individual must appear in court or pay any fine for such a violation, that the individual held a valid CDL on the date the citation was issued, shall not be guilty of this offense.<br><sup>2</sup> Driving, for the purpose of this disqualification, means operating a commercial motor vehicle on a highway, including while temporarily stationary because of traffic, a traffic control device, or other momentary delays. Driving does not include operating a commercial motor vehicle when the driver has moved the vehicle to the side of, or off, a highway and has halted in a location where the vehicle can safely remain stationary. |   |  |  |   |

(d) **DISQUALIFICATION FOR RAILROAD-HIGHWAY GRADE CROSSING OFFENSES.** Table 3 to §383.51 contains a list of the offenses and the periods for which a driver must be disqualified, when the driver is operating a CMV at the time of the violation, as follows:

*Continued on page 12 ►*

# SAFETY SUMMARY

## Federal Motor Carrier Safety Regulations *Continued from page 11*

| Table 3 to §383.51   |  |  |   |
|--|--|--|---|
| If a driver is convicted of operating a CMV in violation of a Federal, State or local law because:                             | For a first conviction a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for: | For a second conviction of any combination of offenses in this Table in a separate incident within a 3-year period a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for: | For a third or subsequent conviction of any combination of offenses in this Table in a separate incident within a 3-year period a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for: |
| (1) The driver is not required to always stop, but fails to slow down and check that tracks are clear of an approaching train. | No less than 60 days   | No less than 120 days  | No less than 1 year.  |
| (2) The driver is not required to always stop, but fails to stop before reaching the crossing, if the tracks are not clear.    | No less than 60 days   | No less than 120 days  | No less than 1 year.  |
| (3) The driver is always required to stop, but fails to stop before driving onto the crossing.                                 | No less than 60 days   | No less than 120 days  | No less than 1 year.  |
| (4) The driver fails to have sufficient space to drive completely through the crossing without stopping.                       | No less than 60 days   | No less than 120 days  | No less than 1 year.  |
| (5) The driver fails to obey a traffic control device or the directions of an enforcement official at the crossing.            | No less than 60 days   | No less than 120 days  | No less than 1 year.  |
| (6) The driver fails to negotiate a crossing because of insufficient undercarriage clearance.                                  | No less than 60 days   | No less than 120 days  | No less than 1 year.  |

(e) **DISQUALIFICATION FOR VIOLATING OUT-OF-SERVICE ORDERS.** Table 4 to §383.51 contains a list of the offenses and periods for which a person who is required to have a CLP or CDL is disqualified when the driver is operating a CMV at the time of the violation, as follows:

| Table 4 to §383.51  |   |  |  |
|---|---|--|--|
| If a driver operates a CMV and is convicted of:   | For a first conviction while operating a CMV, a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for: | For a second conviction of any combination of offenses in this Table in a separate incident within a 3-year period a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for: | For a third or subsequent conviction in a separate incident within a 10-year period while operating a CMV, a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for: |
| (1) Violating a driver or vehicle out-of-service order while transporting nonhazardous materials.   | No less than 180 days or more than 1 year.  | No less than 2 years or more than 5 years.   | No less than 3 years or more than 5 years.   |
| (2) Violating a driver or vehicle out-of-service order while transporting hazardous materials required to be placarded under part 172, subpart F of this title, or while operating a vehicle designed to transport 16 or more passengers, including the driver. | No less than 180 days or more than 2 years.   | No less than 3 years or more than 5 years.   | No less than 3 years or more than 5 years.   |

[52 FR 20587, JUNE 1, 1987, AS AMENDED AT 53 FR 39050, OCT. 4, 1988; 54 FR 40788, OCT. 3, 1989; 55 FR 6727, FEB. 26, 1990; 57 FR 53295, NOV. 9, 1992; 59 FR 26028, MAY 18, 1994; 62 FR 37151, JULY 11, 1997; 64 FR 48111, SEPTEMBER 2, 1999; 67 FR 49756-49759, JULY 31, 2002; 72 FR 36788, JULY 5, 2007]

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## Federal Motor Carrier Safety Regulations

Continued from page 12 ►

### Medical Certification Requirements as Part of the Commercial

#### Driver's License (CDL); Extension of Certificate Retention Requirements

**SUMMARY:** The FMCSA amends its regulations to keep in effect until January 30, 2014, the requirement that interstate drivers subject to the commercial driver's license (CDL) regulations and the Federal physical qualification requirements must retain paper copies of their medical examiner's certificate. Interstate motor carriers are also required to retain copies of their drivers' medical certificates in their driver qualification files. This action is being taken to ensure the medical qualification of CDL holders until all States are able to post the medical self-certification and medical examiner's certificate data on the Commercial Driver's License Information System (CDLIS) driver record. This rule does not, however, extend the compliance dates for States to collect and to post to the CDLIS driver record data from a CDL holder's medical self-certification and medical examiner's certificate.

#### §391.23 Investigation and inquiries.

- (m) \* \* \*
- (2) Exception. For drivers required to have a commercial driver's license under part 383 of this chapter:
- (i) Beginning January 30, 2014, using the CDLIS motor vehicle record obtained from the current licensing State, the motor carrier must verify and document in the driver qualification file the following information before allowing the driver to operate a CMV:
- (ii) Until January 30, 2014, if a driver

operating in non-excepted, interstate commerce has no medical certification status information on the CDLIS MVR obtained from the current State driver licensing agency, the employing motor carrier may accept a medical examiner's certificate issued to that driver, and place a copy of it in the driver qualification file before allowing the driver to operate a CMV in interstate commerce.

3. Revise Sec. 391.41(a)(2)(i) to read as follows:

#### §391.41 Physical qualifications for drivers.

- (a) \* \* \*
- (2) \* \* \*
- (i) Beginning January 30, 2014, a driver required to have a commercial driver's license under part 383 of this chapter, and who submitted a current medical examiner's certificate to the State in accordance with Sec. 383.71(h) of this chapter documenting that he or she meets the physical qualification requirements of this part, no longer needs to carry on his or her person the medical examiner's certificate specified at Sec. 391.43(h), or a copy for more than 15 days after the date it was issued as valid proof of medical certification.

**NOTE: LOSS CONTROL SAFETY & COMPLIANCE DEPARTMENT RECOMMENDS THE CONTINUATION OF CARRYING A COPY OF A MEDICAL EXAMINER'S CERTIFICATE WITH THE DRIVER.**

## **IT/COMPLIANCE DEPARTMENT**

### ***IT/COMPLIANCE PROJECTS COMPLETED AS OF FEBRUARY 2021***

1. Approved for the NRECA IT Mentoring Program. IT Mentor assignment and conference call on meeting schedule, expectations, IT, and cybersecurity goals.
2. S&T Telephone PBX server remove voicemail email notifications.
3. Verizon cellular phone transferal and amendments.
4. S&T phone access line amendments.
5. Office 365 licensing amendments.
6. Domain software renewal.
7. Warehouse NISC community and training log in set up.
8. Laptop updates and assignment to resale for sue during training classes.
9. Victory Electric webinar on script writing, rules, and policy programming implementation into fillable forms.
10. Research company One Drive and SharePoint storage options for accessibility, storage syncing capability, and secure access.
11. Research PowerPoint and Word form conversion to Adobe fillable form and ability to resize for iPad format.
12. Share drive archiving and folder regrouping.
13. Domain drive partitioning for secure data sharing.
14. S&T Internet box replacement. Internet box crash caused an abrupt harsh shut down causing a required reset to the Operations and Domain server software, KIOSK machine restart, Verifone reprogramming, and Desktop Central software reprogramming.
15. Hard disk data record retention.
16. Researched SmartHub payment arrangement and budget billing settings programming options.
17. Call Capture outgoing call programming and testing for member service notifications.
18. Researched Dashboard module reporting options.
19. Retail multi-function printer installation to replace both a copier and a printer. Both are extremely aged and are a vulnerability on our network because they are no longer able to receive Firmware updates along with functionality issues that they have.
20. Troubleshooting employee software and device issues.

### ***IT/COMPLIANCE PROJECTS IN PROGRESS AS OF FEBRUARY 2021***

1. Domain Drive partitioning for assigned security access.
2. Desktop Central critical memory error requiring a bad RAM stick. Requested a replacement from Dell. Removed (1) 16GB RAM stick to prevent server crashing.
3. Gateway server connection errors require reprogramming.
4. Ivue bill printer software no longer supported programming conversion from DOC1 software to Print Net software to be implemented.
5. Sharp printer replacement quotes and service agreements. No longer able to update Firmware vulnerability and continued printing issues.
6. Payment arrangement record retention purging procedures.

## **CYBERSECURITY - IT DEPARTMENT**

### ***CYBERSECURITY/IT PROJECTS COMPLETED AS OF FEBRUARY 2021***

1. Sunflower Member Conference webinar cybersecurity session.
2. Researched Verizon Hot Spot and Mobile VPN security options.
3. KnowBe4 PhishER integration webinar concerning reporting of suspicious email.
4. KnowBe4 cybersecurity training.
5. Laptop critical vulnerability compatibility issue with Windows Update and Cylance Protect antivirus causing inability to secure the device. Processes were implemented to restore the device stability and additional updates applied.
6. SolarWinds vulnerabilities progress and follow up on our position concerning it.
7. ASP iVue server monthly patching.
8. Office 365 Threat Management Daily Review and Risk Mitigation.
9. Desktop Central Security Management Daily Review and Risk Mitigation.
10. Payment Gateway 1.24 patch 11 maintenance update.
11. US Payment KIOSK monthly server patching.
12. iVue network security infrastructure software upgrade on the firewall platform.
13. Operations and Domain Server Backups and Warning Alert Daily Review.
14. Domain monthly disk cleaner.
15. AppSuite Mapview TPK imagery file monthly update.

### ***CYBERSECURITY/IT PROJECTS IN PROGRESS AS OF FEBRUARY 2021***

1. Setting up Cyber Detect which is an Incident Detection and Response Software Program that will be implemented. Installed (2) 16GB RAM into Desktop Central physical server for additional space to program a Cyber Detect Hyper-V server.



1. Annual Meeting:
  - a. Meal - (for approval) in packet.
  - b. Annual Meeting Gift - employees voted, the multi-tool won.
2. Sign Update:
  - a. Limestone sign: Charles Schneip, Bazine, is going to come look at the sign to make sure the block we have will work and to provide us with a final quote.
  - b. Ness City office and Resale building: We have received quotes, deciding on sign size.
3. Continue to work on the Crisis Communication Plan
4. Started working on Sharing Success Program
5. Storm Uri Energy Emergency Crisis Communication
  - a. Log of Communication: Included in the board packet
  - b. Communication Plan for price impact messaging: Included in the board packet
6. Normal monthly KCL, social media posts, website updates, member e-blasts

## **Energy Emergency Alert Communication Log (Feb. 14 – Feb. 25)**

### **(Sunday, Feb. 14 6:33 PM): Conservation Plea (FB)**

“Energy Emergency Conservation Alert - Please Share!

The effects of widespread & extreme cold have led to increasingly tightening energy conditions across a 14-state region.

Electric consumers in Kansas have been asked to conserve energy between 12:01 am central time Monday 2/15 for 48 hours. This request is to prevent worsening energy conditions. This can happen if the demand for electricity exceeds the available supply. To prevent damage to the power grid, forced outages may be ordered of which Lane-Scott Electric does not control.

You can help protect the energy supply by turning down thermostats and avoid using unnecessary electric appliances.

Thank you - we appreciate your cooperation. Your Lane-Scott Electric Cooperative Team.”

### **(Sunday, Feb. 14 7:01 PM): Shared Gov. Kelly’s issue State of Disaster Emergency (FB)**

“Governor Laura Kelly Issues State of Disaster Emergency Due to Wind Chill Warnings and Stress on Utility and Natural Gas Providers

\*TOPEKA\* At 4:40 p.m. today, Governor Laura Kelly issued a State of Disaster Emergency due to wind chill warnings and stress on utility and natural gas providers.

The state has experienced bitter winter temperatures and below zero wind chills for more than a week, which has put stress on utility and natural gas providers across the state. The declaration authorizes the use of state resources and personnel to assist with response and recovery operations in affected counties that meet certain criteria.

As the extreme cold temperatures continue to affect the region, we are urging Kansans to conserve energy in order to help ensure a continued supply of natural gas and electricity and keep their own personal costs down,\* Governor Kelly said.\*

Because of the sub-zero temperatures which causes an increased energy demand and natural gas supply constraints, utilities are currently experiencing wholesale natural gas prices anywhere from 10 to 100 times higher than normal. Those costs will eventually flow through to consumers, and increase monthly natural gas and electric bills.

Customers can keep these costs down by reducing their natural gas and electric usage at this critical time. Here are some things each household can do to help in the conservation effort and slow down the increases in energy bills due to high usage:

- \* \*Keep warm, not hot\*. When possible wear additional layers of clothing, consider turning down your thermostat and check your programmable settings.

- \* \*Seal leaks around doors and windows\*. Apply weather stripping or caulk to seal gaps and cracks around windows and doors to stop air leaks and prevent energy loss. If that is not an option, you can also cover windows with towels, sheets or plastic to help keep the warm air in your house.

- \* \*Reduce the temperature on your water heater\*. Set the temperature on your water heater to 120 degrees Fahrenheit or put it on the warm setting. If your home will be vacant for two days or more, set the dial to the pilot position for even more savings.

- \* \*Close blinds and curtains.\* This helps keep warm air inside, especially if the sun is not shining.

- \* \*Change or clean filters\*. A clean filter on your furnace can lower your energy consumption by 5 to 15 percent. Dirty filters cost more to use and overwork the equipment.

- \* \*Hold off on doing chores.\* Doing laundry and washing dishes can both use natural gas to heat the water and your dryer. If you can, wait until the extreme cold weather passes to complete these activities. If you cannot wait, use the cold setting where possible.

\* \*Install foam gaskets on electrical switches and outlets\*. Electrical switches and outlets can account for up to 10 percent of your homes energy loss

**(Monday, Feb. 15, 11:59am): Generator Safety w/ graphic (FB & Instagram)**



With the Southwest Power Pool's (SPP) current Energy Emergency Alert and demand for energy exceeding supply, it is a good time to ensure your generator is ready to be safely used. Make sure to follow the safety instructions for your generator. If you do not have a generator, have a plan for how to keep warm in the event required outages occur. For more generator safety tips, visit our website at <https://www.lanescott.coop/generator-safety>

**(Monday, Feb. 15, 1:18pm): EEA Level 3, shared KEC post w/ this message (FB)**



"Attention Members:

This is the current situation. The State of Kansas is shedding energy loads for the protection of the grid. At this time nobody in the Lane-Scott Service Territory is being affected by this yet. However, it may happen if conditions worsen. If it happens, it will happen quickly and we will not have time to notify those who are affected.

PLEASE continue to do your part to conserve energy. Take precautionary steps to stay safe and warm. Continue to call us at 620-397-5327 or 800-407-2217 if you experience an outage. In these weather conditions, outages may occur for other reasons we need to be made aware of. If you have a generator, it would be a good time to make sure it is in a safe working condition.

Thank you - Your Lane-Scott Electric Team"

**(Monday, Feb. 15, 1:18pm): Explanation of Energy Alerts – Link from fb to our website (FB & Inst.)**

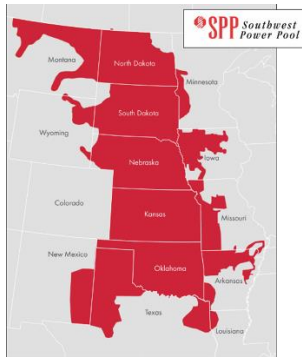
Lane-Scott Electric has been notified that the Southwest Power Pool (SPP) has issued an Energy Emergency Alert as electric grid conditions tighten further due to the persistent and extreme cold weather. These conditions have led to electric use in SPP's 14-state region to at times exceed available generation capacity.

Electric consumers are asked to conserve energy and, depending on the severity of the emergency, the SPP could direct its member utilities, including our wholesale power provider, Sunflower Electric, to be prepared to implement controlled interruptions of service if necessary. Controlled service interruptions are a last resort, and a step that is only taken when necessary to safeguard the continued reliability of the regional grid.

Our most current information will be shared on facebook at <https://www.facebook.com/LaneScottElectric>

Get the most recent information from our power provider at <https://www.sunflower.net/statements/>.

Monitor current grid conditions on the SPP website at <https://spp.org/markets-operations/current-grid-conditions/>.



Extreme cold weather and natural gas supply issues have created energy deficiencies in the Southwest Power Pool's (SPP) region, leading the SPP to declare formal alerts associated with low generating capacity for the entire SPP footprint throughout the next week.

The Southwest Power Pool (SPP) is the regional transmission organization that oversees the electric grid and the dispatching of electric generation sources based on system constraints and availability. SPP works with generation and transmission utilities across 14 states like Lane-Scott Electric's wholesale power supplier, Sunflower Electric, to ensure reliable supplies of power, adequate transmission infrastructure and competitive wholesale electricity prices.

A responsibility of SPP is to declare and communicate the existence of any emergencies related to capacity and/or energy emergencies within the SPP area as necessary to manage, alleviate or end an energy emergency. This is done by issuing formal alerts based on SPP Energy Emergency Alert Level system.

1. **Energy Emergency Alert Level 1 (EEA1)** - signals that SPP foresees or is experiencing conditions where all available resources are committed to meet firm load obligations and that we may be unable to sustain its required contingency reserves.
  1. The SPP issued an EE1 on Sunday, Feb. 14. Typically, an EE1 does not elicit an appeal for energy conservation, but the weather forecast led SPP to preemptively ask electric utilities to issue appeals for energy conservation for the next several days with the goal of averting planned electric interruptions in the upcoming days.
2. **Energy Emergency Alert Level 2 (EEA2)** - An EEA2 signals that SPP is no longer capable of providing its expected energy requirements and is now energy deficient. EEA2 requires the public appeal for energy conservation efforts.
  1. SPP declared an EEA2 beginning at 7:22 a.m., central time Monday, Feb. 15. SPP issued a public appeal for energy conservation. This request for energy conservation will remain in effect until further notice to mitigate the risk of more widespread and longer-lasting outages.
3. **Energy Emergency Alert Level 3 (EEA3)** - An EEA3 is triggered if SPP has to utilize operating reserves below the required minimum or ask our members to implement controlled service interruptions (rolling blackouts)

#### **Why is this happening and what caused the issuance of an energy emergency?**

High market prices and the declaration of energy emergency alerts are due to a number of factors resulting from widespread, long-lasting and extreme cold weather. These factors include, but are not limited to, high electricity use across the entire SPP system, inadequate supply and high prices of natural gas, and low supply of wind generation and wind-forecast uncertainty.

When conditions exist that could lead to an energy deficiency, SPP coordinates with its load-serving utilities to issue a public appeal for energy conservation. The goal of this action is to reduce the overall system load and keep it below region-wide total generating capacity.

When a region becomes energy deficient, as it did Monday morning, the SPP declares an EEA3 and directs utilities to curtail energy use to bring load back within generating capacity limits. Should this occur, utilities will responsibly implement temporary interruptions of service (rolling blackouts) to prevent worsening system conditions that could impact a broader area or have longer-lasting effects.

#### **How will this affect electric bills?**

There is no doubt this extreme weather event and subsequent generation fuel shortage will affect the wholesale cost of power, but right now there are too many variables impacting the cost of generation to accurately predict how it will affect consumer electric bills until Lane-Scott Electric receives the whole power bill at the end of the month.

It is important to note that the wholesale cost of power is a direct passthrough from our power supplier, therefore Lane-Scott Electric is not making a profit or any additional money on the increased price of fuel and generation. Lane-Scott Electric's fixed costs are covered in the service access charge, which is reflective of the investment in the poles, wires, transformers and other equipment it takes to provide you with electric service. It also supports fleet, facility and member service functions, such as line maintenance, substation upgrades, property taxes, right-of-way clearing, and general administrative responsibilities, and is similar to a customer charge other utilities use, and the cost to generate power.

#### **How can I help conserve energy?**

Simple, effective ways for end-use consumers to meaningfully conserve energy include adjusting thermostats to cooler temperatures; scheduling appliances like dishwashers and washing machines to run during off-peak times or delaying cycles altogether; and keeping doors, windows and blinds shut to retain heat in their houses. Other energy efficiency steps include:

- Postpone using major electric appliances such as stoves, dishwashers, and clothes dryers until the energy emergency is over.
- Turn off non-essential electric appliances and equipment (radios, coffee pots, media centers, etc.).
- Turn off power strips if not in use.
- Actively turn off computers and monitors not in use (The "sleep" mode is good, but the "off" mode is better.). If possible, use your laptop computer as it uses much less electricity than your desktop computer.
- Turn off lights wherever possible (don't forget outside and decorative lighting).
- Adjust your thermostat. Reduce unnecessary use of all air conditioning/heating units.
- If you have an electric range, plan meals that require a minimum of cooking.
- Open shades and blinds during the day and close shades and blinds at night to save energy.
- Rock your winter wardrobe indoors.
- Avoid using your exhaust fans.
- If you have a fireplace, keep the damper closed when it is not in use.

#### **February 15: 5:02pm Website News Release Update:**

#### **"Southwest Power Pool restores load, anticipates that regional grid conditions will continue to evolve**

Little Rock, Ark. — After directing its member utilities to implement controlled interruptions of service shortly after noon on Feb. 15, Southwest Power Pool (SPP) has restored load to its 14-state region as of 2:00

p.m. Central time. The grid operator now has enough generation available to meet demand throughout its service territory and to fully meet its minimum reserve requirements.

The SPP system reached a peak electricity usage of 43,661 megawatts (MW) on Feb. 15, and is required to carry additional operating reserves in excess of load. After committing all of its reserves and exhausting other avenues such as importing power from other regions, available generation in SPP fell about 641 MW short of demand for a period beginning just after noon. In response, SPP directed its member utilities to implement planned interruptions of service to curtail electricity use by that amount.

Effective at 2:00 p.m., SPP cancelled the Energy Emergency Alert (EEA) Level 3 it had declared at 10:08 a.m. when its reserves were exhausted, and re-entered an EEA Level 2. SPP's forecasts anticipate that due to high load and persistent cold weather, it is likely its system will fluctuate between EEA Levels 2 and 3 over the next 48 hours and may have to direct further interruptions of service if available generation is inadequate to meet high demand.

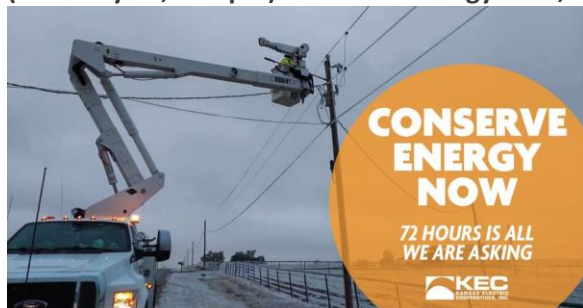
While SPP and our member companies work to maintain regional reliability, we urge consumers across our service territory to conserve electricity at home and work, and to follow their local utility's directions regarding safety, conservation, and potential outages.

Henceforth, SPP will cease distributing press releases such as this one with every declaration of an Energy Emergency Alert, and will instead publish regular system updates to social media and to its [Current Grid Conditions page on SPP.org](#).

SPP thanks the public for their cooperation and understanding during this power grid emergency. [Follow us on Twitter](#) or visit [SPP.org](#) for updates.

*About SPP: Southwest Power Pool, Inc. is a regional transmission organization: a not-for-profit corporation mandated by the Federal Energy Regulatory Commission to ensure reliable supplies of power, adequate transmission infrastructure and competitive wholesale electricity prices on behalf of its members. SPP manages the electric grid across 17 central and western U.S. states and provides energy services on a contract basis to customers in both the Eastern and Western Interconnections. The company's headquarters are in Little Rock, Arkansas. Learn more at [SPP.org](#).*

**(February 15, 5:15pm): Conserve Energy Now, shared from KEC (FB)**



The [Southwest Power Pool](#)

declared an Energy Emergency Alert (EEA) Level 3 just hours after issuing a Level 2 alert this morning. The Level 3 declaration resulted in the SPP directing its member companies to implement controlled service interruptions which were rescinded approximately an hour later. The SPP remains at EEA Level 2, however conditions will remain tight over the next 48-72 hours and the SPP could reactivate EEA Level 3 if necessary. Read more online: [kec.coop/news-releases](#)

**(February 15, 8:52pm & 8:59pm, 9:39pm) Outage notification from Sunflower voltage issues (FB)**

**(February 16, 7:35am): Outage notification load shed in Ness City (FB & Instagram)**

**(February 16, 8:14am): EEA 3 Notification, Share from KEC w/ this message (FB)**

Per KEC this morning, we are back up to a level 3, meaning load sheds may occur across our service territory. We apologize, but we are not getting much advance notice. The SPP gives the order to our power supplier, Sunflower Electric, and they have about 10 minutes to shut down where they are ordered. This is happening across a 14 state region. With the short notice, Facebook is the quickest way to inform members. Please continue to share information with those who may not have access to social media.

If you need immediate assistance during one of these events, call 911. We also highly recommend if you have a generator to have it safely ready to use. If you have medical equipment that requires electricity and do not have a generator or a back-up plan, call your local sheriff's department or emergency management to get to a location with a generator.

**(February 16, 8:14am): Rolling Outages as outage occur in Alexander, Bazine & other areas (FB)**

Rolling Outage Alert: The system wide generating capacity has dropped below current energy supplies. Our transmission operator has been ordered to shed load. To avoid long term outages, shedding will rotate around our service territory as ordered by the SPP. Remember, this is out of our control and we don't know when these will occur.

It would be a good idea to unplug your major appliances to keep them from being damaged from surges.

**(February 16, 5:13pm): EEA Update & Conservation Plea (FB & Inst.)**

Emergency Energy Alert Update : 2.16.21 4:22pm

As we head into the evening hours, we wanted to update you with what information we've received from the Southwest Power Pool. This afternoon the energy emergency alert was reduced to a Level 1. However, there is a possibility as we enter the evening and overnight high demand hours that we may enter back to Level 2 or Level 3. Load shed may occur in our service territory if this occurs.

Please continue to conserve you energy use as much as possible. Find out how at:

<https://www.lanescott.coop/how-reduce-your-energy-use>

We ask that you continue to call in your outages by calling 620-397-5327 or 800-407-2217. Most likely an outage would be caused by the load reduction mandates, but there's always a possibility it's something else.

**(February 17, 9:11am): EEA Update & Share from Sunflower w/ this message (FB)**

Good Morning! We've received good news this morning that nobody was shed last night. Per Sunflower Electric, we are still in an Emergency Alert 2, which means we are still pushing energy conservation to prevent mandatory outages. It does sound like right now is a critical time and this could change rapidly. We would like to thank all of our members from homes to pipelines who continue to conserve energy at this critical time!

**(February 17, 1:01pm): Ness City Power Outage notification not due to load shed, but open breaker at substation. (FB)**

**(February 17, 4:52pm): EEA Update, Sunflower share & the following message (FB)**



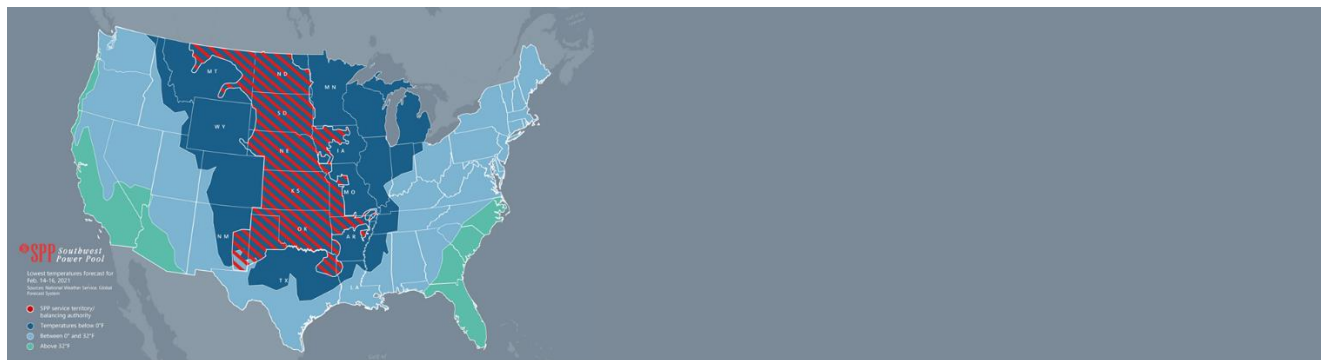
We are improving, but not out of the woods yet! At 4:38pm we received notice we are still at a Level 1 alert. This means all available energy resources are being used and there is concern about the SPP's availability to maintain contingency reserves. It is unlikely a shedding event will need to happen if it continues as is. We have had outages the last couple of days that were not a shed directed order, but from load effects on the transmission line and substations. We are still asking that everyone continue to conserve energy to keep these from happening or getting to another Level 2 or 3 EEA. Thank you all for your continued efforts and as always if there is an outage call 620-397-5327 or 800-407-2217.

### **(February 17, 8:59pm): Conserve Energy Please w/ Sunflower update (FB)**

At 6:20 p.m. The SPP upgraded its Emergency Energy Alert (EEA) to Level 2. The SPP continues to urge all homes and businesses throughout its 14-state region to conserve electricity, but the SPP is not directing any interruptions of service at this time. Thank you for all you are doing to help. Every light switched off makes a difference.

### **(February 18, 9:36am): EEA Update w/ SPP & cold temp map (FB)**

Good news this morning! We have been lowered to an EEA level 1, meaning it's still critical but unlikely we will experience rolling outages today. We wanted to share this map to illustrate why the SPP region has been so affected by the cold-weather event. The dark blue area saw temps below 0.



### **Southwest Power Pool**

Why has the SPP region been so affected by the current cold-weather event? This map shows overlap between the coldest temperatures in the nation and SPP's 14-state balancing authority area

### **(February 18, 2:20pm): EEA Update & Conservation Please**

GREAT NEWS! We are no longer in an Energy Emergency Alert (EEA) of any level. Thank you to all of our members who worked to conserve energy this week. It remains important that members continue to conserve energy to their best ability. This will aid in keeping the entire 14-state system in balance until temperatures and the price of natural gas normalize. Market prices for electricity remain high. Conservation efforts at your home or business can help reduce your cost of electricity. At this time, we don't know how this event will affect members' bills. Our advice would be to keep conserving for the month of February. Once we understand the total impact, we will work to inform our members



**(February 19, 5:52pm): Conservation Plea to help (FB & Inst.)**

Thank you again to all our members who helped conserve energy and for enduring short outages to avert long-term damage to the electric system. While the crisis has passed, we are faced with the effects of high priced wholesale fuel, mainly high natural gas prices.

We are urging everyone to continue being energy efficient to help mitigate cost impacts to your electric bill. We will be providing more information soon as we work together to make this emergency as manageable as possible.

**(February 20, 4:40pm): Conservation Tips (Social Media)**



One of the simplest ways to conserve energy is by reducing your water heater temperature to 120 degrees. This temperature will still be comfortable and sanitary but save energy on heating water in your home.

For additional energy saving tips go to: <https://www.lanescott.coop/efficient-energy>

**(February 21, 6:45pm): Conservation Tips (Social Media)**



Help save energy, turn off power strips when not in use. Electronics plugged into power trips such as televisions, cell phone chargers, radios and coffee pots can use electricity even when not turned on.

For more energy saving tips, go to: <https://www.lanescott.coop/efficient-energy>

## February 22: Price Impact/Conservation Plea

### 1. Website News Story, Press Release for Newspapers, and Email Blast (Went to 1,312 of our members who have email addresses):

PRESS RELEASE

Lane-Scott Electric Cooperative, Inc.

Monday, February 22, 2021

High Wholesale Fuel Prices Will Continue to Impact Utilities

Dear Members,

Thank you for your energy conservation efforts this past week. Your conservation efforts as well as short-term electric interruptions, averted long-term damage to the electric system and widespread blackouts. February's temperatures led to history making conditions across the electric grid. The cause was due to a shortage of natural gas, high electricity demand, transmission overload, and low wind energy production.

Unfortunately, with the record breaking cold comes record breaking wholesale fuel prices. We are now faced with the effects of the high energy supply commodity prices. While we will not know the full impacts to Lane-Scott's power bill for the month of February until the beginning of March, we are expecting it to be at least 4 times your normal, monthly average. Our team is working on a plan on how best to handle the situation to make it as manageable as possible for the cooperative and for you, our members.

**We urge you to CONTINUE conserving energy through the month of February to help reduce your cost of electricity.** To give you an idea of the impact not just to you, but anyone with a utility bill; prior to the recent cold weather, electric providers had access to natural gas ranging from \$2.75/mmBtu (one million British Thermal Units) to \$4.15/mmBTU. From February 13-18, the price ranged from \$339/Btu to \$999/mmBtu. Unfortunately, this means higher upcoming electricity bills for everyone. Please know, these prices are "pass through" prices, meaning we pass them along to members without making a profit or any additional money on the increased price of fuel and generation.

Here's an explanation of electrical bill charges: Bills consist of 3 parts in addition to the taxes and franchise fees. 1. The electricity usage, actual kilowatt hours (kwh) used at that meter. 2. The Energy Cost Adjustment (ECA) which is the cost of power and will fluctuate to cover market cost 3. The customer charge, which is a flat monthly rate determined to generally cover the fixed expenses associated with having electricity service, regardless of how much electricity is used. The charge being affected by this energy crisis is the ECA. So, while you may have experienced an outage for a few hours, the remaining 21 or 45 or 69 plus hours that you had electricity was generated at a much, much higher, market price. Non-residential members will also have a Demand charge which measures the capacity of energy they demanded from the power grid.

Many members take advantage of our ability to draft their bank accounts or apply the billings to their credit cards. Please review that ability of your account to accept a billing that could be at least 4 times the normal amount.

We will continue to communicate with you directly once we have the full details and a plan on how best to mitigate the situation. We will contact you directly by phone, direct mailing, e-mail (if you've signed up for SmartHub or have provided us with an e-mail address), and on our [www.lanescott.coop](http://www.lanescott.coop) website page.

For energy efficiency tips, visit our website at <https://www.lanescott.coop/efficient-energy> .  
Thank you for your understanding,

Your Lane-Scott Electric Team

2. **Smarthub Alert Message:** Due to effects of high-priced wholesale fuel, we recommend you Continue to Conserve Energy to help mitigate costs to your February bill. For more information, visit our website at <https://www.lanescott.coop/press-release-feb-22-2021>
3. **IVR Phone Message (successful phone calls to 2,005 members):** We recommend you Continue to Conserve Energy through the month of February to help mitigate cost impacts to your utility bills. The high price of wholesale fuel continues to break records and we are now faced with the effects of high energy commodity prices. Visit our website at [lanescott.coop](http://lanescott.coop) for more information.
4. **Social Media:** You all have heard by now that this past week's energy emergency crisis has triggered high wholesale fuel prices. We continue to urge energy conservation through the month of February! We will not know how much our energy bill will be affected until the end of the month. Please know we are working on how to keep the impacts minimal for our members.



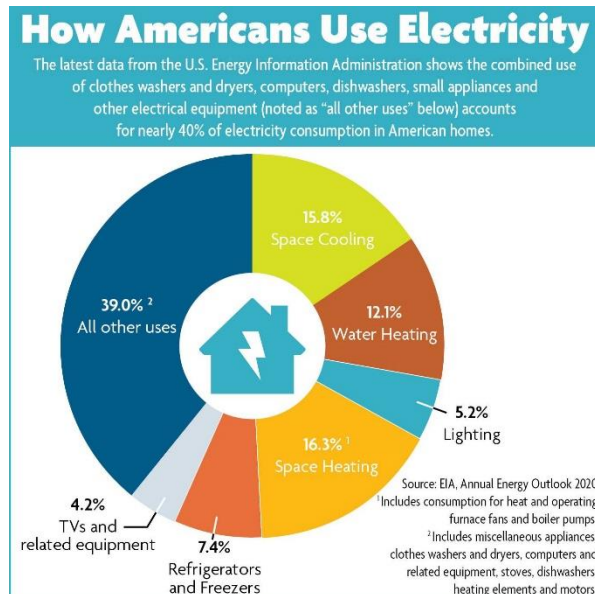
## Tuesday Feb. 23: Social Media Post, How Americans Use Electricity

Nearly 40% of energy use is from a combination of washers & dryers, computers, dishwashers, small appliances, and other electrical equipment.

Space Heating and Cooling is a close second with 32% of home use.

Follow these energy efficiency tips for your home to save a little energy and money!

<https://www.lanescott.coop/efficient-energy>



## Thursday, Feb. 25: Social Media Post – Keep Conserving Graphic w/ Post:

The well-being of co-op members is our priority. We are determining how best to mitigate the cost impact from February's historic weather events. Electric co-ops can not control the cost impacts from high power supply bills, but we can control how members receive the impacts.

Be assured, OUR MEMBERS WILL NOT SEE A ONE TIME CHARGE FOR THOUSANDS OF DOLLARS! Lane-Scott Electric will not know the full extent of the effects until we receive our power bill at the end of the month. In the meantime, we are working around the clock to find a manageable solution for our members.

We appreciate your patience! Every utility will be handling the situation differently. What one cooperative is doing may not be what their neighbor is. Please make sure the information you are receiving is from Lane-Scott Electric in this matter. If you have questions, PLEASE CALL!

## Lane-Scott Electric Communications Plan

### Member Payment Options Following Energy Emergency Alert

The below means of communication may be used to deliver our upcoming message, or any message we wish to communicate to our members. At this time, the specific messaging is TBD pending board input of tonight's meeting.

**Website:** Use as a tool to keep press releases/letters/action members need to take. News articles and alert banners are most relevant.

**Direct Member Contact:** Reaches every member.

**Mailing to Members** – Direct mail first class letter to each member or Bill Insert.

Opt 1: Direct mail first class letter, same as bills (3200):

NISC Special Mailing: 1-2 weeks lead time

NISC Cost: aprox. \$2,750

Opt. 2: Letter inserted w/ first bill impacted (colored paper to stand out)

NISC Cost: \$300-\$350

Opt. 3: Direct first-class letter, active customers (2,273):

Printed/mailed & stuffed from LSEC office

Shorter time, employee time

Cost: materials + aprox. \$1160 postage

**IVR Phone Message** – Reach every member. Short message directing them to the website press release/letter/action message.

Timing: The IVR system is not a quick messaging tool. It takes several days for calls to go through the queue for all members.

**Email Blast** – Reach members with SmartHub accounts or who have signed up to receive e-mails. Full press release/letter/action message.

Quick option, but only 46% of our members have working e-mail addresses.

**Short Billing Message:** Included on the bill. Limited to 60 characters.

Reaches all members. Could be used as a reference to our website, or messaging to the effects of: "Bill Impacts from Storm Uri will not be reflected until April."

**KCL March Magazine:** Manager's article, "Winter Storm Uri: "Working Together to Manage an Emergency

**Newspapers:** Press release

Timing: Dighton Herald, Ness News, Jetmore Republican, Scott Record go out Tuesday/Wednesday. Deadlines are the previous Friday/Monday.

**Social Media:** Short messages with graphics, include link to website.

Timing: Immediate

Use multiple Facebook news pages to reach more members.

Also reaching non-members, which can sometimes be a con.

**SmartHub Alert:** Alert that shows up on the members SmartHub home screen. Short messages, can direct to the website for more information.

**Public Town Hall Meetings:** If needed during March after bills are received.

Potential Communication Pieces:

1. LSEC's plan on how member's bills are affected.
2. Direct contact with auto-withdraw members:
  - a. Timing may require individual phone calls to members.
  - b. IVR messaging to those who have auto-withdraw and are SmartHub members to discontinue their auto-withdraw themselves through SmartHub. Or to call us.
  - c. E-blast directly to these members
  - d. Might set up a website webform for members to request removal of auto-withdraw.
3. Budget Billing : Depends on the final plan, but would be direct contact with existing budget billing.
  - a. Most likely require individual phone calls
  - b. Website Webform for Budget Billing Contract to decrease additional work of emailing contracts for signature.